



# Ordinary Council Meeting

## Minutes

29 November 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

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**ATTACHMENTS**

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Attachment 3 – Annual 2017/2018

Attachment 4 – Regulation 17 Review

Attachment 5 – Community Engagement Plan

Attachment 6 – Strategic Community Plan 2018 – 2022

Attachment 7 – Financial Plan 2018 – 2028

Attachment 8 – Confidential - Evaluation Report Hook Bin Truck RFT18/19-004

Attachment 9 – BHRC Corporate Logo Design (New)

# Vision

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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

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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

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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, 29 November 2018 at 4:00pm.

### MINUTES

#### 1. Declaration of Opening / Announcement of Visitors

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

These Minutes were confirmed as being true and correct by Council on [Click here to enter a date.](#) by Council Resolution: [Click here to enter text.](#)

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**Cr Murray Cook**  
Chairperson

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**Mr Tony Battersby**  
Chief Executive Officer

#### 2. Attendances

<b>Council Members:</b>	<b>Representing</b>
Cr Murray Cook ( <b>Chairperson</b> )	City of Bunbury
Cr Anita Shortland ( <b>Deputy Chairperson</b> )	Shire of Harvey
Cr Betty McCleary	City of Bunbury
Cr James Hayward	City of Bunbury
<b>Executive Leadership Team (Non-Voting)</b>	<b>Representing</b>
Mr Tony Battersby	Chief Executive Officer (BHRC)
Ms Annie Riordan	Chief Executive Officer (Shire of Harvey)
Mr Mal Osborne	Chief Executive Officer (City of Bunbury)
<b>Officers (Non-Voting)</b>	<b>Representing</b>
Mr Gavin Harris	Director Works and Services (City of Bunbury)
Mr Chris Welham	Accountant
Mrs Maryna Quinn	Council Meeting Support Officer
<b>Others(Non-Voting)</b>	<b>Representing</b>

##### 2.1 Apologies

Nil

**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 25 October 2018, are confirmed as a true accurate record.

**MOVED BY:** Cr James Hayward

**SECONDED BY:** Cr Anita Shortland

**RESULT:** CARRIED / ~~LOST~~ – 3/0

**RESOLUTION:** OC291118-1574

**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 Financial Statements for the period ending 31 October 2018**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Chris Welham, Accountant			
<b>Responsible Manager:</b>	David Ransom, Manager Finance			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	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 31 October 2018

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	1,338,094	1,503,383	(165,289)	Unfavourable
• Year-to-date Expenditure	(1,692,690)	(1,714,689)	21,999	Favourable
• Year-to-date Operating Surplus	(354,596)	(211,306)	(143,290)	Unfavourable

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

Closing Funding Surplus to 30 June 2019 is forecast at \$321,088. The Budgeted Closing Surplus amount of \$204,906 has been increased by \$116,182 for scrap metal sales, insurance reimbursements received, and savings in capital expenditure.

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

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Capital Expenditure	(119,123)	(131,045)	11,832	Favourable

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

• Current Assets of <b>\$5,121,251</b> includes:	<b>Year-to-date</b>	<b>Forecast</b>
○ Cash and Cash Equivalents	4,749,216	4,325,472
○ Trade and Other Receivables	365,997	300,000
○ Prepayments	3,753	-
○ Inventories	2,286	2,000

Current Liabilities of <b>\$369,969</b> includes:		
○ Trade and Other Payables	136,725	209,569
○ Provisions	233,244	179,883

Working Capital ( <b>Current Assets less Current Liabilities</b> ) is:	4,751,282	4,238,021
• Equity ( <b>Total Assets less Total Liabilities</b> ) is	9,364,465	9,655,917
• Reserves of <b>\$3,712,972</b> includes:		
○ Plant and Infrastructure Reserve	726,590	1,080,086
○ Site Post Closure Rehabilitation Reserve	1,006,312	1,007,054
○ Stanley Road Environmental Protection Lined Cell Construction Reserve	913,783	746,927
○ Organics Processing Reserve	1,066,287	1,082,866

