



Ordinary Council Meeting

Minutes

22 March 2018

Open Council Meetings – Procedures

1. All Council meetings are open to the public, except for matters raised by Council under “confidential items”.
2. Members of the public may ask a question at an ordinary Council meeting under “public question time”.
3. Members of the public who are unfamiliar with meeting procedures are invited to seek advice at the meeting. If unsure about proceedings, just raise your hand when the presiding member announces public question time.
4. All other arrangements are in accordance with the Council’s standing orders, policies and decisions of the Council.

Undersigned

Chief Executive Officer

Bunbury-Harvey Regional Council
Lot 45 Stanley Road, Wellesley
Western Australia 6233

Correspondence to:
Post Office Box 111
Australind WA 6233

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ATTACHMENTS

- Attachment 1 - Financial Statements for the Period Ending 28 February 2018**
- Attachment 2 - Summary of Accounts paid for Period Ending 28 February 2018**
- Attachment 3 - DRAFT Compliance Audit Return 2017**

Vision

To be a leader in the development, implementation and maintenance of innovative and sustainable waste reduction, recycling and collection services while managing waste facilities with best practice standards within an engaged community.

Mission

To ensure the delivery of an integrated, cost-effective and environmentally sound waste management system and to promote sustainable community programs and policies. Intergenerational equity – ensuring that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

Core Values

The Bunbury-Harvey Regional Council aspires to act in accordance with the following values in all its decisions and actions:

Leadership: with good leadership, employee wellbeing and performance are enhanced and consequently the organisation thrives and prospers. Leadership is a critical determinant of organisational effectiveness empowering people to help create change. This means that the essence of leadership is building and maintaining a team and guiding that team towards desired results.

Team Work: a team environment demands that you make responsible decisions; it requires you to take charge. It requires you to develop excellent interpersonal skills to interact at a much different level with your team members.

Integrity: acting with a level of trust, respect, honesty, hard work, communication and shared responsibility that is exhibited by its people.

Accountability: ensuring the collection and management of solid waste and recovered materials in an environmentally sound manner and in accordance with regulatory requirements and the Department of Water and Environment Regulation Licence Conditions.

Respect: 'respect yourself', 'respect others' and 'respect our environment'.

Innovation: embracing new and better ways to achieve improved results through creativity, inventiveness, teamwork and the adoption of appropriate new processes and technology.

Bunbury-Harvey Regional Council

Minutes

Minutes of the Ordinary Meeting of the Bunbury-Harvey Regional Council held in the Shire of Harvey Council Chambers, Administration Building, 7 Mulgara Street, Australind on Thursday, 22 March 2018 at 4:00pm.

MINUTES

1. Declaration of Opening / Announcement of Visitors

The meeting was declared open by the Presiding Member Cr Murray Cook at 4:00pm.

These Minutes were confirmed as being true and correct by Council on 26 April 2018 by Council Resolution: **OC260418-1529**

Cr Murray Cook
 Chairperson

Mr Tony Battersby
 Chief Executive Officer

2. Attendances

Council Members:	Representing
Cr Murray Cook (Chairperson)	City of Bunbury
Cr Anita Shortland (Deputy Chairperson)	Shire of Harvey
Cr Betty McCleary (Absent from meeting)	City of Bunbury
Cr James Hayward	City of Bunbury
Cr Peter Monagle	Shire of Harvey
Executive Leadership Team (Non-Voting)	Representing
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Michael Parker	Chief Executive Officer (Shire of Harvey)
Officers (Non-Voting)	Representing
Mrs Aileen Clemens	Manager Waste Operations (City of Bunbury)
Mr Chris Welham	Accountant
Miss Martinette Pieterse	Council Meeting Support Officer
Others(Non-Voting)	Representing
Mrs Kate Shaw	Regional Waste Education Officer
Mrs Tania Jackson	President (Shire of Harvey)

2.1 Apologies

Mal Osborne – Chief Executive Officer (City of Bunbury)
 Gavin Harris – Director Works and Services (City of Bunbury)

3. Public Question Time

Nil

4. Summary of Response to previous Questions taken on notice

Nil

5. Applications for Leave of Absence

Nil

6. Confirmation of Minutes

The minutes of the Ordinary meeting of Council held on 22 February 2018, are confirmed as a true accurate record.

