



Ordinary Council Meeting

Notice of Meeting & Agenda

28 February 2019

Meeting to be held at: The Shire of Harvey Council Chambers, 7 Mulgara Street, Australind on Thursday 28 February 2019, commencing at 4:00pm

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 31 December 2018
- Attachment 2 – Summary of Accounts Paid for the Period Ending 31 December 2018
- Attachment 3 – Financial Statements for the Period Ending 31 January 2019
- Attachment 4 – Summary of Accounts Paid for the Period Ending 31 January 2019
- Attachment 5 – Environmental Management Plan – Construction and Demolition Waste Crushing
- Attachment 6 – Stanley Road Waste Management Facility – 2018 Annual Environmental Report



VISION

To develop, implement and maintain innovative and sustainable waste reduction, recycling and landfilling services while managing waste facilities with best practice standards for the councils of the Wellington Region and beyond.

To provide sustainable waste minimisation, recycling and alternative waste treatment services to an informed community while reducing the environmental impact of waste and maximising the conservation of natural resources through reduced material use and increased resource recovery

MISSION

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

Reduce the environmental impact of waste and maximise conservation of natural resources through reduced overall material use and increased materials and energy recovery.

VALUES

Excellence:

To provide best practice facilities and waste services to our community through the development of quality controls and continuous improvements.

Leadership:

Having a clear vision and direction, that engages with key stakeholders and our community.

Integrity:

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

Accountability:

To ensure 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 Environmental Regulation licence conditions.

Innovation:

Embrace new and better ways to achieve improved results through creativity, inventiveness and teamwork.

Respect

We value diversity and respect and are committed to work towards integrating the principles of Equal Employment Opportunity and ensure that the work environment is free from harassment and discrimination. We value and respect all members of our community.



Bunbury-Harvey Regional Council

Notice of Meeting

The next Ordinary Meeting will be held at the Shire of Harvey Council Chambers, 7 Mulgara Street, Australind on Thursday 28 February 2019 at 4:00pm.



Signed:

Tony Battersby

Chief Executive Officer

(Date of Issue: 22 February 2019)

AGENDA

Note: The recommendations contained in this document are not final and are subject to adoption, amendment (or otherwise) at the meeting.

Council Members:	Representing
Cr Murray Cook (Chairperson)	City of Bunbury
Cr Wendy Dickinson	Shire of Harvey
Cr Betty McCleary	City of Bunbury
Cr Tresslyn Smith	City of Bunbury
Cr Paul Beech	Shire of Harvey
Executive Leadership Team (Non-Voting)	Representing
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)
Officers (Non-Voting)	Representing
Mr Gavin Harris	Director Works and Services (City of Bunbury)
Mr Chris Welham	Accountant
Miss Martinette Pieterse	Council Meeting Support Officer
Others(Non-Voting)	Representing

1. Declaration of Opening / Announcement of Visitors

The Presiding Member Declares Meeting open _____

2. Attendances

2.1 Apologies

Cr Anita Shortland

Cr Peter Monagle

Cr James Hayward

3. Public Question Time

4. Summary of Response to previous Questions taken on notice

5. Applications for Leave of Absence

6. Confirmation of Minutes

The minutes of the Ordinary meeting of Council held on 20 December 2018, are confirmed as a true accurate record.

MOVED BY: _____ **SECONDED BY:** _____

RESULT: CARRIED / LOST _____

RESOLUTION:

7. Petitions / Memorials / Presentations

8. Declarations of Interests

9. Announcements (by the presiding member without discussion)

10. Reports of Committees

11. Reports of Officers

11.1 Financial Statements for the period ending 31 December 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):	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 December 2018

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	1,967,474	2,366,509	(399,035)	Unfavourable
• Year-to-date Expenditure	(2,426,129)	(2,603,091)	176,962	Favourable
• Operating Surplus/ (Deficit)	(458,656)	(236,582)	(220,074)	Unfavourable

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

Closing Funding Surplus to 30 June 2019 is forecast at \$399,834. The Budgeted Closing Surplus amount of \$204,906 has been increased by \$194,928 for various income and expenditure line items as detailed in the February Budget Review.

