



Ordinary Council Meeting

Minutes

2 May 2019

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

| | | |
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| Attachment 1 | - | Financial Statements for the Period Ending March 2019 |
| Attachment 2 | - | Summary of Accounts Paid for the Period Ending March 2019 |
| Attachment 3 | - | BHRC Debtor Write Off – Appendix 9 |
| Attachment 4 | - | Draft Internal Control Policy |
| Attachment 5 | - | INFORMATION ONLY – Draft Budget 2019-2020 |
| Attachment 6 | - | INFORMATION ONLY – DWER Annual Report 2019 for BROPF |



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

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, 2 May 2019 at 4:00pm.

Minutes

1. Declaration of Opening / Announcement of Visitors

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

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

Cr Murray Cook
Chairperson

Mr Tony Battersby
Chief Executive Officer

2. Attendances

| Council Members: | Representing |
|--|--|
| Cr Murray Cook (Chairperson) | City of Bunbury |
| Cr Anita Shortland (Deputy Chairperson) | Shire of Harvey |
| Cr Betty McCleary (arrived at meeting 4:10pm) | City of Bunbury |
| Cr James Hayward | City of Bunbury |
| Cr Peter Monagle | Shire of Harvey |
| Executive Leadership Team (Non-Voting) | Representing |
| Mr Tony Battersby | Chief Executive Officer (BHRC) |
| Ms Annie Riordan | Chief Executive Officer (Shire of Harvey) |
| Officers (Non-Voting) | Representing |
| Mr Chris Welham | Accountant |
| Miss Martinette Pieterse | Council Meeting Support Officer |
| Others(Non-Voting) | Representing |
| Mr David Ransom | Manager Finance (City of Bunbury) |
| Mrs Aileen Clemens | Manager Waste Operations (City of Bunbury) |
| Cr Wendy Dickinson | Shire of Harvey |

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

Council Approves Cr Cook's Leave Application for 22-30 May 2019. Cr Shortland to attend next meeting scheduled for Thursday 30 May 2019 as Deputy Chairman and Cr Cook to arrange for a proxy to attend in his absence.

MOVED BY: Cr James Hayward

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC020519-1598

6. Confirmation of Minutes

The minutes of the Ordinary meeting of Council held on 28 March 2019, are confirmed as a true accurate record.

MOVED BY: Cr Anita Shortland

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC020519-1599

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 March 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): | Attachment 1 – Financial Statements for Period Ending March 2019 (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 March 2019

| | ACTUAL | BUDGET | VARIANCE | |
|----------------------------------|-------------|-------------|-----------|--------------|
| • Year-to-date Income | 2,948,083 | 3,055,657 | (107,574) | Unfavourable |
| • Year-to-date Expenditure | (3,469,580) | (3,453,153) | (16,427) | Unfavourable |
| • Year-to-date Operating Surplus | (521,497) | (397,496) | (124,001) | Unfavourable |

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

Closing Funding Surplus to 30 June 2019 is forecast at \$342,622. The Budgeted Closing Surplus amount of \$399,834 has been decreased by \$57,212 for increased insurance and parental leave reimbursements received, reduced depreciation and carried forward capital expenditure, and a reduction in transfers from reserve.

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

| | ACTUAL | BUDGET | VARIANCE | |
|------------------------------------|-----------|-----------|----------|------------|
| • Year-to-date Capital Expenditure | (611,620) | (613,712) | 2,092 | Favourable |

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

| | | |
|--|---------------------|-----------------|
| • Current Assets of \$4,757,438 includes: | Year-to-date | Forecast |
| ○ Cash and Cash Equivalents | 4,260,644 | 4,529,473 |
| ○ Trade and Other Receivables | 492,631 | 300,000 |
| ○ Prepayments | 1,876 | - |
| ○ Inventories | 2,286 | 2,000 |

| | | |
|---|---------|---------|
| Current Liabilities of \$381,419 includes: | | |
| ○ Trade and Other Payables | 119,563 | 212,518 |
| ○ Provisions | 261,857 | 284,901 |

| | | |
|--|-----------|-----------|
| • Working Capital (Current Assets less Current Liabilities) is: | 4,376,018 | 4,334,324 |
| • Equity (Total Assets less Total Liabilities) is | 9,202,402 | 9,404,943 |

| | | |
|---|-----------|-----------|
| Reserves of \$3,317,995 includes: | | |
| o Plant and Infrastructure Reserve | 540,928 | 1,037,074 |
| o Site Post Closure Rehabilitation Reserve | 1,015,598 | 1,069,587 |
| o Stanley Road Environmental Protection Lined Cell Construction Reserve | 680,782 | 1,091,394 |
| o Organics Processing Reserve | 1,080,687 | 793,644 |

5. Investments

| | | | |
|---------------------------------------|--------------------------|-------------------------|-------------------------------------|
| Total of \$4,227,659 includes: | | | |
| | Invested Funds \$ | % of Total Funds | Max % of Total Funds Allowed |
| o Bankwest | 355,978 | 8 | 75 |
| o Commonwealth Bank | 1,824,017 | 43 | 75 |
| o National Australia Bank | 2,047,664 | 49 | 75 |
| TOTAL: | 4,227,659 | 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 March 2019 as presented to Council.