COUNCIL DECISION:

MOVED BY: Cr Peter Monagle

SECONDED BY: Cr James Hayward

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC220318-1524

7. Petitions / Memorials / Presentations

Nil

8. Declarations of Interests

Nil

9. Announcements (by the presiding member without discussion)

Nil

10. Reports of Committees

Nil

11. Reports of Officers

11.1 Budget Review Amendment

Applicant / Proponent:	Internal			
Responsible Officer:	Chris Welham, Accountant			
Responsible Manager:	David Ransom, Manager Finance			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input checked="" type="checkbox"/>	Review	<input checked="" type="checkbox"/>
	Executive/Strategic	<input checked="" type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input type="checkbox"/>
Attachment(s):	-			

Purpose

To amend the Budget Review adopted by Council on 22 February 2018 for the period 1 July 2017 to 31 January 2018. The changes required have no effect on the forecast closing surplus of \$128,722.

Executive Recommendation

That Council:

Council approve the following amendments to the Budget Review for the period 1 July 2017 to 31 January 2018 previous adopted at Council on 22 February 2018 and adjust the budget accordingly:

1. Increase transfers to the Site Post Closure Rehabilitation Reserve by \$158,000.
2. Decrease transfers to the Plant and Infrastructure Reserve by \$158,000.

COUNCIL DECISION:

MOVED BY: Cr James Hayward

SECONDED BY: Cr Anita Shortland

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC220318-1525

Background

The Budget Review adopted by Council on the 22 February 2018 contained an error in the treatment of savings in site rehabilitation costs of \$158,000. The savings should have been returned to the Site Post Closure Rehabilitation Reserve but were instead treated as unrestricted cash. The savings were a result of the favourable tender received for the gabion wall and associated costs.

Details

To correct the mistreatment of savings from site rehabilitation costs of \$158,000 it will be necessary to return these funds to the Site Post Closure Rehabilitation Reserve and offset this by a reduction in the budgeted transfer to the Plant and Infrastructure Reserve. (Note; the additional funds to the Plant and Infrastructure Reserve were from the original forecast operation surplus which is now no longer possible).

This will result in no change to the budgeted closing surplus funds as at 30 June 2018 of \$128,722. Total reserve funds will also remain unchanged. However the Site Post Closure Rehabilitation Reserve will be \$158,000 higher and the Plant and Infrastructure Reserve will be \$158,000 lower as shown below:

	\$
Current Adopted Budgeted Closing Funds	\$128,722
Transfers to or from Reserves:	
Decrease in transfers to Plant and Infrastructure Reserve	\$158,000
Decrease in transfers from Site Post Closure Rehabilitation Reserve	(\$158,000)
Budget surplus closing Funds as at 30 June 2018	\$128,722

The forecast balance of the Site Post Closure Rehabilitation Reserve and the Plant and Infrastructure Reserve at 30 June 2018 will be \$1,388,483 and \$809,408 respectively.

Consultation

Tony Battersby – Chief Executive Officer.

Statutory Environment

Regulation 33A of the *Local Government (Financial Management) Regulations 1996* requires:

- 1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
- 2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- 3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

***Absolute majority required**

- 4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

Policy Implications

Nil

Financial Implications

Specific financial implications are as outlined in this report.

Voting Requirement

Absolute Majority Required.

Comment

The proposed corrections will leave the forecast closing surplus of \$128,722 unchanged from the adopted Budget Review.

11.2 Financial Statements for the period ending 28 February 2018

Applicant / Proponent:	Internal			
Responsible Officer:	Chris Welham, Accountant			
Responsible Manager:	David Ransom, Manager Finance			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input checked="" type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input checked="" type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input type="checkbox"/>
Attachment(s):	Attachment 1 – Financial Statements for the Period Ending 28 February 2018 (Appendices 1 – 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 28 February 2018

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	2,607,212	2,583,624	23,588	<i>Favourable</i>
• Year-to-date Expenditure	(2,504,456)	(2,611,773)	107,317	<i>Favourable</i>
• Year-to-date Operating Surplus	102,756	(28,149)	130,905	<i>Favourable</i>

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

Closing Funding Surplus to 30 June 2018 is forecast at 127,637, \$1,085 less than the Budgeted Closing Surplus due to an insurance adjustment.

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

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Capital Expenditure	(999,403)	(999,163)	(240)	<i>Unfavourable</i>

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

	Year-to-date	Forecast
• Current Assets of \$6,494,383 includes:		
o Cash and Cash Equivalents	6,192,347	3,368,143

○ Trade and Other Receivables	293,508	294,460
○ Prepayments	7,416	1,787
○ Inventories	1,112	2,000

Current Liabilities of \$406,922 includes:

○ Trade and Other Payables	192,468	208,225
○ Provisions	214,454	180,488

• Working Capital (Current Assets less Current Liabilities) is:	6,087,461	3,277,676
• Equity (Total Assets less Total Liabilities) is:	10,835,068	9,322,110
• Reserves of \$4,383,746 includes:		
○ Plant and Infrastructure Reserve	215,655	809,408
○ Site Post Closure Rehabilitation Reserve	2,313,406	1,388,483
○ Waste Minimisation Reserve	260,200	368,385
○ Stanley Road Lined Cell Construction Reserve	548,059	555,018
○ Organics Processing Reserve	1,046,426	28,747