3. Capital Works (attached at Appendix 4)

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Capital Expenditure	(194,545)	(203,680)	9,135	Favourable

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

• Current Assets of \$5,195,558 includes:	Year-to-date	Forecast
○ Cash and Cash Equivalents	4,748,573	4,031,928
○ Trade and Other Receivables	437,070	300,000

○ Prepayments	5,629	-
○ Inventories	2,286	2,000

Current Liabilities of \$474,567 includes:		
○ Trade and Other Payables	189,068	161,414
○ Provisions	285,499	180,600

• Working Capital (Current Assets less Current Liabilities) is:	4,718,991	3,991,913
• Equity (Total Assets less Total Liabilities) is	9,265,242	9,385,985
• Reserves of \$3,537,811 includes:		
○ Plant and Infrastructure Reserve	538,313	1,087,937
○ Site Post Closure Rehabilitation Reserve	1,009,018	860,130
○ Stanley Road Environmental Protection Lined Cell Construction Reserve	916,936	748,644
○ Organics Processing Reserve	1,073,544	1,091,394

5. Investments

Total of \$4,650,065 includes:			
	Invested Funds \$	% of Total Funds	Max % of Total Funds Allowed
○ Bankwest	473,756	10	50
○ Commonwealth Bank	866,972	19	75
○ National Australia Bank	3,309,337	71	75
TOTAL:	4,650,065	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 31 December 2018 as presented to Council.

MOVED BY: _____ **SECONDED BY:** _____

RESULT: CARRIED / LOST _____

RESOLUTION:

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:

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Fees and Charges	
Casual Tipping Fees Unfavourable variance compared to year-to-date budget which is due to the seasonal effect of winter weather and a reduction in waste received from outside the Bunbury-Harvey Region. 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. Westbins is expected to bring in some waste from Perth over the next few months and two new customers have commenced to bring in waste from the Mandurah area. This will be addressed in the February Budget Review.	(\$387,065) (38%)
Sale of Scrap Metal 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.	\$66,140 120%
Waste Minimisation Income Unfavourable variance compared to year-to-date budget which is mainly due to the reduction in co-mingled waste included in casual tipping fees. Please refer to the note above for Casual Tipping Fees. This will be addressed in the February Budget Review.	(\$17,877) (31%)
Other Revenue	

Insurance Reimbursements Favourable year-to-date variance mainly due to workers compensation reimbursements from the Municipal Workcare Scheme. This will be addressed in the February Budget Review.	\$19,125 100%
Landfill Levy Income 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. This will be addressed in the February Budget Review.	(\$136,903) (76%)
Employee Costs	
Administration Favourable year-to-date variance due to This is offset by an unfavourable variance in accounting/professional fees associated with an employment agency for coverage. This will be addressed in the February Budget Review.	\$28,506 15%
Waste Transfer Station Favourable year-to-date variance to budget due to staff being on annual leave and close monitoring of staff rosters.	\$27,778 15%
Earthworks Operations Unfavourable year-to-date variance to budget due to an increase in the annual leave provision compared to annual leave taken.	(\$16,934) (19%)
Materials and Contracts	
Accounting/Professional Fees (CoB/Other) 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 employee costs. This will be addressed in the February Budget Review.	(\$62,501) (107%)
Technical Services Unfavourable variance compared to year-to-date budget which is due to extra Consulting fees required to answer DWER (Department of Water and Environment Regulation) requests relating to the Lined Cell and Organics Planning applications and the Environmental Audit. This will be addressed in the February Budget Review.	(\$17,654) (29%)
Skip Bin Recycling Operations Favourable variance compared to year-to-date budget because the tender for the new waste handler was awarded later than expected. This will be addressed in the February Budget Review.	\$21,785 46%
Site Rehabilitation Favourable variance compared to year-to-date budget has been achieved by reduced contractor costs in landfill gas capture and in utilising in-house operations where ever possible. This will be addressed in the February Budget Review.	\$88,416 15%
Other Expenditure	
Landfill Levy Favourable variance compared to year-to-date budget due to lower than anticipated casual tipping fees. Please refer to the note above for Casual Tipping Fees. This will be addressed in the February Budget Review.	\$118,357 71%
Statement of Financial Activity	

Revenues by Nature and Type	
Fees and Charges Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$311,039) (15%)
Other Revenue Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$96,330) (45%)
Expenses by Nature and Type	
Other Expenditure Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$109,491 39%

11.2 Summary of Accounts paid for period ending 31 December 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 31 December 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 December 2018

Officer Recommendation

That Council:

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

MOVED BY: _____ **SECONDED BY:** _____

RESULT: CARRIED / LOST _____

RESOLUTION:

Background

As noted in Summary.