## 5. Investments

Total of <b>\$4,675,581</b> includes:			
	Invested Funds \$	% of Total Funds	Max % of Total Funds Allowed
○ Bankwest	0	0	50
○ Commonwealth Bank	234,204	5	75
○ National Australia Bank	1,752,831	37	75
○ Westpac	2,688,546	58	75
<b>TOTAL:</b>	<b>4,675,581</b>	<b>100</b>	

***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 31 October 2018 as presented to Council.

**MOVED BY: Cr Anita Shortland**

**SECONDED BY: Cr James Hayward**

**RESULT: CARRIED /~~LOST~~ - 3/0**

**RESOLUTION: OC291118-1572**

### ***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 26 July 2018, 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 2018/19.



### Voting Requirement

Absolute Majority

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

<b>Statement of Comprehensive Income</b>	<b>YTD Actual to YTD Budget Variance</b>
<b>Fees and Charges</b>	
<b>Casual Tipping Fees</b> Unfavourable variance compared to year-to-date budget which is mainly due to the seasonal effect of winter weather. The CEO has arranged meetings with the City of Busselton following a trial during July and August (\$31K tipping fees billed) and with the Southern Metropolitan Regional Council (SMRC) in order to achieve budget targets. The City of Busselton has decided to utilise their lined cell in Dunsborough and SMRC advised that they will be inviting tenders for waste disposal in December. The Shire of Capel will also be inviting tenders within the next two months.	(\$221,439) (35%)
<b>Sale of Scrap Metal</b> Favourable variance compared to year-to-date budget which is due to an improvement in the market price per tonne. The forecast has been increased by \$100K and this will be addressed in the February Budget Review.	\$80,670 220%
<b>Other Revenue</b>	
<b>Landfill Levy Income</b> Unfavourable variance compared to year-to-date budget which is mainly due to the lower than anticipated casual tipping fees received. Please refer to the note above.	(\$61,586) (68%)
<b>Employee Costs</b>	
<b>Administration</b> Favourable year-to-date variance due to office administration staff on maternity leave. This is offset by an unfavourable variance in accounting/professional fees associated with an employment agency for coverage.	\$30,850 24%
<b>Waste Transfer Station</b> Favourable year-to-date variance to budget due to staff being on annual leave and close monitoring of staff rosters.	\$31,417 24%
<b>Materials and Contracts</b>	
<b>Accounting/Professional Fees (CoB/Other)</b> Unfavourable variance compared to year-to-date budget is mainly due to fees paid to an employment agency for Office Administration. This is offset by a favourable variance in Administration	(\$45,126) (116%)

employee costs.	
<b>Other Expenditure</b>	
<b>Landfill Levy</b> Favourable variance compared to year-to-date budget due to lower than anticipated casual tipping fees.	\$49,066 59%
<b>Statement of Financial Activity</b>	
<b>Revenues by Nature and Type</b>	
<b>Other Revenue</b> Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$49,125) (44%)
<b>Expenses by Nature and Type</b>	
<b>Employee Costs</b> Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$67,041 11%
<b>Materials and Contracts</b> Unfavourable variance compared to year-to-date budget is mainly due to higher than expected plant maintenance costs in the first quarter and the cost of fees paid to an employment agency for Office Administration, as per the explanation included above in the Statement of Comprehensive Income variances.	(\$83,708) (12%)
<b>Other Expenditure</b> Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	41,678 26%

## 11.2 [Summary of Accounts paid for period ending 31 October 2018](#)

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Chris Welham, Accountant			
<b>Responsible Manager:</b>	David Ransom, Manager Finance			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Summary of Accounts paid for period ending 31 October 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 31 October 2018

**Officer Recommendation**

**That Council:**

Receive and accept the Summary of Accounts paid for period ending 31 October 2018 as presented to Council.

