



# Ordinary Council Meeting

## Minutes

30 March 2023

### 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

<b>Attachment 1</b>	-	Financial Statements for the period ending 31 January 2023
<b>Attachment 2</b>	-	Financial Statements for the period ending 28 February 2023
<b>Attachment 3</b>	-	Summary of Accounts paid for period ending 31 January 2023
<b>Attachment 4</b>	-	Summary of Accounts paid for period ending 28 February 2023
<b>Attachment 5</b>	-	February 2023 Budget Review
<b>Attachment 6</b>	-	DRAFT Compliance Audit Return 2022
<b>Attachment 7</b>	-	"Confidential Report CRUSC1" & 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

## Minutes

Minutes of the Ordinary Meeting of the Bunbury-Harvey Regional Council held in the Administration Complex, Stanley Road Waste Management Facility, Lot 45 Stanley Road, Wellesley on Thursday, 30 March 2023 at the Administration Complex, Lot 45 Stanley Road, Wellesley

## Minutes

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

The meeting was declared open by Cr Tresslyn Smith at 4:15pm

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 Tresslyn Smith**  
Chairperson

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**Mr Peter Keane**  
Chief Executive Officer

### 2. Attendances and Apologies

#### 2.1. Attendances

<b>Council Members:</b>	<b>Representing</b>
Cr Tresslyn Smith ( <b>Chairperson</b> )	City of Bunbury
Cr Wendy Dickinson ( <b>Deputy Chairperson</b> )	Shire of Harvey
Cr Karen Turner	City of Bunbury
Cr Ben Andrew	City of Bunbury
<b>Executive Leadership Team (Non-Voting)</b>	<b>Representing</b>
Mr Peter Keane	Chief Executive Officer (BHRC) ( <i>via Teams</i> )
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>
Ms Vicki Gregg	Finance Manager
Mrs Taryn York	Council Meeting Support Officer
Mr Jethro Sleer	Operations Manager
<b>Others(Non-Voting)</b>	<b>Representing</b>
Mr Gavin Harris	City of Bunbury (Director Infrastructure)
Mr Rick Lotznicker	Shire of Harvey (Director Infrastructure)

#### 2.2. Apologies

Cr John Bromham, Shire of Harvey  
Mr Haydn Jones, Shire of Harvey

### 3. Public Question Time

Nil

### 4. Summary of Response to previous Questions taken on notice

Nil

### 5. Applications for Leave of Absence

Cr Dickinson requested a leave of absence from 29<sup>th</sup> April 2023 to 16<sup>th</sup> June 2023.

MOVED BY: Cr Ben Andrew                      SECONDED BY: Cr Karen Turner

RESULT: CARRIED ~~LOST~~                      4 / 0

RESOLUTION: OC300323-1874

### 6. Confirmation of Minutes

The minutes of the Ordinary meeting of Council held on 30 January 2023, are confirmed as a true accurate record.

MOVED BY: Cr Karen Turner                      SECONDED BY: Cr Wendy Dickinson

RESULT: CARRIED ~~LOST~~                      4 / 0

RESOLUTION: OC300323-1875

### 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 January 2023

Applicant / Proponent:	Internal			
Responsible Officer:	Vicki Gregg, Finance Manager			
Responsible Manager:	Vicki Gregg, Finance Manager			
Executive:	Peter Keane, 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 31 January 2023			

## 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 2023

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	8,017,517	4,220,200	3,797,317	Favourable
• Year-to-date Expenditure	(4,011,407)	(4,495,217)	(483,810)	Favourable
• Year-to-date Operating Surplus/(Deficit)	4,006,110	(275,017)	4,281,127	Favourable

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

Closing Deficit to 30 June 2023 is forecast to be \$199,746. All forecast changes noted will be included in the February 2023 Budget Review.