Officer Comment

The attachment details all payments made for December 18

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 2018/2019 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 Financial Statements for the period ending 31 January 2019

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):	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 January 2019

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	2,301,762	2,794,933	(493,171)	Unfavourable
• Year-to-date Expenditure	(2,711,117)	(3,034,824)	323,707	Favourable
• Operating Surplus/ (Deficit)	(409,355)	(239,891)	(169,464)	Unfavourable

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

Closing Funding Surplus to 30 June 2019 is forecast at \$399,834. The Budgeted Closing Surplus amount of \$204,906 has been increased by \$194,928 for various income and expenditure line items as detailed in the February Budget Review.

3. Capital Works (attached at Appendix 4)

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Capital Expenditure	(192,720)	(203,680)	10,960	Favourable

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

• Current Assets of \$5,195,886 includes:	Year-to-date	Forecast
○ Cash and Cash Equivalents	4,685,576	4,031,928
○ Trade and Other Receivables	504,271	300,000
○ Prepayments	3,753	-
○ Inventories	2,286	2,000

Current Liabilities of \$381,965 includes:		
○ Trade and Other Payables	109,679	161,414
○ Provisions	272,287	180,600

• Working Capital (Current Assets less Current Liabilities) is:	4,813,921	1,991,914
• Equity (Total Assets less Total Liabilities) is	9,314,544	9,395,985
• Reserves of \$3,305,179 includes:		
○ Plant and Infrastructure Reserve	540,928	1,087,937
○ Site Post Closure Rehabilitation Reserve	1,013,029	860,130
○ Stanley Road Environmental Protection Lined Cell Construction Reserve	677,678	748,644
○ Organics Processing Reserve	1,073,544	1,091,394

5. Investments

Total of \$4,650,065 includes:			
	Invested Funds \$	% of Total Funds	Max % of Total Funds Allowed
○ Bankwest	473,756	10	50
○ Commonwealth Bank	866,972	19	75
○ National Australia Bank	3,309,337	71	75
TOTAL:	4,650,065	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 31 January 2019 as presented to Council.

MOVED BY: _____ **SECONDED BY:** _____

RESULT: CARRIED / LOST _____

RESOLUTION:

Background

A financial management report is provided to Councillors on a monthly basis which includes the following summaries:

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Legislative Compliance

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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:

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Fees and Charges	

<p>Casual Tipping Fees Unfavourable variance compared to year-to-date budget which is due to the seasonal effect of winter weather and a reduction in waste received from outside the Bunbury-Harvey Region. 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 January. The Shire of Capel will also be inviting tenders within the next two months. Westbins is expected to bring in some waste from Perth over the next few months and two new customers have commenced to bring in waste from the Mandurah area. This will be addressed in the February Budget Review.</p>	<p>(\$464,422) (38%)</p>
<p>Sale of Scrap Metal 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.</p>	<p>\$59,571 93%</p>
<p>Shire of Harvey Tip Passes Favourable variance compared to year-to-date budget which is due to increased population and building activity in the Shire of Harvey. This will be addressed in the February Budget Review.</p>	<p>\$16,761 13%</p>
<p>Waste Minimisation Income Unfavourable variance compared to year-to-date budget which is mainly due to the reduction in co-mingled waste included in casual tipping fees. Please refer to the note above for Casual Tipping Fees. This will be addressed in the February Budget Review.</p>	<p>(\$20,438) (31%)</p>
<p>Other Revenue</p>	
<p>Insurance Reimbursements Favourable year-to-date variance mainly due to workers compensation reimbursements from the Municipal Workcare Scheme. This will be addressed in the February Budget Review.</p>	<p>\$27,837 100%</p>
<p>Landfill Levy Income 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. This will be addressed in the February Budget Review.</p>	<p>(\$169,400) (75%)</p>
<p>Employee Costs</p>	
<p>Administration Favourable year-to-date variance which is mainly due to staff being on maternity leave. This is offset by an unfavourable variance in accounting/professional fees associated with an employment agency for coverage. This will be addressed in the February Budget Review.</p>	<p>\$43,166 20%</p>
<p>Waste Transfer Station Favourable year-to-date variance to budget due to staff being on annual leave and close monitoring of staff rosters.</p>	<p>\$27,801 13%</p>
<p>Earthworks Operations Unfavourable year-to-date variance to budget due to an increase in the annual leave provision compared to annual leave taken.</p>	<p>(\$23,434) (23%)</p>
<p>Site rehabilitation Favourable year-to-date variance to budget due to staff being on</p>	<p>\$15,896</p>