MOVED BY: Cr James Hayward

SECONDED BY: Cr Anita Shortland

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC20519-1600

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.

Consultation

Nil

Financial Implications

As detailed in the 2018/2019 Financial Budget.

Statutory Environment

Sections 12 and 13 of the Local Government (Financial Management) Regulations 1996 Apply.

Strategic Implications

Nil

Policy Implications

Nil

Officer Comment

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 year-to-date variance to budget due to less than expected tonnages being received from the City of Busselton, the Shire of Capel and Westbins. | (\$115,705) (11%) |
| Sale of Scrap Metal Favourable year-to-date variance to budget due to strong demand and a good price per tonne being achieved better than expected. | \$45,293 27% |
| Sale of Compost Unfavourable year-to-date variance to budget. This is expected improve during the autumn season | (\$31,888) (31%) |
| Other Revenue | |
| Insurance Reimbursements Favourable year-to-date variance to budget due to receipt of good driver rebate and ongoing workers compensation wages recoups. | \$19,127 99% |
| Employee Costs | |
| Waste Transfer Station Favourable year-to-date variance to budget due to staff being on annual leave and close monitoring of staff rosters. | \$36,022 13% |
| Earthworks Operations Unfavourable year-to-date variance to budget mainly due to an increase in the annual leave provision compared to annual leave taken. | (\$36,316) (28%) |
| Site Rehabilitation Favourable year-to-date variance to budget mainly due to staff being on annual leave and close monitoring of staff rosters. | \$24,739 20% |
| Materials and Contracts | |
| Technical Services Unfavourable year-to-date variance to budget mainly due to The DWER requesting further technical information in relation to the New lined Cell proposal for the Stanley Road Landfill. | (\$20,104) (20%) |
| Organics Expenditure Unfavourable variance compared to year-to-date budget mainly due to an increase in organics licence fees, and plant maintenance costs (e.g. replacement of aeration pipes \$7,870), and the works approval (\$12,883) for the relocation of the Organics Processing Facility to Stanley Road. | (\$41,602) (35%) |
| 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. | \$36,198 55% |

Voting Requirement

Simple Majority

11.2 Summary of Accounts paid for period ending 31 March 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): | Attachment 2 - Summary of Accounts paid for period ending 31 March 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 March 2019

Officer Recommendation

That Council:

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

MOVED BY: Cr Anita Shortland

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC020519-1601

Background

As noted in Summary.

Officer Comment

The attachment details all payments made for 31 March 2019

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 Write off of Accounts Receivable Balances

| | | | | |
|--------------------------------|--|-------------------------------------|----------------------|--------------------------|
| Applicant / Proponent: | Internal | | | |
| Responsible Officer: | Chris Welham, Accountant | | | |
| Responsible Manager: | - | | | |
| Executive: | Tony Battersby, Chief Executive Officer | | | |
| Authority / Discretion: | Advocacy | <input checked="" type="checkbox"/> | Review | <input type="checkbox"/> |
| | Executive/Strategic | <input checked="" type="checkbox"/> | Quasi-Judicial | <input type="checkbox"/> |
| | Legislative | <input checked="" type="checkbox"/> | Information Purposes | <input type="checkbox"/> |
| Attachment(s): | Attachment 3 – Appendix 9 Write Off of Accounts Receivable Balances | | | |

Summary

A review of outstanding invoices is regularly conducted to determine that unpaid amounts can be recovered. Debtor's follow-up of unpaid invoices usually ensures that invoices raised are collected within 90 days of issue. However there are instances where amounts are deemed to be not collectable or the cost of recovery is not economically feasible for the amount outstanding.

In all instances:

- All the necessary measures have been taken to recover the debt,
- The debt remains unpaid for a minimum period of 90 days after its date for payment, and
- A list of debts written off is presented to Council.