**MOVED BY:** Cr James Hayward

**SECONDED BY:** Cr Anita Shortland

**RESULT:** CARRIED / ~~LOST~~ – 3/0

**RESOLUTION:** OC291118-1573

**11.3 Annual Report 2017/2018 - Annual Report including: Auditors Report and Annual Financial Statements for the year ending 30 June 2018**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Chris Welham, Accountant and Michelle Lloyd, Compliance Officer			
<b>Responsible Manager:</b>	David Ransom, Manager Finance			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Auditors Report and Annual Financial Statements for the year ending 30 June 2018			

**Summary**

The Annual Report including the Auditor’s Report and Annual Financial Report of the Bunbury-Harvey Regional Council for the financial year ending 30 June 2018 is attached.

There are no qualifications to the audit opinion.

**Officer Recommendation**

**That Council:**

Receive and accept The Annual Report including the Auditor’s Report and the Audited Annual Financial Report of the Bunbury-Harvey Regional Council for the financial year ending 30 June 2018.

**MOVED BY:** Cr Betty McCleary

**SECONDED BY:** Cr Anita Shortland

**RESULT:** CARRIED / ~~LOST~~ – 4/0

**RESOLUTION:** OC291118-1574

### **Background**

The Auditor General has audited the 2017/18 Annual Financial Statements and have provided an Independent Auditor's Report as required under the relevant provisions of the *Local Government Act 1995* (the Act). The Auditor's Report and Annual Financial Statements were reviewed at the Audit Committee Meeting on 25 October 2018 and are now referred to Council.

Furthermore, section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once in every year. Ms Carly Meagher, Director Financial Audit, from the Office of the Auditor General WA, who is representing the Auditor General, attended the Audit Committee meeting held on 25 October 2018 and discussed with the Committee the audit and any queries arising from the 2017/18 Audit.

### **Council Policy Compliance**

Nil

### **Legislative Compliance**

Section 7.9(1) of the Act requires the auditor to submit a report to the local government by 31 December each year.

Section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once each year.

### **Officer Comments**

Council's financial management and internal control systems are sound. In addition to being monitored internally on a daily and monthly basis they are also strengthened by an independent assessment each year on the Council's financial management systems and external audit reporting. The independent assessment reviews Council's financial position, financial management practices and compliance with the requirements of the Local Government Act, the Local Government (Financial Management) Regulations, and Accounting Standards. The Financial Management Systems Review for 2018 and the Interim Audit Report were received by Council at the Ordinary Council Meeting on 27 September 2018.

There are five (5) primary financial statements:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Fee Setting Statement

**Statement of Comprehensive Income:** The Statement of Comprehensive Income (shown on pages 1 to 2 of the Financial Statements) shows the extent to which operating expenditure has exceeded operating revenue during the financial year (i.e. operating deficit).

**Key financial figures within the audited Annual Financial Report for the year ended 30 June 2018 include:**

	<u>2018</u>	<u>2017</u>
Operating Revenue	\$ 3,880,750	\$ 5,677,035
Operating Expenses	\$ (4,794,690)	\$ (5,386,559)
Operating Surplus,(Deficit)	\$ (913,940)	\$ 290,476

Net Result (utilised for capital works)	\$ (969,733)	\$ 223,102
Net Result (net of site rehabilitation expenses)	\$ 521,375	\$ 434,773

For the year ending 30 June 2018, the operating deficit was \$913K compared to a surplus of \$290K in 2016/17, a decrease of \$1.8M. The decrease of \$1.80M in revenue is mainly due to decreases in tonnages received from outside the Bunbury-Harvey region. The decrease in expenditure of \$592K is mainly due to a \$695K reduction in landfill levy expenditure and a \$1.06M reduction in doubtful debts expenditure, which was offset by a \$1.28M increase in reserve funded site rehabilitation expenditure.

When the profit/loss on disposal of assets and loss on revaluation of infrastructure are included, the Net Result was a deficit of \$970K (compared to a surplus of \$223K in 2016/17). The Statement also accounts for the revaluation of non-current assets during the year of \$(61)K resulting in a Total Comprehensive Income for 2017/18 of \$(1.03)M compared to \$97K in 2016/17.

