



Ordinary Council Meeting

Unconfirmed Minutes 21 September 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 **4:00pm**.

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

Cr Bill Adams
Deputy Chairman

Mr Tony Battersby
Chief Executive Officer

Minutes 21 September 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 - Purchase of Capital Equipment - Evaluation Report Tender RFT1718-0002
Supply and Delivery of Wheel Loader**
- Attachment 2 - Draft SRWMF Lined Cells Business Case**
- Attachment 3 - GPS Landfill Management System**
- Attachment 4 - Regional Waste Education Annual Report**

1. Attendances

Council Members:

Member Name	Representing
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
Mr Gavin Harris	Director Works and Services (City of Bunbury)
Mr Chris Welham	Accountant
Miss Martinette Pieterse (minute taker)	Secretary
Miss Emma Clay	Waste Education Coordinator

1.1 Apologies

Cr Jaysen Miguel

1.2 Approved Leave of Absence

Cr Jones from 28 July 2017 until 21 October 2017.

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 Peter Monagle

The minutes of the Ordinary meeting of Council held on 24 August 2017, are confirmed as a true and accurate record.

CARRIED
3/0
OC81023-1497

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 31 August 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 August 2017

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date income	700,229	886,745	(186,516)	<i>unfavourable</i>
• Year-to-date expenditure	626,269	693,516	67,247	<i>favourable</i>
• Year-to-date operating surplus	73,960	193,229	(119,269)	<i>unfavourable</i>

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

Closing Funding Surplus to 30 June 2018 is forecast to remain at \$195K as per the Budgeted Closing Surplus.

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

	ACTUAL	BUDGET	VARIANCE
• Year-to-date capital expenditure	636	636	0

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

	Year-to-date	Forecast
• Current Assets of \$7,203,583 includes:		
○ Cash and Cash Equivalents	6,661,657	4,303,937
○ Trade and Other Receivables	539,027	300,000
○ Prepayments	1,787	-
○ Inventories	1,112	2,000
• Current Liabilities of \$395,830 includes:		
○ Trade and Other Payables	170,408	209,569
○ Provisions	225,421	179,882
Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,807,754	4,216,486
• Equity (Total Assets <i>less</i> Total Liabilities) is	,830,070	13,312,914
• Reserves of \$6,051,736 includes:		
○ Plant and Infrastructure Reserve	506,452	833,289
○ Site Post Closure Rehabilitation Reserve	3,149,365	2,249,483
○ Waste Minimisation Reserve	822,725	354,385
○ Stanley Road Lined Cell Construction Reserve	539,885	555,018
○ Organics Processing Reserve	1,033,309	28,747

5. Investments

• Total of \$6,581,839 includes:	
○ Bankwest	1,244,716
○ Commonwealth Bank	315,219
○ National Australia Bank	80,461
○ Westpac	4,941,443

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 27 July 2017, 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 2017/18.

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 Unfavourable year-to-date budget variance mainly due to seasonal effect of winter weather.	\$ (122,182) (32)%
Banksia Road Sale of Compost Unfavourable year-to-date budget variance mainly due to seasonal effect of winter weather.	\$ (17,493) (76)%
Other Revenue	
Landfill Levy Income Unfavourable year-to-date budget variance mainly due to seasonal effect of winter weather reducing casual tipping fees from the Perth area.	\$ (22,064) (20)%
Operating Expenditure	
Other Expenditure	
Landfill Levy Favourable year-to-date budget variance mainly due to seasonal effect of winter weather reducing casual tipping fees from the Perth area.	\$54,339 39%

Statement of Financial Activity	YTD Actual to YTD Budget Variance
Operating Revenues by Nature and Type	
Fees and Charges Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$ (171,476) (24)%
Other Revenue Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$ (17,605) (14)%
Operating Expenses by Nature and Type	
Other Expenditure Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$58,466 32%

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

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

CARRIED/LOST
3/0

RESOLUTION: OC81023-1498

11.2 Summary of Accounts paid for August 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 August 2017.

Background

As noted above

Officer Comment

The attachment details all payments made for August 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 2017/2018 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 Murray Cook

