Ordinary Council Meeting

Minutes
21 December 2017

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
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Western Australia 6233

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ATTACHMENTS

Attachment 1 -	**Financial Statements fro the Period Ending 30 November 2017**
Attachment 2 -	**Summary of Accounts Paid for Period Ending 30 November 2017**
Attachment 3 -	**Investment Policy**
Attachment 4 -	**Delegated Authority Policy – Update**
Attachment 5 -	**2017 CEO Performance Review (KPI's)**
Attachment 6 -	**INFORMATION ONLY – Feral Aninmal Control Program Report for SWRMF – September 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, 21 December 2017 at 4:00pm.

MINUTES

1. Declaration of Opening / Announcement of Visitors

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

These Minutes were confirmed as being true and correct by Council on 22 February 2018 by Council **Resolution: OC220218-1524**.

_____

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 **(Arrived at 4:08pm)**	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**
Miss Martinette Pieterse	Council Meeting Support Officer
Others(Non-Voting)	**Representing**

2.1 Apologies

Cr James Hayward
Mal Osborne – Chief Executive Officer (City of Bunbury)
Chris Welham – Accountant
David Ransom – Manager Finance (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 23 November 2017, are confirmed as a true accurate record.

COUNCIL DECISION:

MOVED BY: Cr Peter Monagle **SECONDED BY: Cr Anita Shortland**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1518

7. Petitions / Memorials / Presentations

NIL

8. Declarations of Interests

Tony Battersby declared his interest in item 11.5 – Membership of the CEO Performance Review Committee and will need to leave the room when this item is to be discussed.

9. Announcements (by the presiding member without discussion)

NIL

10. Reports of Committees

NIL

11. Reports of Officers

11.1 Financial Statements for the period ending 30 November 2017

Applicant / Proponent:	Internal			
Responsible Officer:	Chris Welham, Accountant			
Responsible Manager:	David Ransom, Manager Finance			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	☒	Review	☐
	Executive/Strategic	☒	Quasi-Judicial	☐
	Legislative	☒	Information Purposes	☐
Attachment(s):	**Attachment 1** – Financial Statements for the Period Ending 30 November 2017 (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 30 November 2017

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	1,711,479	2,352,116	(640,637)	*Unfavourable*
• Year-to-date Expenditure	1,759,639	2,680,732	921,093	*Favourable*
• Year-to-date Operating Surplus	(48,160)	(328,616)	280,456	*Favourable*

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

   Closing Funding Surplus 30 June 2018 is forecast at $233K, $37K higher than the current budgeted surplus mainly due to insurance reimbursements received.

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

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Capital Expenditure	617,292	664,536	47,244	*Favourable*

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

• **Current Assets of $6,599,697 includes:**	Year-to-date	Forecast
o Cash and Cash Equivalents	6,230,891	4,340,937
o Trade and Other Receivables	365,907	300,000
o Prepayments	1,787	-
o Inventories	1,112	2,000

Current Liabilities of $366,697 includes:		
o Trade and Other Payables	146,974	209,569
o Provisions	219,273	179,882

• Working Capital **(Current Assets *less* Current Liabilities)** is:	6,233,000	4,253,486
• Equity **(Total Assets *less* Total Liabilities)** is	10,701,992	13,349,914
Reserves of $4,764,801 includes:		
o Plant and Infrastructure Reserve	214,914	833,289
o Site Post Closure Rehabilitation Reserve	2,697,729	2,249,483
o Waste Minimisation Reserve	259,037	354,385
o Stanley Road Lined Cell Construction Reserve	546,696	555,018
o Organics Processing Reserve	1,046,425	28,747

5. Investments

Total of $6,130,585 includes:	
o Commonwealth Bank	1,106,439
o National Australia Bank	2,339,699
o Westpac	2,684,447

Executive Recommendation

That Council:

Receive and accept the Financial Statements for period ending 30 November 2017as presented to Council.

COUNCIL DECISION:

MOVED BY: Cr Anita Shortland **SECONDED BY: Cr Peter Monagle**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1519

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**
Operating Income	
Fees and Charges	
Casual Tipping Fees Unfavourable year-to-date budget variance due to: (a) seasonal effect of winter weather (b) deferment of sourcing of waste from the Perth metropolitan area pending DER approvals for site rehabilitation and new lined cells at Stanley Road.	($399,688) (42%)
Other Revenue	
Insurance Reimbursements Favourable year-to-date budget variance due to reimbursement of ongoing workers compensation payments. A forecast adjustment has been made and will be included in the February Budget Review.	$23,958 479%
Landfill Levy Income Unfavourable year-to-date budget variance due to: (a) seasonal effect of winter weather (b) deferment of sourcing of waste from the Perth metropolitan area pending DER approvals for site rehabilitation and new lined cells at Stanley Road	($233,656) (62%)
Operating Expenditure	
Materials and Contracts	
Earthworks Operations Favourable year-to-date budget variance due to savings in repairs and maintenance of plant.	$32,386 34%
Site Rehabilitation Favourable year-to-date budget variance due to deferment of works in anticipation of DER approvals for the Gabion Wall and associated works.	$679,144 84%
Other Expenditure	
Landfill Levy Favourable year-to-date budget variance mainly due to: (a) seasonal effect of winter weather (b) deferment of sourcing of waste from the Perth metropolitan area pending DER approvals for site rehabilitation and new lined cells at Stanley Road.	$214,964 62%
Statement of Financial Activity	**YTD Actual to YTD Budget Variance**
Operating Revenues by Nature and Type **Insurance Reimbursements**	
Fees and Charges Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	($424,687) (23%)
Other Revenue Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	($209,087) (51%)
Operating Expenses by Nature and Type	
Materials and Contracts Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	$725,777 61%
Other Expenditure Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	$216,710 48%