**Statement of Financial Position:** The Statement of Financial Position (shown on page 3 of the Financial Statements) shows the assets and liabilities which make up the Equity as at the 30 June 2018.

**Key financial figures within the audited Annual Financial Report for the year ended 30 June 2018 include:**

	<u>2018</u>	<u>2017</u>
Current Assets	\$ 5,702,569	\$ 7,164,890
Current Liabilities	\$ 669,080	\$ 549,875
Current Assets over Current Liabilities	\$ 5,033,489	\$ 6,615,015
Non-Current Assets	\$ 4,719,504	\$ 4,167,603
Non-Current Liabilities	\$ 33,935	\$ 32,603
Total Equity	\$ 9,719,060	\$ 10,750,015

Council's current assets exceed current liabilities by \$5M compared to \$6.6M in 2016/17. The total Equity as at 30 June 2018 was \$9.7M a decrease of \$1M on 2016/17.

**Statement of Changes in Equity:** The Statement of Changes in Equity (shown on page 4 of the Financial Statements) shows the extent to which the Equity has been increased by the net result of the year's activities. For the year ending 30 June 2018, the Equity decreased from \$10.7M to \$9.7M.

**Statement of Cash Flows:** The Statement of Cash Flows (shown on page 5 of the Financial Statements) shows the nature and amount of Council's cash inflows and out flows from all activities. Council's cash held at the end of the reporting period was \$5.3M compared to \$6.8M in 2016/17.

**Fee Setting Statement:** The Fee Setting Statement (shown on page 6 of the Financial Statements) shows the amount of fees and charges required to be raised to fund the Council's operating during 2017/18. In 2017/18, \$3.2M in fees and charges were raised, a decrease of \$1.03M or 24% on 2016/17. This was mainly due to decreased tonnages coming in from outside the Bunbury-Harvey region.

<b><u>Financial Information by Ratio:</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
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<b>Current Ratio</b>	1.99	2.07	3.34
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Current Assets as a ratio of Current Liabilities.

(Measure of short term liquidity, i.e. the ability of Council to meet its liabilities when they fall due. A ratio of greater than 1.0 indicates Council has more current assets than current liabilities. Target is > 1.0)

<b>Asset Sustainability Ratio</b>	2.43	2.55	1.54
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Capital renewal and replacement expenditure as a ratio of depreciation expense.

(Measures the extent to which assets are being renewed/replaced compared to the amount consumed i.e. depreciation. A ratio of greater than 1.0 indicates that council is investing in asset renewal/replacement greater than current consumption)

<b>Asset Consumption Ratio</b>	0.89	0.98	0.97
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Depreciated replacement cost of assets as a ratio of Current replacement cost of assets.

(Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The Department of Local Government indicates that the standard is met if the ratio is greater than 0.50, and is improving if the ratio is between 0.60 and 0.75)

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
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<b>Asset Renewal Funding Ratio</b>	0.77	0.87	0.90
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NPV of planning renewal over 10 years as a ratio of NPV of required capital expenditure over 10 years.

(Measures the ability of a local government to fund its projected asset renewal / replacements in the future. The Department of Local Government indicates that the standard is met if the ratio is between 0.75 and 0.95)

<b>Debt Service Cover Ratio</b>	Nil	Nil	Nil
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Operating Surplus before Interest and Depreciation as a ratio of principal and interest expense for borrowings. Council had no borrowings as at 30 June 2018.

(Measures Council's ability to service debt out of its uncommitted or general purpose funds available for its operations). The Department of Local Government indicates that a Basic standard is achieved if  $\geq 2.0$ . An Advanced standard is  $\geq 5.0$ )

<b>Operating Surplus Ratio</b>	-0.25	0.04	0.07
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Operating Revenue minus Operating Expenditure as a ratio of own source operating revenue.

(A result of lower than zero indicates that the Council has an operating deficit. The Department of Local Government indicates that a Basic standard is achieved if between 0.01 and 0.15).

