

Bunbury - Harvey Regional Council

Council Agenda



For the Ordinary Council Meeting of

23rd July 2015

**BUNBURY-HARVEY REGIONAL COUNCIL
AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON 23RD JULY 2015**

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BUNBURY-HARVEY REGIONAL COUNCIL

MEETING NOTICE AND AGENDA – 23RD JULY 2015

TO: THE CHAIRMAN AND COUNCILLORS

NOTICE is hereby given that an Ordinary meeting of the Bunbury-Harvey Regional Council will be held at **City of Bunbury – Waste Operations Depot, 21 McCombe Road, Davenport, commencing at 4:00pm.**

Your attendance is respectfully requested.

TONY BATTERSBY
CHIEF EXECUTIVE OFFICER

AGENDA

1. Attendance, Apologies & Leave of Absence

<i>Name</i>	<i>Attended</i>	<i>Apologies</i>	<i>Leave of Absence</i>
Cr. Judy Jones (City of Bunbury)			
Cr. Neville McNeill (City of Bunbury)			
Cr. Murray Cook (City of Bunbury)			
Cr. Peter Monagle (Shire of Harvey)			
Cr. Greg Campbell (Shire of Harvey)			
Tony Battersby – CEO			
Michael Parker – CEO Shire of Harvey			
Chris Welham – Accountant			
Martinette Pieterse – Secretary to CEO			

2. Public Question Time

3. **Summary of Response to previous Questions taken on notice**

4. **Applications for leave of absence**

5. **Confirmation of Minutes**

Minutes of the Ordinary meeting of Council held 25th June 2015 and Minutes of the Special meeting of Council held 16th July 2015.

6. **Petitions and Memorials**

7. **Declarations of Interests**

8. **Announcements (by the presiding member without discussion)**

9. **Reports of Committees**

10. **Business of Previous Meeting**

11. Reports of Officers

11.1 Financial Statements for the period ended 30 June 2015

Reporting Officer: Chris Welham, Accountant

File Number:

Attachments: Appendices 1 to 7

Summary

The following comments are provided on the key elements of Council's financial performance.

1. Statement of Comprehensive Income (**attached** at Appendix 1)

a. Year-to-date Financial Performance to 30 June 2015

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	4,359,834	4,922,519	(562,685)	<i>unfavourable</i>
Year-to-date expenditure	3,755,629	3,558,930	(196,699)	<i>unfavourable</i>
Year-to-date operating surplus	604,206	1,363,589	(759,383)	<i>unfavourable</i>

2. Capital Works (**attached** at Appendix 3)

Year-to-date capital expenditure	457,444	511,767	54,323	<i>favourable</i>
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3. Balance Sheet (**attached** at Appendix 4)

Current Assets of \$7,352,818 includes:	Actual
Cash and Cash Equivalents	6,942,290
Trade and Other Receivables	401,113
Prepayments	7,593
Inventories	1,822

Current Liabilities of \$508,666 includes:	
Trade and Other Payables	361,260
Provisions	147,406

Working Capital (Current Assets *less* Current Liabilities) is 6,844,153

Equity (Total Assets *less* Total Liabilities) is 9,655,729

Reserves of \$4,837,526 include:	
Plant and Infrastructure Reserve	436,365
Site Post Closure Rehabilitation Reserve	3,280,464
Waste Minimisation Reserve	608,551
Banksia Road Construction Reserve	512,146

4. Investments

Total of \$6,879,747 includes:	
ANZ Banking Group	2,934,941
Commonwealth Bank	641,024
National Australia Bank	3,303,782

Background

A financial management report is provided to Councillors on a monthly basis which includes the following summaries:

- Statement of Comprehensive Income (**attached** at Appendix 1)
- Banksia Road Operations (**attached** at Appendix 2)
- Statement of Financial Activity (**attached** at Appendix 3)
- Capital Works Expenditure Summary (**attached** at Appendix 4)
- Balance Sheet Summary (**attached** at Appendix 5)
- Statement of Net Current Assets (**attached** at Appendix 6)
- Fees and Charges Summary (**attached** at Appendix 7)
- Debtors Report (**attached** at Appendix 8)

These summaries include the February Budget Review changes adopted by Council.

