



Ordinary Council Meeting

Minutes

22 June 2017

Bunbury-Harvey Regional Council

Lot 45 Stanley Road, Wellesley
Western Australia

Correspondence to:
Post Office Box 111
Australind WA 6233

Ordinary Council Meeting Declaration of Opening

The Chairman declared the meeting open at **3:59pm**.

These Minutes are confirmed as being true and correct by Council – **RESOLUTION: OC81023-1479**

Cr Judy Jones
Chairman

Mr Tony Battersby
Chief Executive Officer

Minutes 22 June 2017

Council Members:

Member Name	Representing
Cr Judy Jones	City of Bunbury (Chairman)
Cr Jaysen Miguel	City of Bunbury
Cr Murray Cook	City of Bunbury
Cr Peter Monagle	Shire of Harvey
Cr Bill Adams	Shire of Harvey (Deputy Chairman)

Ex-officio Members (non-voting):

Member Name	Representing
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Michael Parker	Chief Executive Officer (Shire Of Harvey)
Mr Mal Osborne	Acting Chief Executive Officer (City of Bunbury)

Support Staff:

Name	Title
Ms Martinette Pieterse (minute taker)	Secretary
Chris Welham	Accountant

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ATTACHMENTS:

- Attachment 1** - **Draft Corporate Revenue Debt Collection Policy**
- Attachment 2** - **Draft Budget 2017-2018**
- Attachment 3A** - **Letter of Final Demand send to Aurigen Pty Ltd**
- Attachment 3B** - **Correspondence Received from Lothbury Advisory Pty Ltd on behalf of Aurigen Pty Ltd**
- Attachment 4** - **DER Letter of Response - Suspected Contaminated Site**
- Attachment 5** - **Draft Establishment Agreement**

1. Attendances

Council Members:

Member Name	Representing
Cr Judy Jones	City of Bunbury (Chairman)
Cr Murray Cook	City of Bunbury
Cr Jaysen Miguel	City of Bunbury
Cr Peter Monagle	Shire of Harvey
Cr Bill Adams	Shire of Harvey (Deputy Chairman)

Ex-officio Members (non-voting):

Member Name	Representing
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Michael Parker	Chief Executive Officer (Shire of Harvey)
Mr Mal Osborne	Acting Chief Executive Officer (City of Bunbury)

Support Staff:

Name	Title
Mr Gavin Harris	Director Works and Services (City of Bunbury)
Miss Martinette Pieterse (minute taker)	Secretary
Mr Chris Welham	Accountant

1.1 Apologies

Nil

1.2 Approved Leave of Absence

Nil

2. Public Question Time

Nil

3. Summary of Response to previous Questions taken on notice

Nil

4. Applications for Leave of absence

Nil

5. Confirmation of Minutes

Council Decision: **Moved:** Cr Murray Cook **Seconded:** Cr Jaysen Miguel

The minutes of the Ordinary meeting of Council held on 25 May 2017, are confirmed as a true and accurate record.

CARRIED
5/0
OC81023-1474

6. **Petitions and Memorials**

Nil

7. **Declarations of Interests**

Cr Bill Adams declared his interest with relationship (father/son) with Russell Adams, who's employed by the BHRC.

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

Nil

9. **Reports of Committees**

Nil

10. **Business of Previous Meeting**

Nil

11. **Reports of Officers**

11.1 **Financial Statements for the period ending 30 April 2017**

Reporting Officer: Chris Welham, Accountant

File Number:

Attachments: Appendices 1 to 8

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 31 May 2017

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date income	5,291,547	4,679,408	612,139	<i>favourable</i>
• Year-to-date expenditure	4,921,639	3,937,958	(983,681)*	<i>unfavourable</i>
• Year-to-date operating surplus	369,908	741,450	(371,542)	<i>unfavourable</i>

Note: The unfavourable expenditure variance of \$983,681 is due to the inclusion of a provision for doubtful debts expense of \$1,060,186.

2. Statement of Financial Activity (**attached** at Appendix 3)

Closing Funding Surplus to 30 June 2017 is forecast at \$6K which is \$447K less than the Revised Budget Closing Surplus of \$509K.