annual leave and close monitoring of staff rosters.	16%
Materials and Contracts	
Accounting/Professional Fees (CoB/Other) 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 employee costs. This will be addressed in the February Budget Review.	(\$66,924) (98%)
Technical Services Unfavourable variance compared to year-to-date budget which is due to extra consulting fees required to answer DWER (Department of Water and Environment Regulation) requests relating to the Lined Cell and Organics Planning applications and the Environmental Audit. This will be addressed in the February Budget Review.	(\$18,975) (28%)
Skip Bin Recycling Operations Favourable variance compared to year-to-date budget because the tender for the new waste handler was awarded later than expected. This will be addressed in the February Budget Review.	\$27,304 50%
Waste Transfer Station Unfavourable variance compared to year-to-date budget which is due to repairs and maintenance on older plant (Fuso Hookbin Truck & John Deere Skid Steer), and hookbins (floor repairs). This will be addressed in the February Budget Review.	(\$15,715) (25%)
Site Rehabilitation Favourable variance compared to year-to-date budget has been achieved by reduced contractor costs in landfill gas capture and in utilising in-house operations where ever possible. This will be addressed in the February Budget Review.	\$154,932 23%
Depreciation	
Vehicles, Plant & Equipment Favourable variance compared to year-to-date budget due to timing of upgrade/purchase of new capital items. This will be addressed in the February Budget Review.	\$33,038 11%
Other Expenditure	
Landfill Levy Favourable variance compared to year-to-date budget due to lower than anticipated casual tipping fees. Please refer to the note above for Casual Tipping Fees. This will be addressed in the February Budget Review.	\$155,848 75%
Statement of Financial Activity	
Revenues by Nature and Type	
Fees and Charges Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$391,547) (16%)
Other Revenue Unfavourable variance. See explanation above included in the	(\$115,792)

Statement of Comprehensive Income variances.	(44%)
Expenses by Nature and Type	
Other Expenditure Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$145,429 41%
Depreciation Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$39,129 11%

11.4 Summary of Accounts paid for period ending 31 January 2019

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 31 January 2019			

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 January 2019

Officer Recommendation

That Council:

Receive and accept the Summary of Accounts paid for period ending 31 January 2019 as presented to Council.

MOVED BY: _____ **SECONDED BY:** _____

RESULT: CARRIED / LOST _____

RESOLUTION:

Financial Implications

As per annual adopted budget.

Statutory Environment

- Environmental Protection Act 1986 and Regulations including:

- Asbestos Management
- Controlled Waste
- Noise Protection – Regulations 1997
- Unauthorised Discharge
- Contaminated Sites Act 2003
- 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

11.5 2018/2019 Budget Review

Applicant / Proponent:	Chris Welham, Accountant			
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):	Appendices 1 to 6 (included in the Appendices of the Financial Statements for the Period Ending 31 January 2019)			

Summary

To consider and adopt the Budget Review as presented in the Statement of Financial Activity for the period 1 July 2018 to 31 January 2019.