5. Investments

Total of **\$6,003,618** includes:

	Invested Funds \$	% of Total Funds	Max % of Total Funds Allowed
○ Bankwest	681,241	11	50
○ Commonwealth Bank	559,961	19	75
○ National Australia Bank	2,652,379	38	75
○ Westpac	2,110,037	32	75
TOTAL:	6,003,618	100	

Funds which are not required for payment of creditors are invested in interest bearing Term Deposits for 1 to 3 months. Quotations are obtained to ensure the best interest rate is received. Interest earnings are shown in the financial statements.

Executive Recommendation

That Council:

Receive and accept the Financial Statements for period ending 28 February 2018 as presented to Council.

COUNCIL DECISION:

MOVED BY: Cr Anita Shortland

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC220318-1526

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 Regulations 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
Employee Costs	
<i>Site Cleanup</i> – Year-to-date expenditure exceeds the original budget. This has been offset in the forecast against Waste Transfer Station and Earthworks Operations Employee Costs.	\$21,120 (63%)
Materials and Contracts	
<i>Organics Expenditure</i> - There have been savings compared to budget due to the reduction in tipping volumes.	\$28,913 23%
<i>Earthworks Operations</i> - Favourable year-to-date budget variance due to savings in repairs and maintenance of plant.	\$40,398 27%
Statement of Financial Activity	
Operating Expenses by Nature and Type	
<i>Materials and Contracts</i> - Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$88,815 11%

Voting Requirement

Absolute Majority

11.3 Summary of Accounts paid for period ending 28 February 2018

Applicant / Proponent:	Internal			
Responsible Officer:	Chris Welham, Accountant			
Responsible Manager:	David Ransom, Manager Finance			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input checked="" type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input checked="" type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input type="checkbox"/>
Attachment(s):	Summary of Accounts paid for period ending 28 February 2018			

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 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 28 February 2018

Officer Recommendation

That Council:

Receive and accept the Summary of Accounts paid for period ending 28 February 2018 as presented to Council.

COUNCIL DECISION:

MOVED BY: Cr Anita Shortland

SECONDED BY: Cr James Hayward

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC220318-1527

Background

As noted in Summary.

Officer Comment

The attachment details all payments made for 28 February 2018

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, computation and costing(s). 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

11.4 DRAFT Compliance Audit Return 2017

Applicant / Proponent:	Internal			
Responsible Officer:	Tony Battersby, Chief Executive Officer			
Responsible Manager:	-			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input checked="" type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input checked="" type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input type="checkbox"/>
Attachment(s):	Attachment 3 – DRAFT Compliance Audit Return 2017			

Précis

Regulation 14 of the Local Government (Audit) Regulations 1996 requires that a local government carry out a compliance audit for the period 1 January to 31 December of each year. This report is presented to Council for consideration of the Compliance Audit for the period 1 January 2017 to 31 December 2017.

Officer Recommendation**That Council:**

Receive and accept the Compliance Audit Return 2017 as present to Council and that Council request the Chief Executive Officer and Chairperson to sign the Compliance Audit Return and forward the return to the Department of Local Government.

COUNCIL DECISION:

MOVED BY: Cr James Hayward

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC220318-1528

Background

Regulation 14 of the Local Government (Audit) Regulations 1996 requires that a local government carry out a compliance audit for the period 1 January to 31 December of each year. After carrying out a Compliance Audit the local government is to prepare Compliance Audit Return (CAR) in a form approved by the Minister.

The CAR is required to be submitted to the Executive Director by 31 March of each year. The form of CAR approved by the Minister for the 2017 CAR is via completion of an online form on the Department of Local Government and Regional Developments (DLGRD) website. The CEO has completed the return (Attachment 11.3A) and the report is provided for Council's information.

Officer Comment

Notes are included in the attached Compliance Audit Return.

Consultation

Nil

Financial Implications

Nil

Statutory Environment

Regulation 14 of the Local Government (Audit) Regulations 1996 apply require the Local Government to complete a Compliance Audit Return each year.

Strategic Implications

Nil

Policy Implications

Nil

Voting Requirement

Simple Majority

12. Elected Member motions of which previous notice has been given

Nil

13. Urgent business approved by the person presiding or by decision of the Council

Nil

14. Confidential Business (Meeting Closed to the Public)

Nil

15. Next Meeting

To be held on Thursday, 26 April 2018 at Shire of Harvey Council Chambers, 7 Mulgara Street, Australind, commencing at 4:00pm.

16. Close of Meeting

The Presiding Member declares meeting closed at **4:15pm**