Total wrong should be:
\$62,000K not \$6K

3. Capital Works (**attached** at Appendix 4)

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date capital expenditure	1,364,904	1,376,691	11,787	<i>favourable</i>

4. Statement of Financial Position (**attached** at Appendix 5)

	Year-to-date	Forecast
• Current Assets of \$6,998,843 includes:		
○ Cash and Cash Equivalents	6,642,659	6,906,314
○ Trade and Other Receivables	354,224	306,830
○ Inventories	1,960	2,000
• Current Liabilities of \$342,249 includes:		
○ Trade and Other Payables	177,862	209,224
○ Provisions	164,387	180,211
• Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,656,594	6,825,709
• Equity (Total Assets <i>less</i> Total Liabilities) is	10,963,658	11,121,063
• Reserves of \$5,975,256 includes:		
○ Plant and Infrastructure Reserve	340,287	506,800
○ Site Post Closure Rehabilitation Reserve	3,341,121	3,252,341
○ Waste Minimisation Reserve	720,654	824,511
○ Stanley Road Lined Cell Construction Reserve	539,885	541,356
○ Site Acquisition and Investigation Reserve	1,033,309	1,636,565

5. Investments

• Total of \$6,677,258 includes:	
○ Bankwest	1,258,582
○ Commonwealth Bank	524,968
○ National Australia Bank	4,893,708

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)
- Statement of Financial Position (**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)

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 3) 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 28 July 2016, 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 2016/17.

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 Favourable year-to-date budget variance mainly due from higher tonnages being received from outside the Bunbury-Harvey Region. This is due to the waste body preparation for capping as the Council has received an amended licence for the Stanley Road site on the 21/10/2016. An end of year forecast adjustment has been made.	\$375,353 20%
Banksia Road Sale of Compost Revenue Unfavourable year-to-date budget variance. It is anticipated that there will be higher monthly sales during June.	(\$34,354) (33%)
Other Revenue	
Insurance Reimbursements Favourable year-to-date budget variance due to the recoup of worker's compensation payments. An end of year forecast adjustment has been made.	\$23,697 74%
Landfill Levy Income Favourable year-to-date budget variance due to the increased tonnage and casual tipping fees being received from the Perth area. Please refer to the comments on Casual Tipping Fees above. An end of year forecast adjustment has been made.	\$308,750 48%
Operating Expenditure	
Materials and Contracts	
Organics Expenditure Favourable year-to-date budget variance due to savings in Plant and Equipment Maintenance compared to the previous financial year.	\$20,602 11%
Site Rehabilitation expenditure Favourable year-to-date budget variance due to later than expected building of Gabion Wall and purchase of new bulldozer for site rehabilitation. An end of year forecast adjustment has been made.	\$324,822 82%
Land Site Investigation Favourable year-to-date budget variance due to decision to relocate the Organics processing facility to Stanley Road. An end of year forecast adjustment has been made.	\$18,337 100%
Green waste Recycling Operations Unfavourable year-to-date budget variance due to the trial use of a green waste shredder. An end of year forecast adjustment has been made.	(\$18,985) (1,692%)
Other Expenditure	
Landfill Levy Expenditure Unfavourable year-to-date budget variance due to the increased tonnage being received from the Perth area. Please refer to the comments on Casual Tipping Fees above. An end of year forecast adjustment has been made. This expenditure is fully recouped from customers.	(\$272,716) (46%)
Doubtful Debts Expense Unfavourable year-to-date variance due to the Aurigen Group Pty Ltd debt. As per Council Resolution OC81023-1473 25 May 2017, a final demand letter was issued and payment by debtor was due 15 June 2017. A provision for this debt has been made due to lack of response by the debtor and no payments received to date. This overdue account will be lodged with Dun and Bradstreet on the 16 June 2017 should the balance not be cleared.	(1,060,186) (100%)

Statement of Financial Activity	YTD Actual to YTD Budget Variance
Operating Revenues by Nature and Type	
Other Revenue Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$338,178 45%
Operating Expenses by Nature and Type	
Materials and Contracts Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$393,077 32%
Other Expenditure Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$1,345,386) (160%)

Council Decision: **Moved:** Cr Jaysen Miguel **Seconded:** Cr Bill Adams

The Financial Statements for the period ending 31 May 2017 be received.