Legislative Compliance

In accordance with the provisions of Section 6.4 of the Local Government Act 1995 and Regulation 34(1) of the Local Government (Financial Management) Regulations 1996, a Local Government is to prepare each month a Statement of Financial Activity (Attached at Appendix 2) reporting on the revenue and expenditure as set out in the annual budget under Regulations 22 (1) (d) for this month.

At the Council Meeting on 10 July 2014, Council adopted that a variance between actual and budget-to-date of greater than or equal to 10% and \$15,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2014/15.

The following is an explanation of significant variances identified in the Statement of Comprehensive Income and the Statement of Financial Activity:

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees - Casual tipping is less than expected due to the fall off in waste from Perth area with the diversion of waste to Perth Waste's own new landfill.	\$ (266,215) (14)%
Sale of scrap Metal. Actual sales are under budget due to reduced market prices.	\$ (24,124) (19)%
Banksia Road Compost Sales - It was expected that one customer would take the entire Banksia Road stockpile but this did not eventuate. New corporate customers are being sought.	\$ (111,306) (74)%
Interest Earnings	
A recalculation to the end of the financial year has indicated that interest earnings are less than budgeted.	\$ (40,095) (15)%
Other Revenue	
Landfill Levy Income. This is 25% below budget due to lower tonnages being received from Perth metro area this year because Perth Waste has been using their own new landfill.	\$ (143,540) (25)%

Operating Expenditure	
Materials and Contracts	
Organics Expenditure includes \$42K paid in June for rental of Mobile Aerator equipment from February 2014 to June 2015. If the tender from this contractor for the purchase of Compost Aerator units is successful, a 50% rebate on this rental cost may be realised.	\$(29,985) (18)%
Waste Transfer Station costs include a service in June on the Telehandler costing \$10K including \$3.5K for friction plates.	\$(24,419) (24)%
Earthworks Operations cost include \$85K for a rebuild of the Bomag Compactor which should extend its life a further 4 years, and \$38K for Equipment hire whilst the Bomag was being repaired.	\$(136,909) (56)%
Monitoring Bores This variation reflects the cost of monitoring extra bores which have been required by the Department of Environment regulation.	\$(15,985) (50)%
E-Waste Recycling This variation in costs is due to high volumes of electronic waste being received and recycled and includes \$10K for replacement of refrigerant recovery equipment which has been recouped from our insurers.	\$(20,090) (211)%
Depreciation Expense A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,128) (14)%
Other Expenditure	
Landfill Levy Expense is below budget in line with decreased Levy received from customers as above. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$130,975 25%
Statement of Financial Activity	YTD Actual to YTD Budget Variance
Revenues by Nature and Type	
Fees and Charges are below budget for the following reasons: Casual Tipping Fees. Casual tipping is less than expected due to the fall off in waste from Perth area with the diversion of waste to Perth Waste's own new landfill. Sale of scrap Metal. Actual sales are under budget due to reduced market prices. Banksia Road Compost Sales. It was expected that one customer would take the entire Banksia Road stockpile but this did not eventuate. New corporate customers are being sought.	(398,573) (10)%
Interest Earnings A recalculation to the end of the financial year has indicated that interest earnings are less than budgeted.	\$(40,095) (15)%
Other Revenue This is 19% below budget year-to date which is mainly made up of lower landfill levy income due to lower tonnages being received from Perth metro area so far this year because Perth waste has been using their own new landfill.	\$(122,948) (19)%
Expenses by Nature and Type	
Materials and Contracts This variance includes extra plant and equipment maintenance and associated hire costs for the Bomag and Telehandler (to defer the cost of capital replacements); the cost of monitoring extra bores required by the DER; and the high volume of electronic waste recycling and associated costs, as detailed in the explanations of significant	\$(203,749) (17)%

variances identified in the Statement of Comprehensive Income above.	
Other Expenditure includes \$130,975 saving in landfill levy expense. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$137,245 18%
Capital Expenditure Stanley Road infrastructure costs include a contract variation of \$5K for Waste Transfer Station Construction. The semi-automatic bin tarpaulins have been carried forward (saving \$30K). Banksia Road is favourable due to saving on the cost of screening plant, and various small items (sea container, water tank, odour granule broadcaster and litter fence) were not required.	\$54,323 11%
Depreciation Expense A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,128) (14)%

Executive Recommendation

The Financial Statements for the period ending 30 June 2015 be received.