Background

A Statement of Financial Activity for the period ending 31 January 2019 incorporating year to date budget variations and forecasts to 30 June 2019 is presented for Council consideration. The *Local Government (Financial Management) Regulations 1996*, regulation 33A as amended, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government, Sport and Cultural Industries within 30 days of the adoption of the review.

The budget review has been prepared to include information required by the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The review will increase the Operating Deficit from \$221,007 to \$337,911, an increase of \$116,904. This is mainly due to a decrease in Fees and Charges of \$491K (including a decrease in Casual Tipping Fees of \$644K, offset by an increase in Sale of Scrap Metal of \$120K), savings in Site rehabilitation Expenses of \$250K and savings in Depreciation Expenses of \$118K.

As a result of the above changes, which have been offset mainly by savings in Capital Expenditure of \$53K and transfers from Reserves of \$134K, the budgeted closing funds as at 30 June 2019 will increase from a surplus of \$204,906 to a surplus of \$399,834, an increase of \$194,928.

The following supporting documents are attached for the period ending 31 January 2019:

- 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)
- Balance Sheet Summary (**attached** at Appendix 5)
- Statement of Net Current Assets (**attached** at Appendix 6)

Features of the budget review include:

Current Adopted Budgeted Closing Funds	\$
Variance between actual and budgeted opening funds	\$243,463
Budget Review Changes:	
Operating Income	\$
Fees and Charges	
Casual Tipping Fees Reduction in Casual tipping revenue due to the deferment of sourcing waste from the Perth metropolitan area pending DWER approvals for site rehabilitation and new lined cells at Stanley Road.	(\$644,396)
Sale of Scrap Metal Sales of scrap metal are expected to increase due to an increase in the market price.	\$120,000
Disposal – Shire of Harvey Increase in income from tipping fees due to increased population and building activity.	\$15,093
Shire of Harvey Tip Passes Increase in income due to increased population and building activity.	\$25,240
Recycle Shop income Increase in recycled goods available for sale	\$3,000
Mulch Sales Decrease in mulch sales as customers prefer compost	(\$5,500)
Banksia Road Organics Tipping Fees Increase in FOGO usage by neighbouring Shires	\$30,478

Waste Minimisation Income is expected to decrease in line with the decrease in co-mingled waste tonnages through casual tipping fees.	(\$35,341)
Interest Earnings	
Interest earnings on restricted/(invested) funds is favourable due to the timing of capital expenditure during the year	\$15,112
Other Revenue	
Fuel tax Credits Increase in credits available in line with increased onsite use of plant for rehabilitation and recycling activities.	\$19,426
Insurance Reimbursements. Reimbursements are above budget mainly due to workers compensation reimbursements from the Municipal Workcare Scheme.	\$19,266
Parental Leave Reimbursement This reimbursement from Centrelink is to cover parental leave taken and paid during the year.	\$12,632
Miscellaneous Refunds & Reimbursements Increased income received from the Paintback scheme.	\$2,093
Landfill Levy Income Reduced income due to deferment of sourcing waste from the Perth metropolitan area pending DWER approvals for site rehabilitation and new lined cells at Stanley Road.	(\$366,252)
Operating Expenditure	\$
Employee Costs	
Administration Employee Costs Reduced costs due to office administration staff being on maternity leave which is offset by parental leave paid.	\$66,666
Materials and Contracts	
Accounting/Professional Fees (CoB/Other) Increased costs from fees paid to an employment agency for Office Administration.	(\$76,082)
Technical Services Increased Consulting fees required to answer DWER (Department of Water and Environment Regulation) requests relating to the Lined Cell and Organics Planning applications and the Environmental Audit.	(\$23,780)
Skip Bin Recycling Operations Reduced costs because the tender for the new waste handler was awarded later than expected.	\$11,891
Waste Transfer Station Increased costs due to repairs and maintenance on older plant (Fuso Hookbin Truck & John Deere Skid Steer) and bins (floor repairs).	(\$9,343)
Earthworks Operations Reduced costs due to operational improvements made so that only one item of plant is now required on Earthworks Operations (Landfill Compactor).	\$21,201