CARRIED/LOST
5/0

RESOLUTION: OC81023-1475

11.2 Summary of Accounts paid for May 2017

Reporting Officer: Chris Welham, Accountant
 File Number:
 Attachments:

Summary

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 May 2017.

Background

As noted above

Officer Comment

The attachment details all payments made for May 2017.

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 service and as to prices, computations and costings. Sufficient allocations are contained within the 2016/2017 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

Council Decision: **Moved:** Cr Peter Monagle **Seconded:** Cr Murray Cook

That the attached summary of accounts paid for May 2017 be received.

CARRIED/LOST
5/0
RESOLUTION: OC81023-1476

11.3 DRAFT – Corporate Revenue Debt Collection Policy

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -
Attachments: **Attachment 1:** Draft – Corporate Revenue Debt Collection Policy

Précis

Bunbury-Harvey Regional Council will actively pursue all outstanding sundry debtors. All outstanding sundry debtors will be collected in accordance with the *Local Government Act 1995* and associated regulations.

Background

The BHRC has not previously adopted a Corporate Revenue Debt Collection Policy and has previously unofficially utilised the City of Bunbury Corporate Revenue Debt Collection Policy for the BHRC financial customers.

Consultation

BHRC Employees and the City of Bunbury Accounts Department personnel.

Financial Implications

The fees charged for collection are 5% of any funds collected.

Statutory Environment

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Rate and Charges (Rebate and Deferments) Act 1992

Strategic Implications

Nil

Policy Implication

Discussed in the body of the Report.

Voting Requirement

Simple Majority

Officer Recommendation

That Council adopt the Corporate Revenue Debt Collection Policy as detailed in attachment, with the inclusion of dot point 5 – Interest of the maximum amount allowed under the Act, apply after the thirty (30) day overdue account.

Council Decision: **Moved:** Cr Murray Cook

Seconded: Cr Jaysen Miguel

CARRIED/LOST
5/0

RESOLUTION: OC81023-1477

12. General Business

12.1 Operational Update – June 2017

• **Draft Budget 2017-2018 (As per Attachment 2)**

Council wants inclusion within the Budget that the Lined Cells will go ahead regardless of the Royalties for Regions Funding.

• **Outstanding Debt “Aurigen Pty Ltd”**

Final Demand (14 Day) letter were sent to Aurigen Pty Ltd – **Attachment 3A.**

Correspondence was received from Lothbury Advisory Pty Ltd on behalf of Aurigen Pty Ltd – **Attachment 3B.**

• **Request for BHRC Workshop**

A Workshop was held on Wednesday 16 November 2016 and was facilitated by Ian Watkins from IW Projects.

“Letters were sent” to the City of Bunbury and the Shire of Harvey on Friday 25 November 2016 requesting their commitment to waste disposal at Stanley Road Waste Management Facility on a long term basis, their preferred model of future Governance for the Regional Council and ownership options for Lot 45 Stanley Road Wellesley.

No further correspondence has been received from either Member Council. **The Shire of Harvey and the City of Bunbury did meet to discuss and expect to respond back to BHRC before the end of July!**

- **Stanley Road Rehabilitation**

A tender document is currently being finalised for construction of Gabion Wall and installation of Synthetic Capping with the intention of the two being completed simultaneous with each other in November – December 2017. Scope of works and specification documentation is also being completed for quotation gas monitoring wells as per DER licence. Earthworks and final fill is being completed on phase 1 with in-house work force.

- **Stanley Road New Lined Cells**

Consultants are currently preparing and finalising plans and documentation for DER Approvals for new lined cells at Stanley Road. Detailed design works, engineering drawings and Environmental Management Plan are included in the scope of works.

Timeframe Schedule

Project	Source	Start	Finish
Detailed Design Works, Environmental Management Plan & DER Approval Application.	ASK/IOLAR	Current	1 st to 14 th -July-17
DER Approvals	DER	14 th -July- 17	31st-Aug- 17
New Lined Cell Construction (Cell 1)	In-House BHRC & Contractors	1 st Nov- 17*	30 th Jun- 18*
Commence Filling New Cell	BHRC	1-Jul-20	1-Apr-26
New Lined Cell Construction (Cell 2)	In-House BHRC & Contractors	1-Jul-25	1-Apr-26

- **Pending Royalties for the Regions Funding \$3,000,000.**

Approvals for lined cells and the approval for landfilling between existing cells has been separated to both have their own application to the DER. The reason behind this is to not stall or slow down the approvals for lined cells due to possible lengthy discussions with DER on the approvals for landfilling between the existing cells.