11.2 Payments of Accounts for June 2015

Reporting Officer: *Chris Welham, Accountant*
File Number: -
Attachments: *Summary of Accounts Paid for June 2015*

Précis

Section 13 (2) of Government (Financial Management) Regulations 1996 require that where Local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing detail for each account paid since such list was prepared. This item is presented to Council to advice of payments made for June 2015.

Background

As noted above.

Officer Comment

The attachment details all payments made for June 2015.

Consultation

Nil

Financial Implications

As per the declaration within the schedule summary, the accounts have been checked and are fully supported by vouchers and invoices and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations and costings. Sufficient allocations are contained within the 2014/2015 budget to cover payment of the accounts.

Statutory Environment

Sections 12 and 13 of the Local Government (Financial Management) Regulations 1996 apply.

Strategic Implications

Nil

Policy Implications

Nil

Voting Requirement

Simple Majority

Officer Recommendation

That the attached summary of schedule of accounts paid for June 2015 be received.

12. General Business

12.1 Operational Update for July 2015

Reporting Officer: *Tony Battersby, Chief Executive Officer*

File Number: -

• ***Stanley Road Expansion***

Talis Consultants will be conducting some feasibility costing into the following:

1. Constructing lined cells at Stanley Road for medium to long term solutions of waste disposal for the City of Bunbury and the Shire of Harvey, will require DER approval.
2. Application of amendment to current licence put through to the DER on expansion of existing footprint along the southern side of cell1- 2 and the valley between cell 1 – 2 and cell 3 to be filled with waste to allow for capping. These two amendments would allow for a further three years air space to be landfilled which equates to four years with the existing air space on cell 3.

Correspondence received from DER has given the undertaking that the matter will be completed with-in the next four weeks.

• ***Bunbury Wellington Regional Grouping (BWRG)***

Talis Consultancy representatives conducted a presentation to the Southwest Group of Councils on the draft report on Regional Waste.

Waiting for Regional Waste Management Strategy to be released to all Councils.

• ***BHRC Administration Staff Office Location***

A review of the current arrangement with the City of Bunbury for BHRC to utilise office space at the McCombe Road depot will be undertaken to determine the best location for staff short term and long term.

• ***Tender for Mobile Aerated Floor Expansion***

A tender is currently being completed for the purchase of (3) three sets of mobile aerated floors for the Compost Facility; (2) two sets are currently being hired on a monthly basis. Funding for the mobile aerated floors is from the Waste Authority Wellington Group of Councils Investment Funding.

- **Waste to Energy**

Worsley conducted an on sight meeting between Talis Consultants, myself and representatives from Worsley on the feasibility of modifying their existing boilers to accept municipal waste or the cost to construct a purpose built waste to energy facility.

I have requested a meeting with Worsley to follow up any findings and outcomes from previous meeting.

- **Wellington Group Regional Waste Education Program**

New memorandum has been signed by all Councils in the Wellington Group except Shire of Collie who will be presenting it to their Council in the last week of July 2015. Memorandum is for a (5) five year term and consist of one (1) and a half (½) fulltime Education Officers.

- **Third Bin Organics Audit**

Organics Audit - [Attached](#)

- **Staff Matters**

Olivia Barnett – Maternity leave for six months starting 24th July 2015.

13. **Confidential Reports**

14. **Notices of Motion**

15. **Next Meeting**

To be held on Thursday 27 August 2015 at the **City of Bunbury Waste Operations Depot, 21 McCombe Road, Davenport, commencing at 4:00pm.**

16. **Closure**