Site Rehabilitation Savings have been achieved by reduced contractor cost in landfill gas capture and in utilising in-house operations where ever possible.	\$250,453
Other Materials and Contracts Expenditure Increase in Utility operating costs offset by savings in road maintenance.	(\$6,817)
Depreciation Reduction in depreciation following Plant & Equipment revaluations 2017/18 and timing of upgrade/purchase of new capital items	\$118,645
Insurance	
Vehicle and Plant Increase in insurance premiums paid for site rehabilitation and recycling plant & equipment. This is partly offset by the good driver rebate (\$2,198) included in insurance reimbursements above.	(\$4,487)
Other Expenditure	
Landfill Levy Paid This saving is in line with the decrease in waste being received from the Perth metropolitan area (see notes on Landfill Levy Income and Casual Tipping Fees above). This cost is fully recovered from customers.	\$336,952
Shire of Harvey Tonnage Rebate Increase in rebates given due to the increase in income from tipping fees as detailed above.	(\$11,000)
Other Increase in cost of WALGA and MWAC subscriptions	(\$2,054)
Capital Expenditure	
Extra cost of Bulk Fuel Storage Tank (Includes upgrade of Portable tank)	(\$4,525)
Savings in purchase of Nissan Navara Dual Cab	\$2,281
Savings in purchase of Service Trailer	\$3,651
Reduced capital cost in transfer of First Aid Defibrillator to operating expenses	\$1,550
Savings in purchase of Beach Rake	\$11,000
Extra cost of 4 x 4 Tractor	(\$5,544)
Savings in purchase of Waste Transfer Hook Bin Truck	\$48,404
Extra cost of Waste Handler	(\$3,768)
Capital Revenue	
Increase in disposal amount for Mitsubishi Hook Bin Truck	\$6,364
Reduction in disposal amount for Kawasaki Quadbike	(\$46)
Increase in disposal amount for KYMCO Scooter	\$455
Reduction in disposal amount for Nissan Navara Dual cab	(\$1,636)

Total Movement in capital revenue and expenditure	\$58,186
Transfers to or from Reserves	
Increase in transfers from Site Post Closure Rehabilitation Reserve	\$139,707
Decrease in transfers from Plant & Infrastructure Reserve	(\$8,610)
Increase in transfer from Environmental Protection Cell Construction Reserve	\$3,768
Increase in transfers to Plant & Infrastructure Reserve	\$758
Increase in transfers to Site Post Closure Rehabilitation Reserve	\$7,217
Decrease in transfers to Organics Processing Reserve	(\$8,528)
Decrease in transfers to Stanley Road Environmental Protection Cell Construction Reserve	(\$5,484)
Reconciling the above adjustments to the Statement of Financial Activity by nature and type:	
Deduct:	
Depreciation saving due to asset revaluations and timing/deferment of capital approvals.	(\$118,645)
Decrease in Budget surplus closing Funds as at 30 June 2018	\$194,928

Due to the adjustments above the closing funds have increased by \$194,928 from \$204,906 to \$399,834.

Current Adopted Budgeted Closing Funds	\$
Variance between actual and budgeted opening funds	\$243,463
Operating Income	
Decrease in Casual Tipping Fees	(\$644,396)
Increase in Sales of Scrap Metal	\$120,000
Increase in Shire of Harvey Disposals	\$15,093
Increase in Shire of Harvey Tip Passes Revenue	\$25,240
Increase in recycle Shop Income	\$3,000
Decrease in Mulch Sales	(\$5,500)
Increase in Banksia Road Tipping Fees	\$30,478
Decrease in Waste Minimisation Income	(\$35,341)
Increase in Interest Earnings	\$15,112
Increase in Fuel Tax Credits	\$19,426
Increase in Insurance Reimbursements	\$19,266
Increase in Parental Leave Reimbursements	\$12,632
Increase in Miscellaneous Refunds & Reimbursements	\$2,093
Decrease in Landfill Levy income	(\$366,252)
Operating Expenditure	
Decrease in Administration Employee Costs	\$66,666
Increase in Accounting/Professional Fees CoB/Other	(\$76,082)
Increase in Technical Services Costs	(\$23,780)
Decrease in Skip Bin Recycling Operations Expenses	\$11,891
Waste Transfer Station Increase in Repairs and Maintenance Costs	(\$9,343)
Savings in Earthworks Operations Costs	\$21,201
Savings in Site Rehabilitation Costs	\$250,453
Increase in Other Material and Contracts Maintenance Costs	(\$6,817)
Savings in depreciation costs.	\$118,645
Increase in Insurance costs	(\$4,487)
Savings in landfill levy costs	\$336,952
Increase in Shire of Harvey Tonnage Rebate	(\$11,000)
Increase in WALGA and MWAC subscriptions costs	(\$2,054)
Capital Expenditure	
Extra cost of Bulk Fuel Storage Tank	(\$4,525)