The majority of the recommended Account Receivable write off relates to the Aurigen Group. In June 2017 The Aurigen Group debt of \$1,060,186.15 was referred to Dun and Bradstreet debt collection agency and in August 2017 the Group went into liquidation and Administrators were appointed. Milton Graham lawyers were engaged by the CEO to proceed with legal action when the administration period had been completed. As a result the amount of \$1,060,186.15 was transferred to a provision for doubtful debts on 31 May 2017 and is therefore already reflected in the Council's financial position.

All endeavours to facilitate collection of the outstanding amount have been exhausted. The list of debtor's invoices (as attached at Appendix 9) totalling \$1,060,441.15 are recommended for write off as at 30 June 2019.

Officer Recommendation

That Council:

Approves the write off of accounts receivable invoices totalling \$1,060,441.15 as at 30 June 2019 and for the CEO to recover the money from the State Government.

| | |
|------------------------|---------------------------|
| City Score: | \$ 824,073.16 |
| Auricom: | <u>\$ 236,112.99</u> |
| Aurigen Group Subtotal | \$1,060,186.15 |
| Little Loads: | \$ 171.00 |
| Goodchild Abbatoirs: | <u>\$ 84.00</u> |
| Total | <u>\$1,060,441.15</u> |

MOVED BY: Cr Peter Monagle

SECONDED BY: Cr James Hayward

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC020519-1602

Voting Requirement

Absolute Majority

***Cr Betty McCleary arrives at meeting 4:10pm**

11.4 Draft Internal Control Policy

| | | | | |
|--------------------------------|---|-------------------------------------|----------------------|--------------------------|
| Applicant / Proponent: | Internal | | | |
| Responsible Officer: | Michelle Lloyd, Compliance Officer | | | |
| Responsible Manager: | - | | | |
| Executive: | Tony Battersby, Chief Executive Officer | | | |
| Authority / Discretion: | Advocacy | <input checked="" type="checkbox"/> | Review | <input type="checkbox"/> |
| | Executive/Strategic | <input checked="" type="checkbox"/> | Quasi-Judicial | <input type="checkbox"/> |
| | Legislative | <input checked="" type="checkbox"/> | Information Purposes | <input type="checkbox"/> |
| Attachment(s): | Attachment 4 – Draft Internal Control Policy | | | |

Summary

Internal control is a key factor in ensuring that the Council is effectively and efficiently managed and that its resources are not misused or misappropriated. These controls are integral to the effective risk management of activities and to ensure there are appropriate policies and procedures that promote the achievement of Council's goals and objectives.

Internal control is not limited to financial matters. An effective internal control environment will provide the means by which Council can successfully address and mitigate many risks. The internal control system should be defined in respect to the financial, information and technological, human resource, and legislative activities of Council.

In establishing and assessing internal control practices it is necessary to recognise that in practical terms a certain level of risk will exist. The purpose of internal control is to provide assurance that the internal risks faced by Council are minimised or contained to acceptable levels.

Officer Recommendation

That Council:

Receive and accept Internal Control Policy as presented.

MOVED BY: Cr James Hayward

SECONDED BY: Cr Peter Monagle

RESULT: CARRIED / ~~LOST~~ – 4/0

RESOLUTION: OC020519-1603

Background

Council has not previously adopted an Internal Control Policy.

Council Policy Compliance

This Policy describes the purpose and major factors to be considered in the development of an effective internal control framework. It provides a framework to assist in the development of policies, practices and procedures to collectively ensure that the financial and non-financial activities of Council are conducted in a proper manner.

Legislative Compliance

Consistent with the objectives and requirements of the *Local Government Act 1995 and Local Government (Financial Management) Regulations 1996*, Council has a responsibility to ensure that its activities are conducted in an efficient, compliant, risk effective and transparent manner that is compliant with its policies and procedures.

Officer Comments

This policy is intended to provide clear direction to all Council members, management and staff and external contractors to ensure that the Council is effectively managed and that its resources are not misused or misappropriated.

A comprehensive and appropriate system of internal control will include policies and procedures that provide a framework that ensures:

- Strategic Plan objectives are monitored and reported in an efficient and orderly manner;
- Reporting information is accurate and reliable to facilitate sound decision making;
- Policies and procedures are followed;
- Compliance with the relevant legislation and regulations applicable to Local Government;
- Assets are secured and protected from unauthorised use;
- Records are complete, accurate, secure and reliable; *and*
- Risks are identified, assessed and mitigated where possible.

Analysis of Financial and Budget Implications

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

Community Consultation

Nil

Councillor/Officer Consultation

This report is provided to Council by the CEO.

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, 30 May 2019 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 **4:17pm**.