<b>Operating Surplus Ratio (Revised)</b>	0.89	0.96	
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Operating Revenue minus Operating Expenditure (excluding site rehabilitation expenditure) as a ratio of own source operating revenue.

**Own Source Revenue Coverage Ratio** 0.77 1.02 1.03  
 Own source operating revenue as a ratio of operating expense.

*(Measures Council’s ability to cover operating expenses from own source revenue. The higher the ratio, the more self-reliant the local government is. The Department of Local Government indicates that an Advanced standard is achieved if the ratio is greater than 0.9. A basic standard is achieved if the ratio is between 0.4 and 0.6)*

**Analysis of Financial and Budget Implications**

There are no financial or budget implications for Council to accept the Auditor’s Report and the Audited Annual Financial Report for the year ending 30 June 2018.

**Community Consultation**

The Annual Report including the Auditor’s Report and Annual Financial Report will be made available to the public via the website.

**Voting Requirement**

Simple Majority

**11.4 Regulation 17 Review – Audit Regulation 17**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Michelle Lloyd, Compliance Officer			
<b>Responsible Manager:</b>				
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Appendix Audit Regulation 17 Findings			

**Summary**

The purpose of this report is to provide Council with the results of a review regarding the appropriateness and effectiveness of the Bunbury Harvey Regional Councils systems and procedures in relation to risk management, internal controls and legislative compliance.

**Officer Recommendation**

**That Council:**

Receive and accept Audit Regulation 17 findings as presented.

**MOVED BY:** Cr James Hayward

**SECONDED BY:** Cr Anita Shortland

**RESULT:** CARRIED / ~~LOST~~ – 4/0

**RESOLUTION:** OC291118-1575

### **Background**

On 8 February 2013, amendments to the *Local Government (Audit) Regulations 1996* extended the functions of local government Audit Committees. These functions (Regulation 17) now include receiving a biennial report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

This report (and Appendix) fulfils the requirements of Regulation 17.

### **Council Policy Compliance**

There is no Council policy consideration impacting on this report.

### **Legislative Compliance**

This report relates to Regulation 17 of the *Local Government (Audit) Regulations 1996*, which reads as follows:

#### **17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

### **Officer Comments**

Audit Regulation 17 requires the CEO to review the appropriateness and effectiveness of the Councils systems and procedures in relation to risk management, internal control and legislative compliance every two calendar years.

The Local Government Operational Guidelines provide a comprehensive list of issues to be included in any review of risk management, internal control and legislative compliance, and these have been used as a guide to systematically conduct the internal review.

The information provided in the review delivers an assessment of the Councils current practices, outlines the appropriateness and effectiveness of those practices and presents recommendations for improvement. A copy of the findings is presented as an Appendix.

The intent is that the current report/findings are a high level audit of the Councils processes within the areas of risk management, internal controls, and legislative compliance. The appendix contains a summary of these findings and makes recommendations to facilitate improvement in areas where deficiencies have been identified. Each subsequent report presented to the Council Audit Committee will build on, and report against, the work done to date.

In summary, 36 areas were assessed; the majority of areas audited have appropriate and effective systems and procedures in place. More specifically, 23 areas were assessed as having appropriate



and effective controls in place, with 9 areas identified as partially requiring further improvement and 4 controls largely ineffective. Recommendations for improvements to increase all identified partially effective and largely ineffective controls to the level of substantially effective are outlined in Attachment - 4.

In April 2017 the Council underwent an Occupational Health and Safety audit conducted by LGIS. This audit evaluated the Councils OSH system against Work safe Plan assessment criteria. The Council has implemented a number of changes resulting from the recommendations as part of the continuous improvement process and will schedule another review for two years to assess the progress.

**Analysis of Financial and Budget Implications**

There are no financial implications arising from the recommendations containing within this report.

**Community Consultation**

Nil

**Councillor/Officer Consultation**

This report is provided to Council by the CEO.