Savings in purchase of Nissan Navara Dual Cab	\$2,281
Savings in purchase of Service Trailer	\$3,651
Reduced capital cost in transfer of First Aid Defibrillator to operating expenses	\$1,550
Savings in purchase of Beach Rake	\$11,000
Extra cost of 4 x 4 Tractor	(\$5,544)
Savings in purchase of Waste Transfer Hook Bin Truck	\$48,404
Extra cost of Waste Handler	(\$3,768)
Capital Revenue	
Increase in disposal amount for Mitsubishi Hook Bin Truck	\$6,364
Reduction in disposal amount for Kawasaki Quad-bike	(\$46)
Increase in disposal amount for KYMCO Scooter	\$455
Reduction in disposal amount for Nissan Navara Dual cab	(\$1,636)
Transfers from Reserve	
Increase in transfers from Site Post Closure Rehabilitation Reserve	\$139,707
Decrease in transfers from Plant & Infrastructure Reserve	(\$8,610)
Increase in transfer from Stanley Road Environmental Protection Cell Construction Reserve	\$3,768
Increase in transfers to Plant & Infrastructure Reserve	\$758
Increase in transfers to Site Post Closure Rehabilitation Reserve	\$7,217
Decrease in transfers to Organics Processing Reserve	(\$8,528)
Decrease in transfers to Stanley Road Environmental Protection Cell Construction Reserve	(\$5,484)
Add Non-Cash Items	(\$118,645)
Increase in Budget surplus closing Funds as at 30 June 2019	\$194,928

Due to the adjustments above the closing funds have increased by \$194,928 from \$204,906 to \$399,834.

Consultation

Tony Battersby – Chief Executive Officer

Legislative Compliance

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

Voting Requirement

Absolute Majority

Financial Implications

Specific financial implications are as outlined in this report.

Executive Recommendation

That Council:

Council adopt the budget review with the following variations for the period 1 July 2018 to 31 January 2019 and amend the budget accordingly.

MOVED BY: _____ SECONDED BY: _____

RESULT: CARRIED / LOST _____

RESOLUTION:

11.6 Environmental Management Plan – Construction and Demolition Waste Crushing

Applicant / Proponent:	Tony Battersby, Chief Executive Officer			
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):	Environmental Management Plan – Construction and Demolition Waste Crushing			

Summary

Bunbury Harvey Regional Council (BHRC) has an obligation under the *Environmental Protection (Controlled Waste) Regulations 2004* and the *Environmental Protection Act 1986*, Part V Licence conditions to maintain strict control over the acceptance of waste at the Stanley Road Waste Management Facility (SRWMF).

BHRC was issued with an Amendment Notice in December 2018 to allow for the addition of 'Crushing of Building Material' (Category 13). This will enable the mobilisation and operation of a mobile inert waste crusher to reprocess Construction and Demolition (C&D) Waste.

This procedure has been developed to provide guidance on measures that can be used to manage the risk of contamination, particularly asbestos in the acceptance of commercial waste and to reduce risks to site workers and the wider community in accordance with the facilities Environmental Protection Licence (EPL).

Officer Recommendation

That Council:

Adopt the Environmental Management Plan – Construction and Demolition Waste Crushing as detailed in attachment 5.