11.2 Summary of Accounts paid for period ending 30 November 2017

Applicant / Proponent:	Internal			
Responsible Officer:	Chris Welham, Accountant			
Responsible Manager:	David Ransom, Manager Finance			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	☒	Review	☐
	Executive/Strategic	☒	Quasi-Judicial	☐
	Legislative	☒	Information Purposes	☐
Attachment(s):	**Attachment 2** - Summary of Accounts paid for period ending 30 November 2017			

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 30 November 2017

Officer Recommendation

That Council:

Receive and accept the Summary of Accounts paid for period ending 30 November 2017 as presented to Council.

COUNCIL DECISION:

MOVED BY: Cr Peter Monagle **SECONDED BY: Cr Anita Shortland**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1520

Background

As noted in Summary.

Officer Comment

The attachment details all payments made for Click here to enter a date.

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

11.3 Investment Policy

Applicant / Proponent:	Internal			
Responsible Officer:	Tony Battersby, Chief Executive Officer			
Responsible Manager:	-			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	☐	Review	☐
	Executive/Strategic	☒	Quasi-Judicial	☐
	Legislative	☒	Information Purposes	☐
Attachment(s):	**Attachment 3** –Investment Policy			

Précis
This policy sets out the guidelines and principles that need to be followed by Bunbury-Harvey Regional Council (BHRC) officers when placing funds on investment with financial institutions.

BHRC needs to take advantage of the interest earning potential of its surplus funds while reducing its exposure to financial risk and ensuring sufficient funds are kept available to meet cash requirements. BHRC funds need to be invested in accordance with its legislative and common law responsibilities. This policy also sets out reporting requirements for BHRC's investment portfolio.
In these regulations, unless the contrary intention appears:

- AAS means the Australian Accounting Standards made and amended from time to time by the Australian Accounting Standards Board;
- Australian Accounting Standards Board means the body corporate of that name continued by the Australian Securities and Investments Commission Act 2001 (Commonwealth) Effect of AAS:
  - These regulations are in addition to and not in derogation of the requirements of the AAS.
  - If a provision of the AAS is inconsistent with a provision of these regulations; the provision of these regulations prevails to the extent of the inconsistency.
  - All words in the Act or these regulations that import revenue or expenditure are to be interpreted to permit compliance with the requirements of the AAS.

Officer Recommendation

That Council:

Adopt the Investment Policy as detailed in attachment.

COUNCIL DECISION:

MOVED BY: Cr Peter Monagle **SECONDED BY: Cr Anita Shortland**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1521

11.4 Delegated Authority Policy - Update

Applicant / Proponent:	Internal			
Responsible Officer:	Tony Battersby, Chief Executive Officer			
Responsible Manager:	-			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	☐	Review	☒
	Executive/Strategic	☒	Quasi-Judicial	☐
	Legislative	☒	Information Purposes	☐
Attachment(s):	**Attachment 4** – Delegated Authority Policy - UPDATE			

Précis

In accordance with the *Local Government Act 1995* (the Act) Section 5.42, a local government may delegate to the Chief Executive Officer (CEO) the exercise of any of its powers or the discharge of any of its duties under the Act. All delegations made by the Council must be by absolute majority decision. Limits on delegation to the CEO:

- Any power or duty that requires a decision of an absolute majority decision or 75% majority if local government
- Accepting a tender which exceeds an amount determined by the local government
- Appointing an auditor
- Acquiring or disposing if any property valued at an amount determined by the local government
- Any of the local government's powers under Section 5.98, 5.98A, 5.99 or 5.99A of the *Local Government Act 1995*
- Borrowing money on behalf of the local government
- Hearing, determining an objection of a kind referred to in Section 9.5
- The power under Section 9.49A (4) to authorise a person to sign documents on behalf of the local government
- Any power or duty that requires the approval of the Minister or Governor.

The CEO may delegate any of his powers to another employee with or without further conditions in accordance with the Act, subject to any conditions imposed by the local government on its delegation to the CEO. All delegations must be in writing. Subsection 5.44 (3) (b) of the Act does not limit the CEO's power to impose conditions or further conditions on a delegation under this section. A register of delegations relevant to the CEO and other employees is to be kept and reviewed at least once every financial year.