Seconded: Cr Bill Adams

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

CARRIED/LOST

3/0

RESOLUTION: OC81023-1499

11.3 Purchase of Capital Equipment

Reporting Officer:

Tony Battersby, Chief Executive Officer

File Number:

-

Attachments:

Attachment 1 - Evaluation Report

Précis

This item is presented to Council for Council to consider the approval of funds for purchasing Capital Equipment. The equipment will be utilised in the Stanley Road Waste Facility Operations and will replace the existing Telehandler Loader. The CEO is seeking Councils approval to purchase the following equipment: One (1) – New Compost Facility Loader.

Background

The purchase of one (1) New Compost Facility Loader is included in 2016/2017 Budget which was adopted by Council at the Ordinary Meeting held 27 July 2017. The Compost Facility Loader will replace the existing New Holland Telehandler Loader which is utilised in the day to day operations at the Wellington Regional Compost Facility.

Officer Comment

Funding for the Capital Equipment Purchase is included in the 2017/2018 Annual Budget. Quotations were sourced from an open tender process, advertised in Western Australian Wednesday 16 August 2017 and the Southwest Times Thursday 17 August 2017.

Contract No. RFT1718-0002 for the supply of a one (1) New Compost Facility Loader and Contract No. RFT1718 – 003 Sale of New Holland Telehandler closed at 4.00pm on Thursday 7 September 2017 and was opened by the BHRC Chief Executive Officer – Tony Battersby and the BHRC Administration Officer – Martinette Pieterse. Officers conducted an intense review on all tenders submitted and are confident with their evaluations and recommendations.

Tender Submissions

The following quotations were received: ***Supply of New Compost Facility Loader including trade-in of the existing New Holland Telehandler Loader***

Tender No. Company Address

- 1 CJD Equipment Pty Ltd - 52 Great Eastern Hwy, Guildford WA 6055
- 2 Hitachi Construction Machinery (Australia) - (No Address Supplied)
- 3 Liebherr Australia Pty Ltd - 555 Great Eastern Highway, Redcliffe WA 6104
- 4 JCB Construction Equipment Australia 230 – 232 Welshpool Road, Welshpool WA 6906
- 5 Westrac Pty Ltd - 1 Wilson Road, Bunbury WA 6230
- 6 Porter Equipment Australia - 174 Kewdale Road, Kewdale WA 6105

Outright purchase of the existing New Holland Telehandler Loader

Tender No. Company Address

- 1 Allused Pty Ltd 6 Mackay Street, Kewdale WA 6105
- 2 Polbak Pty Ltd 68 McCombe Road Bunbury WA 6230
- 3 Pickles Auctions Pty Ltd Cnr of Phoenix and Sudlow Road Bibra Lakes WA 6163
- 4 WA Machinery Brokers 39 Juna Drive Malaga WA

Consultation

Consultation with all relevant organisations and parties has been conducted through Evaluation Report, including the Bunbury Harvey Regional Council Staff and Evaluation Report Team.

Financial Implications

A budget allocation for the purchase of one (1) New Landfill Compactor, has been included in the 2017/2018 annual budget allocation for Capital Equipment Purchase GL # 49002.215.15:

1 x Compost Facility Loader \$310,000.00.

Budget allocation for Capital Income GL # 59000.615.96:

\$30,000.00 income for trade of existing New Holland Telehandler Loader

Strategic Implications

Acceptance of the Officers Recommendation is consistent with Council’s Strategic Waste Management Plan and will “facilitate the provision of a reliable essential service to the Bunbury-Harvey Regional Council customers.

Policy Implications

Nil

Voting Requirement

Absolute Majority

Officer Recommendation

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

Part A - That Council accepts the tender RFT1718-0002 submission from JCB Construction Equipment Australia for supply of one new 455ZX Wheel Loader with Hydraulic Quick Hitch and 5m3 GP Bucket with bolt on cutting edge at **\$317,574.08 + GST** .