**Voting Requirement**

Simple Majority

**11.5 Community Engagement Plan**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Michelle Lloyd, Compliance Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Community Engagement Plan - DRAFT			

**Summary**

The objective of this Community Engagement Plan is to develop a systematic management approach to the environmental concerns of the BHRC and to comply with ISO 14001 Environmental Management Systems and relevant Department of Water and Environment Regulations legislation.

The Bunbury-Harvey Regional Council (BHRC) has prepared this Community Engagement Plan (CEP) to identify efforts BHRC will take to inform and involve the community and stakeholders in major decisions regarding investigation activities at the Stanley Road Waste Management Facility (SRWMF).

A contaminated groundwater plume has been identified with a possible offsite impact on the groundwater quality of the neighbouring Catalano site to the west and possibly further south-west of the site. This contamination is attributed to historical waste management practises on the site.

There is no closure on the offsite plume and a Detailed Site Investigation will be undertaken to determine the true extent of the contamination and to identify the source.

Following the investigation, and if remedial action is required, BHRC will communicate openly and effectively with community members and stakeholders on a regular basis to ensure their health and safety, address any issues or concerns they may have and to provide ample opportunity for participation.

BHRC is working closely with the Department of Water and Environmental Regulation (DWER), Contaminated Sites division.

### **Officer Recommendation**

#### **That Council:**

Adopt the Community Engagement Plan as detailed in Attachment – 5.

**MOVED BY: Cr Betty McCleary**

**SECONDED BY: Cr Anita Shortland**

**RESULT: CARRIED / ~~LOST~~ – 4/0**

**RESOLUTION: OC291118-1576**

### **Background**

Preparation of this CEP is required as part of BHRC's ongoing commitment to transparency and consultation to the community, stakeholders and all persons that access the site and as part of the DWER's actions required for *Identification, Reporting And Classification Of Contaminated Sites In Western Australia*. DWER enforce the *Contaminated Sites ACT* and *Contaminated Sites Regulations* including classifying the site in consultation with the Department of Health and making this information available to the public.

The BHRC has not previously adopted a Community Engagement Plan.

### **Consultation**

Discussed in the body of the report

### **Financial Implications**

As per annual adopted budget.

### **Statutory Environment**

- Environmental Protection Act 1986 and Regulations including:
  - Clearing of Native Vegetation
  - Controlled Waste
  - Noise Protection
  - Unauthorised Discharge
- Contaminated Sites Act
- Department of Water and Environmental Regulations (DWER) Licence L8949/2016/1
- ISO 14001 Environmental Managements Systems
- Waste Avoidance and Resource Recovery Act and Regulations
- Freedom of Information

- Local Government Act and Regulations including:
  - Compliance Framework
  - Financial Management
  - Functions and General
- Occupational Safety and Health Act and Regulations

**Strategic Implications**

Discussed in the body of the Report

**Policy Implication**

As discussed in the body of the Report.

**Voting Requirement**

Simple Majority

**11.6 Strategic Community Plan 2018 – 2022**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Michelle Lloyd, Compliance Officer - Tony Battersby, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Strategic Community Plan 2018-2020 - DRAFT			

**Summary**

The Integrated planning and reporting have been developed as part of the State Government's Local Government Reform Program. They reflect a nationally consistent approach to integrated planning as expressed by the Council of Australian Governments' Local Government Planning Ministers' Council.

**Officer Recommendation**

**That Council:**

Adopt the Strategic Community Plan 2018-2020 Plan as detailed in Attachment - 6.

**MOVED BY: Cr Anita Shortland**

**SECONDED BY: Cr James Hayward**

**RESULT: CARRIED / ~~LOST~~ – 4/0**

**RESOLUTION: OC291118-1577**

### **Background**

The Council has previously adopted a Strategic Community Plan on 28 April 2016  
Resolution: OC81023-1392.

Integrated planning and reporting gives local governments a framework for establishing local priorities and to link this information to operational functions. Three major parties are involved in the development of an integrated plan: the local government administration, the Council and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting, with the *Local Government (Administration) Regulations 1996* requiring each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

- A successful integrated planning and reporting process will deliver the following outcomes:
- a Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategy
- a Corporate Business Plan that integrates resourcing plans and specific council plans with the Strategic Community Plan, and
- a clearly stated vision for the future viability of the local government area.