3. Capital Works

	ACTUAL	BUDGET	VARIANCE
• Year-to-date Capital Expenditure	0	(2,868,749)	(2,868,749)

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

• Current Assets of \$7,493,906 includes:	<b>Year-to-date</b>	<b>Forecast</b>
○ Cash and Cash Equivalents	4,222,213	749,885
○ Trade and Other Receivables	3,247,955	306,589
○ Prepayments	5,829	31,942
○ Inventories	17,910	18,357

• Current Liabilities of \$3,290,692 includes:		
○ Trade and Other Payables	2,983,325	487,169
○ Provisions	307,367	306,964

• Working Capital ( <b>Current Assets less Current Liabilities</b> ) is:	1,286,426	312,639
• Equity ( <b>Total Assets less Total Liabilities</b> ) is	5,769,129	5,373,913
• Reserves	1,670,674	512,387

5. Investments

<b>Total of \$3,950,944 includes:</b>			
	Invested Funds \$	% of Total Funds	Max % of Total Funds Allowed
○ Commonwealth Bank	2,739,488	69%	75
○ National Australia Bank	1,211,456	31%	75
<b>TOTAL:</b>		100%	

### *Executive Recommendation*

#### **That Council:**

Receive and accept the Financial Statements for period ending 31 January 2023 as presented to Council.

**MOVED BY:** Cr Wendy Dickinson      **SECONDED BY:** Cr Karen Turner

**RESULT:** CARRIED ~~LOST~~      4 / 0

**RESOLUTION:** OC300323-1875

### *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**)
- Statement of Financial Position (attached at **Appendix 4**)
- Statement of Net Current Assets (attached at **Appendix 5**)

### *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 31 August 2022, 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 2022/23.

### *Consultation*

Nil

### *Financial Implications*

As per the 2022/23 Financial Budget. Any forecast changes noted will be included in the February 2023 Budget Review.

### *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 Financial Activity:

#### **Revenue from Operating Activities**

Interest Earnings – Favourable year-to-date variance of \$26,789 due to higher than anticipated interest rates and higher investment interest earnings. Forecast adjustments have been entered and will be included in the February Budget Review.	\$26,789 1,914%
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Contributions – Favourable year-to-date variance due to the cell capping and mattress disposal contributions being received by member councils. The cell capping contributions were previously budgeted as a capital contribution; however, it is operating in nature and has been reallocated to operating revenue. Forecast adjustments have been entered and will be included in the February Budget Review.	\$3,931,750 375%
Fees and Charges – Unfavourable year-to-date variance of \$179,378 due to lower than anticipated Organics Compost Revenue of \$127K, Casual Tipping fees of \$44K, Scrap Metal Revenue of \$42K. All Fee and Charge revenue will be assessed during the February Budget Review with forecasts entered as required.	\$179,378 10%

#### Expenditure from Operating Activities

Employee Costs – Favourable year-to-date variance of \$276,554 due to the council operating on a reduced workforce. It is anticipated that some of these savings will be utilised for contractors to ensure all required works are being completed. This will be addressed in the February Budget Review.	\$276,554 17%
Materials and Contracts – Unfavourable year-to-date variance due to the Cell Capping being reallocated to operating rather than capital. Forecast adjustments have been entered and will be included in the February Budget Review.	(\$3,482,466) (357%)
Other Expenditure – Favourable year-to-date variance of \$3,677,653 mainly due to the adjustment of the 'Make Good' provision that was processed in the 2021/22 financial year for the capping requirements. As the capping is paid for, the liability is reduced. There has also been lower than anticipated disposal costs from the Stanley Road and Banksia Road sites (\$172K), this is anticipated to still be utilised later in the financial year.	\$3,677,653 252%

#### Investing Activities

Non-Operating Grants and Contributions – Favourable year-to-date variance of \$500K mainly due to receiving the first milestone for the Organics Facility grant of \$1.5M which the BHRC was recently awarded. This will be addressed during the February Budget Review.	\$500,000 50%
Infrastructure Acquisitions – Favourable year-to-date variance due to the Cell Capping being reallocated to operating as it is not capital in nature. Forecast adjustments have been entered and will be included in the February Budget Review.	\$2,868,749 100%
Proceeds for Disposal of Assets – Unfavourable year-to-date variance as the sale of the Woodhog Mulcher is yet to occur.	\$100,000 100%