Part B - That Council accepts the tender RFT1718-003 submission from Allused Pty Ltd to purchase the existing New Holland Telehandler Loader at **\$23,000.00 + GST**.

CARRIED/LOST
3/0
RESOLUTION: OC81023-1500

11.4 DRAFT – Stanley Road Waste Management Facility – Lined Cells Business Case

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -
Attachments: **Attachment 2:** Draft –Stanley Road Waste Management Facility Lined Cells Business Case

Précis

Bunbury-Harvey Regional Council (BHRC) intends to undertake a comprehensive upgrade to the Stanley Road Waste Management Facility to ensure long term security for the community of the Bunbury Wellington region for waste management needs into the future.

BHRC was established in 1990 as a waste management authority to manage the municipal waste generated from both the City of Bunbury and the Shire of Harvey.

Background

The BHRC passed a resolution OC81023-1427 22 September 2016 for the following:

That Council authorise the Chief Executive Officer to obtain quotes and award contract to suitably qualified consultants to prepare application for approvals to the Department of Environment and Regulations to construct new lined cells at Lot 45 Stanley Road including Detailed Design Works Plan and Environmental Management Plan.

Consultation

BHRC Staff

Financial Implications

Grant funding and future annual financial budget allocations.

Statutory Environment

- Local Government Act 1995
- DER Licence Number L8949-2016-1
- *Local Government Regulations 1996*
- *Waste Avoidance and Resource Recovery Act 2007*
- *Waste Avoidance and Resource Recovery Regulations 2008*
- *Environmental Protection Rural Landfill Regulations 2002*
- *Environmental Protection Regulations 1987*
- *Environmental Protection (Unauthorised Discharge) Regulations 2004*
- *Environmental Protection (Controlled Waste) Regulations 2004*
- *Environmental Protection (Noise) Regulations 1997*

Strategic Implications

Bunbury – Harvey Regional Council Strategic Community Plan 2016

Policy Implication

Nil

Voting Requirement

Simple Majority

Officer Recommendation

Council Decision:

Moved: Cr Murray Cook

Seconded: Cr Peter Monagle

That Council adopt the Related Party Disclosures Policy as detailed in the attachment.

CARRIED/LOST

3/0

RESOLUTION: OC81023-1501

12. General Business

12.1 Operational Update – September 2017

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

MC Milton Graham Lawyers have commenced with Legal proceedings with debt recovery against Aurigen Group Ltd

On Wednesday 23 August 2017, the Aurigen Group Ltd was placed into Voluntary Administration, COR Cordis Chartered Accountants have taken control of the operations of the Company and the Company is conducting limited trading whilst the Administrators review the financial position .

A first meeting of creditors was held on Monday, 4 September 2017 to establish that creditors were happy for COR Cordis to act as the Administrator. All required documentation has been sent to COR Cordis including proof of outstanding debt that Aurigen Group Ltd has with the BHRC.

Spoke to COR Cordis Chartered Accountants and they have advised that an expression of interest for the purchase of part or all the Aurigen Group Ltd has been advertised and is closing at close of Business Friday 15 September 2017, 36 identities have requested the prospectuses. Notification of the outcome of the expression of interest and potential sale will be advised on the 22 September 2017 with any pending settlement on the 16 October 2017.

- **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.

Letter received from City of Bunbury in regards to discussions the City of Bunbury and the Shire of Harvey have had in regards to the BHRC structure of the existing constitution and the appropriate instrument for future arrangements.

The letter advised that until such time that the City and the Shire of Harvey have concluded those discussions, it is foreseen that any amendments to the existing BHRC Constitution (1900), as well as the changes to existing Lease Agreement Payment system need to be postponed.

Letter also noted that the City of Bunbury is a member of the South West Regional Waste Group which is exploring the creation of a future Regional Waste Site; it remains committed to the continued development and operations of the Stanley Road Waste site as a regional site

- **Stanley Road Rehabilitation**

Scope of works and specification documentation is also being completed for quotation gas monitoring wells as per DWER licence. Earthworks and final fill is being completed on phase 1 with in-house work force.