The new cells will be designed to BEPM guidelines with a clay base, 2 meter separation of highest point groundwater level and Leak Detection System. Initial designs are indicating a 45 to 50 year worth of air space based on 73,000 to 80,000 tonne per annum throughput.

- **Stanley Road Report of a Known or Suspected Contaminated Site**

Form 1 (r.6) has been submitted to the DER on advice from groundwater monitoring contractors Hydro Solutions. A meeting with Hydro Solutions were schedule for 26 April 2017 to discuss the elevated Hydro Carbons detected and any further action required. Letter received from the DER – **Attachment 4.**

Quotations being sourced from suitably qualified Auditors, once costs are known will be included in 2017/2018 final budget.

One of the two off site monitoring wells that had elevated Hydro Carbons detected has come back in the latest round of monitoring with normal levels of Hydro Carbons.

- **New Stanley Road Administration Complex**

Currently put on hold until security of long term landfilling is finalised and future budget allocation.

Contact	Telephone	Mobile
Stanley Road Facility Enquiries	08 9797 2404	-
Chief Executive Officer	08 9711 1051	0407 990 659
Administration	08 9711 1051	-
Supervisor	-	0400 808 488
Team Leader	-	0400 779 444
Workplace Safety Advisor / Compliance Officer	-	0437 397 764
Regional Waste Education Coordinator	08 9711 1053	0408 175 444
Regional Waste Education Officer	08 9711 1053	0409 797 444

- **BHRC Standing Orders Local Law 2017**

The Proposed Standing Orders have been advertised on BHRC website, in the state and local newspapers (2 March 2017) and have been advertised on public notice boards at both of the Member Councils Administration buildings and libraries. The Proposed Standing orders were advertised for six (6) weeks and then brought back to Council for adoption (27 April 2017).

The Standing Orders were then sent to the Government Gazette on Friday 5 May 2017 and were published in the Gazette on Wednesday 10 May 2017 and a copy was sent to the Minister for Local Government. Local public notice of the Gazetted Standing Orders had to be released and was published in the South Western Times Thursday 18 May 2017 and has also been placed on Public Noticeboards of both member councils. All required and supporting documents were then sent to the Joint Standing Committee for Delegated Legislation on Friday 19 May 2017 - **COMPLETE**

- **Regional Compost Facility Relocation to Stanley Road**

GHD Time Schedules and Deliverables:

We are expecting to complete Stages 1 and 2 prior to the end of this FY (i.e. 30 June) and the entire project before the end of the calendar year (30 December) with approvals.

The following deliverables will be provided:

Stage 1 – Design basis report (draft and final)

Stage 2 – Conceptual design drawings (draft)

Stage 3 – Feasibility assessment report (draft and final)

Stage 4 - Various items (listed below):

GHD | Proposal for Bunbury-Harvey Regional Council - | 13

☐ Final concept drawings

☐ Development application report (draft and final)

☐ Operational plan (draft and final)

☐ Licence amendment application and supporting documentation (EIA) report (draft and final)

- **BHRC Establishment Agreement**

Revised BHRC Establishment Agreement has been drafted up and presented to Council Lawyers for legal comment. The Establishment Agreement will replace the existing BHRC Constitution Agreement once completed, adopted by Council and authorised by the Minister of the Department of Local Government. Draft Establishment Agreement – **Attachment 5**.

Amendment to be made to the month elections are been held (it's not in May but in October).

13. Confidential Reports

Nil

14. Notice of Motion

Nil

15. Next Meeting

To be held on Thursday 27 July 2017 at the Shire of Harvey Council Chambers, Mulgara Street, Australind, commencing at 4:00pm.

16. Close of Meeting

The Presiding Member closed the meeting at **5:05pm**.

*4:44pm - Cr Jaysen Miguel left meeting

*4:53pm - Mal Osborne excused himself from meeting to attend another meeting