COUNCIL DECISION:

MOVED BY: _____

SECONDED BY: _____

RESULT: CARRIED / LOST _____

RESOLUTION:

Background

BHRC is committed to environmental sustainability and understands that our actions are important to our staff, customers, visitors as well as our business outcomes and will ensure that its environmental policy, operational procedures and maintenance methods are understood, implemented and maintained by staff, contractors and subcontractors at all levels involved with the operations.

The BHRC has previously adopted an overarching Environmental Management Plan; this EMP is specific Construction and Demolition Waste Crushing.

Consultation

BHRC Staff

Community Consultation as part of the Strategic Management Plan review.

11.7 Donation of Compost/Mulch to Not for Profit Community Gardens

Applicant / Proponent:	Cr Murray Cook JP			
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):	Nil			

Summary

This resolution seeks to approve the donation of Compost or Mulch to Not for Profit (NFP) Community Gardens in the Bunbury Wellington Region.

Bunbury:

*Leschenault Community Garden,
Bunbury Community Garden,
Thommo’s Community Garden.*

Harvey:

*Harvey CRC Community Garden,
Brunswick Junction Community Garden.*

Collie:

Collie Community Gardens.

Donnybrook/Balingup:

*Donnybrook Community Gardens,
Balingup Community Forest Garden.*

Officer Recommendation

That Council:

1. Authorise the CEO to provide up to three (3) tonne, per annum, of Compost or Mulch to Not for Profit Community Gardens in the Bunbury Wellington Region.
2. The product be provided free of charge on transport (FOT).
3. Any quantity larger than 3 tonne, per annum, is supplied at Council set rates, less a 20% discount.
4. Authorise the CEO to approve any new additional (NFP) Community Gardens in the Bunbury Wellington Region that may request the donation of three (3) tonne of compost or mulch in the future.

MOVED BY: _____

SECONDED BY: _____

RESULT: **CARRIED / LOST** _____

RESOLUTION:

Executive Recommendation

Donation of Compost/Mulch to Community Gardens strategically links with Councils "Mission Statement"

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

Reduce the environmental impact of waste and maximise conservation of natural resources through reduced overall material use and increased materials and energy recovery.

The donation will also help to promote the use of compost/mulch in the greater community.

Background

The provision of this product to NFP organisations will enhance our interaction with the community and work hand in glove with education and engagement.

Community Gardens offer the opportunity for residents who have little or no yard to participate and grow their own fresh vegetables. Gardening is a proven enabler in the treatment of mental health.

In the words of Tina Jackson <http://www.foodwise.com.au/the-community-gardening-movement/>:

“Community gardens are being recognised as an innovative way to grow food and improve health. They bring together people from all walks of life, backgrounds and ages to foster a lively and connected community. Whilst gardening is the focus, community gardens are generally community hubs for a range of activities – learning and education, playgroups, arts and creative activities, preparing and sharing food, community events, celebrations and social enterprise.

Turning an unused plot of land into productive social hubs is just one of the benefits of community gardening. Neighbourhood groups with a shared passion for fresh organic produce work together to learn and share knowledge of growing food, help reduce family food budgets and provide opportunities for exercise, recreation and learning, as well as spaces for contemplation and relaxation. Community gardens point the way to living sustainably in an urban environment showing waste minimisation, composting and water usage techniques that can be used by people in their own homes.”

Strategic Relevance

BHRC Strategic Community Plan 2018-2022

Council Policy Compliance

Delegated Authority

Legislative Compliance

In accordance with the provisions of Section 5.42, Section 6.12 of the Local Government Act 1995

Analysis of Financial and Budget Implications

Staff and plant cost will be costed to Regional Compost Facility operations General Ledger. Compost and Mulch tonnages will be recorded on weighbridge software with a zero \$0 monetary value to each of the Community Gardens.

Community Consultation

NIL

Voting Requirement

Simple Majority

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

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

14. Confidential Business (Meeting Closed to the Public)

15. Information Only

Stanley Road Waste Management Facility – 2018 Annual Environmental Report as detailed in attachment 6.

16. Next Meeting

The next meeting is scheduled for Thursday, 28 March 2019, at the Shire of Harvey Council Chambers, 7 Mulgara Street, Australind - commencing at 4:00pm.

17. Close of Meeting

The Presiding Member declares meeting closed at _____