### **Consultation**

Displays and information desks were conducted at Australind Bunning's, Bunbury Bunning's and Bunbury Forum Shopping Centre. Surveys with the general public were utilised to gain feedback and the knowledge the public has of the BHRC operations and services it provides.  
BHRC staff.

### **Financial Implications**

Nil

### **Statutory Environment**

- Local Government Act 1995
- Local Government (Rules of Conduct) Regulations 2007
- Local Government (Administration) Regulations 1996
- Public Interest Disclosure Act 2003
- Corruption and Crime Commission Act 2003
- Equal Opportunity Act 1984
- Statutory Corporations (Liability of Directors) Act 1996

### **Strategic Implications**

Discussed in the body of the Report.

### **Policy Implication**

Discussed in the body of the Report.

### **Voting Requirement**

Simple Majority

## 11.7 Financial Plan 2018 – 2028

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Tony Battersby, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Financial Plan 2018-2028 - DRAFT			

### *Summary*

This plan sets out the 10 year investment program and the overall approach to maintaining financial stability and is an update to the original BHRC Financial Plan 2017 - 2027.

The purpose of the LTFP is to guide and inform decision making by establishing the framework upon which sound financial decisions can be made. It is a financial modelling tool used to assess the capacity to implement the Strategic Community Plan and to provide transparency and accountability to the community in relation to the BHRC finances. It also provides an opportunity for early identification of financial management issues.

The following key principles have been taken into account in developing this LTFP:

- In the absence of formal contracts, modeling is based on the most conservative probable outcome.
- BHRC is intended to be an autonomous, self-funded entity.
- Ongoing operations will generally be funded from internally generated cash flow.
- Conservative use of debt to fund major new assets or significant upgrades.

The LTFP sets out:

- financial goals and challenges
- strategies for financial sustainability
- projected financial position
- assumptions, adjustments and risk assessment
- the capital works program
- financial performance monitoring
- sensitivity analysis and performance monitoring
- Financial implications

### *Officer Recommendation*

**That Council:**

That Council adopt the Financial Plan 2018-2028 as detailed in Attachment - 7.

**MOVED BY:** Cr James Hayward

**SECONDED BY:** Cr Betty McCleary

**RESULT:** CARRIED / ~~LOST~~ – 4/0

**RESOLUTION:** OC291118-1578

### **Background**

The BHRC has previously adopted a Long Term Financial Plan on 23 February 2017 Resolution: OC81023-1449.

### **Consultation**

The Bunbury-Harvey Regional Council staff and City of Bunbury Accountant.

### **Financial Implications**

Annual Budgets.

### **Statutory Environment**

- Local Government Act 1995
- Local Government (Rules of Conduct) Regulations 2007
- Local Government (Administration) Regulations 1996
- Public Interest Disclosure Act 2003
- Corruption and Crime Commission Act 2003
- Equal Opportunity Act 1984
- Statutory Corporations (Liability of Directors) Act 1996

### **Strategic Implications**

Discussed in the body of the Report.

### **Policy Implication**

Discussed in the body of the Report.

### **Voting Requirement**

Simple Majority

## **11.8 Tender – Hook Bin Truck RFT18/19-004**

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Tony Battersby, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	Confidential Evaluation Report – Supply and Delivery of Hook Bin Truck and Trade of Existing Hook Bin Truck (RFT1819-0004)			

### **Summary**

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 Management Facility (Operations). The CEO is seeking Councils approval to purchase the following equipment: One (1) – New Hook Bin Truck and the Trade of one (1) existing Hook Bin Truck.

**Officer Recommendation**

**That Council:**

Accepts the tender RFT1819-0004 submission from Bunbury Trucks – Hino of 1 Olive Court Bunbury WA as having presented the most advantageous Offer and best value for money to the Bunbury-Harvey Regional Council.