Tender for construction of gabion wall has been put on hold while work on re-design is being completed to accommodate the access of trucks to the rear of site parallel to the gabion wall and the waste transfer station. The re-design works will eliminate the future need to relocate the weighbridge and gate house.

A meeting is scheduled for Friday 22 September 2017 with officers from Talis Consultants to finalise tender documentation for gabion wall construction and synthetic capping for phase one (1) installation.

- **Stanley Road New Lined Cells**

As per Lined Cells Business Case

Application to the Department of Water and Environment Regulations on approvals to clear native vegetation for the first two proposed new lined cells completed and submitted. The proposal is to

offset the required clearing with an on-site covenant of existing native bushland subject to Member Council approval and DWER approval.

The Department of Water and Environmental Regulations has requested some further information in regards to detailed ground water levels and possible effects that an earth quake could have over the engineered structure of the lined cells. All requested documentation has been supplied to the DWER.

- **Stanley Road Unlined Cells**

The application for approvals to landfill between the valley of existing landfill cells at Stanley Road has been completed and submitted to the DWER with all associated plans and design works.

No further correspondence has been received from the DWER.

- **Stanley Road Clearing Approvals**

Attached map 1 containing cleared and proposed clearing sections **and map 2 with clearing offsets.**

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

Form 1 (r.6) has been submitted to the DWER 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.

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.

KIRSA Environmental has been appointed the preferred supplier to conduct the Contaminated Site Audit, the DWER have been notified of this appointment. Initial meeting with KIRSA Environmental is scheduled for Wednesday 26 July 2017. A meeting with KIRSA Environmental was conducted with a scope of works and documentation required by KIRSA Environment agreed upon.

Initial works of all monitoring bores being resurveyed has been completed, the survey results should give a clear indication of groundwater flow in the upper and lower aquifer on the Stanley Road site.

The re-survey of the monitoring bores has been completed and supplied to KIRSA Environmental.

- **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) **Completed**

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)

- **Tender for Slow Speed Shredder**

As per Council Resolution OC81023-1495 - Council accepts the tender submission from Focus Enviro for One (1) New Edge Slayer XL Slow Speed Shredder for the **Total tender price of \$566,000.00 + GST** (this price includes optional extras Plain Breaker Bar and Extra Fine Breaker Bar, with the purchase subject to the successful two (2) week trial of the Edge Slayer XL Slow Speed Shredder that is offered in the tender at the Stanley Road Waste Management Facility. In the trial the Slow Speed Shredder must be able to successfully shred and process all waste materials detailed in the tender, including mattresses.

The Slow Speed Shredder from Focus Enviro (Edge Slayer XL) was successfully trialled on site at Stanley Road and comfortably shredded mattresses, bulk wood and bulk green waste.

Focus Enviro have been awarded the tender and have been given a purchase order for the supply of one Edge Slayer XL Slow Speed Shredder.

A news article on the BHRC purchase of Slow Speed Shredder appeared in the Bunbury Herald on Tuesday 12 September 2017.

- **Tender for Compost Facility Frontend Loader**

As per agenda.

- **Quotations for GPS Landfill Management System**

Quotations for the supply of a GPS Landfill Management System were sourced from suitably qualified companies – Position Partners Pty Ltd;
Sitech WA Pty Ltd and
CR Kennedy Survey Solutions.

After a comprehensive evaluations and price comparisons were conducted including site trials, CR Kennedy Survey Solutions were awarded the contract at **\$42,900.00 + GST**.

BHRC had an allocation of \$75,000.00 in the 2017/2018 financial budget - **Attachment 3**

- **Regional Waste Education Annual Report**

Attachment 4

13. Confidential Reports

Nil

14. Notice of Motion

Nil

15. Next Meeting

To be held on Thursday 2 November 2017 at the Shire of Harvey Council Chambers, Mulgara Street, Australind, commencing with New Councillor Inductions at 3:00pm and the Ordinary meeting at 4:00pm

16. Close of Meeting

The Presiding Member closed the meeting at **5:18pm**.