#### Financing Activities

Transfer to Reserves – Favourable year-to-date variance of \$15,866 due to higher than anticipated interest being received on reserve funds that are invested. Forecast adjustments have been made and will be included in the February Budget Review.	\$15,866 661%
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#### Voting Requirement

Simple Majority



## 11.2. Financial Statements for the period ending 28 February 2023

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Vicki Gregg, Finance Manager			
<b>Responsible Manager:</b>	Vicki Gregg, Finance Manager			
<b>Executive:</b>	Peter Keane, 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>	Attachment 2 – Financial Statements for Period Ending 28 February 2023			

### Summary

The following comments are provided on the key elements of Council's Financial Performance:

1. Statement of Comprehensive Income (attached at Appendix 1)
  - a. Year-to-date Financial Performance to 28 February 2023

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date Income	10,744,011	4,698,453	6,045,558	Favourable
• Year-to-date Expenditure	(4,490,273)	(5,157,654)	(667,381)	Favourable
• Year-to-date Operating Surplus/(Deficit)	6,253,738	(459,201)	6,712,939	Favourable

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

Closing Surplus to 30 June 2023 is forecast to be \$1,848. All forecast changes noted have been included in the February 2023 Budget Review which is included in this agenda.

3. Capital Works

	ACTUAL	BUDGET	VARIANCE
• Year-to-date Capital Expenditure	0	(5,118,749)	(5,118,749)

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

• Current Assets of \$7,392,284 includes:	<b>Year-to-date</b>	<b>Forecast</b>
○ Cash and Cash Equivalents	5,626,485	1,563,179
○ Trade and Other Receivables	1,747,607	306,589
○ Prepayments	5,829	31,942
○ Inventories	12,363	18,357

• Current Liabilities of \$1,613,333 includes:		
○ Trade and Other Payables	1,305,966	487,169
○ Provisions	307,367	306,964

• Working Capital ( <b>Current Assets less Current Liabilities</b> ) is:	5,778,951	1,125,934
• Equity ( <b>Total Assets less Total Liabilities</b> ) is	8,019,997	5,373,913
• Reserves	1,670,674	1,124,087

## 5. Investments

<b>Total of \$5,495,088 includes:</b>			
	<b>Invested Funds \$</b>	<b>% of Total Funds</b>	<b>Max % of Total Funds Allowed</b>
o Commonwealth Bank	4,280,614	78%	75
o National Australia Bank	1,214,475	22%	75
<b>TOTAL:</b>		100%	

### *Executive Recommendation*

#### **That Council:**

Receive and accept the Financial Statements for period ending 28 February 2023 as presented to Council.

**MOVED BY:** Cr Ben Andrew                      **SECONDED BY:** Cr Wendy Dickinson

**RESULT:**                      **CARRIED / ~~LOST~~**                      **4 / 0**

**RESOLUTION:**      **OC300323-1876**

### *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**)
- Statement of Financial Position (attached at **Appendix 4**)
- Statement of Net Current Assets (attached at **Appendix 5**)

### *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 31 August 2022, 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 2022/23.

### *Consultation*

Nil

### *Financial Implications*

As per the 2022/23 Financial Budget. Any forecast changes noted will be included in the February 2023 Budget Review.