Supply of one (1) Hino FS 2848 480hp with 72,000kg GCM Fitted with Hyvalift (20-57S) hook lift system with options – 1 x 30m3 Aluminium Hook Bin, 5 Year Extended Warranty and Engine Upgrade to 480hp for tender price of – (As per Confidential Report Attachment - 8).

**MOVED BY: Cr Anita Shortland**

**SECONDED BY: Cr James Hayward**

**RESULT: CARRIED / ~~LOST~~ – 4/0**

**RESOLUTION: OC291118-1579**

**Background**

The purchase of one (1) New Hook Bin Truck to replace the existing Mitsubishi FUSO Hook Bin Truck is included in 2018/2019 Budget which was adopted by Council at the Ordinary Meeting held 26 July 2018.

**Officer Comment**

Funding for the Capital Equipment Purchase is included in the 2018/2019 Annual Budget. Quotations were sourced from an open tender process through Tenders Online and advertised in Western Australian Wednesday 17 October 2018 and the Southwest Times Thursday 18 October 2018.

Contract No. RFT1819-0004 for the supply of a one (1) New Hook Bin Truck and Trade of existing Mitsubishi FUSO Hook Bin Truck closed at 10:00am (AWST) on Wednesday 7 November 2018 and was opened by the BHRC Chief Executive Officer – Tony Battersby. 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 Hook Bin Truck.**

**Tender Submissions – Company Details and Address:**

1. Truck Centre – Lot 25 Wetherly Drive, Bunbury, WA
2. AV Truck Services Pty Ltd – 485 Great Eastern Highway, Redcliffe, WA
3. Bunbury Truck – 1 Olive Court, Bunbury, WA
4. South West Isuzu – 3 Giorgi Road, Picton, 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) Hook Bin Truck and new Hook Bins, has been included in the 2018/2019 annual budget allocation for Capital Equipment Purchase GL 49002.215.15 one (1) Hook Bin Truck \$270,000 + GST and trade of existing Mitsubishi FUSO Hook Bin Truck \$50,000 + GST revenue.

### 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

## 11.9 BHRC Corporate Logo Design (New)

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Tony Battersby, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Tony Battersby, Chief Executive Officer			
<b>Authority / Discretion:</b>	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"/>
<b>Attachment(s):</b>	New Logo Design			

### Summary

The purpose of this report is for Council to consider the adoption of a new corporate BHRC logo which will update the Council's image from the current out dated logo.

### Officer Recommendation

#### That Council:

Adopt the new BHRC logo and corporate imaging as detailed in Attachment – 9.

**MOVED BY:** Cr James Hayward

**SECONDED BY:** Cr Betty McCleary

**RESULT:** CARRIED / ~~LOST~~ – 4/0

**RESOLUTION:** OC291118-1580



### ***Background***

The BHRC current logo was commissioned with the formation of Council in 1990 and has not been updated since, hence being very out dated and in need of a new corporate image that reflects Councils services and functions.

Council staff engaged 99designs.com to run a competition with its customers on designing a new corporate logo for the Council. Contestants were given a brief on Councils functions, services and a guide on what type of logo that Council was hoping for. Eighty three entrants were received in total which were narrowed down to six on the first round of shortlisting. The six remaining contestants were requested to do modification where required and from these six it was shortlisted to three for the final round of modifications and variations.

The final winner was then selected and requested to produce all required graphics and documentation as per Attachment - 9

### ***Consultation***

BHRC Staff

### ***Financial Implications***

Costs covered in 2018/2019 BHRC Budget (Advertising expenditure)

### ***Statutory Environment***

Nil

### ***Strategic Implications***

Nil

### ***Policy Implication***

Discussed in the body of the Report.

### ***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**

The next meeting is scheduled for Thursday, 20 December 2018 at the Shire of Harvey Council Chambers, 7 Mulgara Street, Australind, commencing at 4:00pm.

### **16. Close of Meeting**

The Presiding Member declares meeting closed at 4:20pm.