If a person is exercising a power or duty that they have been delegated, the ACT requires them to keep necessary records to the exercise of power or discharge of the duty. The written record is to contain:

- How the person exercised the power or discharged the duty
- When the person exercised the power or discharged the duty
- The persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.

Officer Recommendation

That Council:
Adopt the updated Delegated Authority Policy as detailed in attachment.

COUNCIL DECISION:

MOVED BY: Cr Peter Monagle **SECONDED BY: Cr Anita Shortland**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1522

Background

The BHRC adopted the Delegated Authority Policy at its ordinary meeting of Council on 31 March 2016 Resolution # OC 81023-1385. The updated Delegated Authority Policy is presented to Council for adoption due to amendments as follows:

- Ref DAFM02 Release of Bank Guarantees – **Conditions Added.**
- Ref DAFM03 Investment Council Funds - **Addition of Investments Policy**
- Ref DAG01 Power to Accept Tenders - **Add Condition:** ***Price variations are limited to 10% of the contract value.***
- Ref DAG02 Contract Price Variation - **Changed condition for variation from 5% to 10%**
- Ref DAG04 Administer Local Laws - **New Document.**
- Ref DAGO01 Purchase and Trade of Fleet Vehicles – **Conditions Added.**

Consultation

Nil

Financial Implications

Nil

Statutory Environment

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Trustees Act 1962
- Local Government (Functions and General) Regulations 1996

Strategic Implications

Nil

Policy Implication

As discussed in the body of the Report.

Voting Requirement

Absolute Majority

Background
The BHRC has not previously adopted an Investment Policy.

Consultation
Nil

Financial Implications
Nil

Statutory Environment
- Australian Accounting Standards Board Accounting Standards AASB 124
- Local Government Act 1995 – Section 6.14
- Local Government (Financial Management) Regulations 1996
- Trustee Act 1962 – Part III Investments

Strategic Implications
Nil

Policy Implication
Explained in the body of the Report.

Voting Requirement
Simple Majority

***Presiding Member Cr Cook asks Tony to leave the room at 4:06pm for council to discuss next agenda item 11.5**

11.5 Membership of the CEO Performance Review Committee

Applicant / Proponent:	Internal			
Responsible Officer:	Tony Battersby, Chief Executive Officer			
Responsible Manager:	-			
Executive:	Tony Battersby, Chief Executive Officer			
Authority / Discretion:	Advocacy	☐	Review	☒
	Executive/Strategic	☒	Quasi-Judicial	☐
	Legislative	☒	Information Purposes	☐
Attachment(s):	**Attachment 5** – 2017 CEO Performance Review (KPI's)			

Summary
Local Government elections were held on Saturday 21 October 2017. Section 5.11 of the *Local Government Act 1995* stipulates that positions on Council committees become vacant at each ordinary Election Day. The purpose of this report is for Council to consider appointments to the CEO Performance Review Committee.

Executive Recommendation

That Council:

Appoint three (3) Councillors as members of the CEO Performance Review Committee.

(1) Cr Peter Monagle

(2) Cr Anita Shortland

(3) Cr Murray Cook

The Terms of Reference for this committee are as follows:

- *Facilitate the setting of annual Key Performance Indicators (KPI's) for the Council's Chief Executive Officer;*
- *Facilitate the CEO performance reviews, including all activities that are part of that review;*
- *Provide the CEO with feedback through a written report and facilitating feedback sessions.*

COUNCIL DECISION:

MOVED BY: Cr Anita Shortland **SECONDED BY: Cr Peter Monagle**

RESULT: CARRIED / ~~LOST~~ – 3/0

RESOLUTION: OC171221-1523

* Cr Betty McCleary arrives at meeting 4:08pm

Background

Responsibilities of CEO Performance Review Committee are to make recommendations to Council on the Chief Executive Officer's performance targets and remuneration.

The Terms of Reference for this committee are as follows:

- *Facilitate the setting of annual Key Performance Indicators (KPI's) for the Council's Chief Executive Officer;*
- *Facilitate the CEO performance reviews, including all activities that are part of that review;*
- *Provide the CEO with feedback through a written report and facilitating feedback sessions.*

Council Policy Compliance

Not Applicable

Legislative Compliance

Section 5.8 of the *Local government Act 1995* relates to Establishment of Committees and states:

a. A local government may establish* committees of 3 or more persons to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

Section 5.38 of the *Local government Act 1995* relates to Annual Review of Certain Employee's Performances and states:

a. The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

Officer Comments

The CEO performance review is required to be finalised by 31 August of each calendar year with the exception of the 2017 CEO performance review which will be required to be finalised by 28 February 2018. The 2017 CEO Performance Review KPI's are provided as an attachment to this agenda item.

Analysis of Financial and Budget Implications

Annual Budget

Community Consultation

Not required

Councillor/Officer Consultation

This matter is presented to Council for consideration.

Voting Requirement

Absolute 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, 22 February 2018at the Shire of Harvey Council Chambers, Administration Building, 7 Mulgara Street, Australind, commencing at 4:00pm.

16. Close of Meeting

The Presiding Member declares meeting closed at 4:14pm.