### *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 Financial Activity:

#### Revenue from Operating Activities

Interest Earnings – Favourable year-to-date variance of \$39,688 due to higher than anticipated interest rates and higher investment interest earnings. Forecast adjustments have been entered and included in the February Budget Review.	\$38,088 2,381%
Contributions – Favourable year-to-date variance due to the cell capping and mattress disposal contributions being received by member councils. The cell capping contributions were previously budgeted as a capital contribution; however, it is operating in nature and has been reallocated to operating revenue. Forecast adjustments have been entered and included in the February Budget Review.	\$6,251,750 596%
Fees and Charges – Unfavourable year-to-date variance of \$235,200 due to lower than anticipated Organics Compost Revenue of \$167K, Casual Tipping fees of \$60K, and Scrap Metal Revenue of \$34K. All Fee and Charge revenue has been assessed and forecast adjustments have been included in the February Budget.	\$235,200 11%

#### Expenditure from Operating Activities

Employee Costs – Favourable year-to-date variance of \$285,178 due to the council operating on a reduced workforce. It is anticipated that some of these savings will be utilised for contractors to ensure all required works are being completed. Forecast adjustments have been entered and included in the February Budget Review.	\$285,178 16%
Materials and Contracts – Unfavourable year-to-date variance due to the Cell Capping being reallocated to operating rather than capital. Forecast adjustments have been entered and is included in the February Budget Review.	(\$4,170,505) (368%)
Other Expenditure – Favourable year-to-date variance of \$4,536,761 mainly due to the adjustment of the 'Make Good' provision that was processed in the 2021/22 financial year for the capping requirements. As the capping is paid for, the liability is reduced. There has also been lower than anticipated disposal costs from the Stanley Road and Banksia Road sites (\$311K). Forecast adjustments have been entered and included in the February Budget Review.	\$4,536,761 263%

#### Investing Activities

Non-Operating Grants and Contributions – Favourable year-to-date variance of \$503,240 mainly due to receiving the first milestone for the Organics Facility grant of \$1.5M which the BHRC was recently awarded. Forecast adjustments have been entered and included in the February Budget Review.	\$503,240 50%
Infrastructure Acquisitions – Favourable year-to-date variance due to the Cell Capping being reallocated to operating as it is not capital in nature. Forecast adjustments have been entered and included in the February Budget Review.	\$5,118,749 100%
Proceeds for Disposal of Assets – Unfavourable year-to-date variance as the sale of the Woodhog Mulcher is yet to occur.	\$100,000 100%

### Financing Activities

Transfer to Reserves – Favourable year-to-date variance of \$19,996 due to higher than anticipated interest being received on reserve funds that are invested. Forecast adjustments have been made and included in the February Budget Review.	\$19,996 833%
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### Voting Requirement

Simple Majority

### 11.3. Summary of Accounts paid for period ending 31 January 2023

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Vicki Gregg, Finance Manager			
<b>Responsible Manager:</b>	Vicki Gregg, Finance Manager			
<b>Executive:</b>	Peter Keane, 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>	Attachment 3 - Summary of Accounts paid for period ending 31 January 2023			

### 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 2023.

### Officer Recommendation

#### That Council:

Receive and accept the Summary of Accounts paid for period ending 31 January 2023 as presented to Council.

MOVED BY: Cr Ben Andrew

SECONDED BY: Cr Wendy Dickinson

RESULT: CARRIED / ~~LOST~~ 4 / 0

RESOLUTION: OC300323-1877

### Background

As noted in Summary.

### Voting Requirement

Simple Majority

### Officer Comment

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

### Consultation

Nil

### Financial Implications

As per the declaration within the schedule summary, the accounts have been checked and are fully supported by vouchers and invoices and which have been duly certified as to the receipt of goods and the rendition of service and as to prices, computation and costing(s). Sufficient allocations are contained within the 2022/2023 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

#### 11.4. Summary of Accounts paid for period ending 28 February 2023

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Vicki Gregg, Finance Manager			
<b>Responsible Manager:</b>	Vicki Gregg, Finance Manager			
<b>Executive:</b>	Peter Keane, 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>	Attachment 4 - Summary of Accounts paid for period ending 28 February 2023			

### Summary

Section 13 (2) of Government (Financial Management) Regulations 1996 require that where Local Government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing detail for each account paid since such list was prepared. This item is presented to Council to advice of payments made for 28 February 2023.

### Officer Recommendation

#### That Council:

Receive and accept the Summary of Accounts paid for period ending 28 February 2023 as presented to Council.

MOVED BY: Cr Ben Andrew

SECONDED BY: Cr Karen Turner

RESULT: CARRIED ~~LOST~~ 4 / 0

RESOLUTION: OC300323-1878

### Background

As noted in Summary.

### Voting Requirement

Simple Majority

### Officer Comment

The attachment details all payments made for 28 February 2023

### 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 2022/2023 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

## 11.5. 2022/2023 Budget Review

<b>Applicant / Proponent:</b>	Vicki Gregg, Finance Manager			
<b>Executive:</b>	Peter Keane, 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>	Attachment 2 - Appendices 1 to 6 (included in the Appendices of the Financial Statements for the Period Ending 28 February 2023) Attachment 5 – February 2023 Budget Review			

### Summary

Council adopted the 2022/23 Budget on 31 August 2022 of \$14.58M, comprising \$7.61M capital works and \$6.97M in operating expenditure (excluding depreciation). Proposed changes to operating income and expenditure will decrease the Operating Deficit from \$931K to a surplus of \$5.0M, an increase of \$5.94M (mainly due to the reduction of the "Make Good" provision that was expensed in the prior financial year). Capital Expenditure will decrease by \$7.53M. The Opening Funds position also decreased by \$6.33M which is mainly due to the 'Make Good' Provision that was applied as at 30 June 2022.

As a result of the above changes the budgeted closing funds as at 30 June 2023 will increase from a deficit of \$253,820 to a surplus of \$1,848, an increase of \$255,668.

The following supporting documents are attached for the 2022/23 Revised Budget:

- Statement of Comprehensive Income (**attached** at Appendix 1)
- Banksia Road Operations (**attached** at Appendix 2)
- Statement of Financial Activity (**attached** at Appendix 3)
- Statement of Financial Position (**attached** at Appendix 4)
- Statement of Net Current Assets (**attached** at Appendix 6)

### Executive Recommendation

#### That Council:

Adopt the February 2023 Budget Review with the following budget variations and amends the current budget accordingly:

Original Budget Deficit Closing Funds	(\$253,820)
Decrease in Opening Funds (to adjust budgeted position at 30 June 2022 to agree with the actual financial position)	(\$6,335,327)
Add February 2023 Budget Review Changes (summarised below)	\$6,590,995
Revised Budget Surplus Closing Funds at 30 June 2023	\$1,848

February 2023 Budget Review Changes:

<b>Operating Revenue:</b>	
Increase in Contributions	\$6,001,750
Decrease in Fees and Charges	(\$265,287)
Increase in Interest Earnings	\$53,800
increase in Other Revenue	\$139,131
	<b>\$5,929,394</b>
<b>Operating Expenses:</b>	
Decrease in Employee Costs	\$140,000
Increase in Materials and Contracts	(\$6,688,897)
Decrease in Other Expenditure	\$6,562,262
	<b>\$13,365</b>
<b>Investing Activities:</b>	
Decrease in Grants and Contributions for the Development of Assets	(\$6,250,000)
Decrease in Asset Acquisition	\$7,533,334
	<b>\$1,283,334</b>
<b>Financing Activities:</b>	
Decrease in transfers to Reserves	<b>(\$635,500)</b>
Adjust non-cash items – Long Service Leave Provision	403
Net increase/decrease in Closing Funding	\$6,590,996
<b>Revised Budgeted Surplus/Deficit Closing Funds at 30 June 2023</b>	<b>\$1,848</b>

**Voting Requirement**

Absolute Majority

**MOVED BY:** Cr Karen Turner      **SECONDED BY:** Cr Wendy Dickinson

**RESULT:** CARRIED / ~~LOST~~      4 / 0

**RESOLUTION:** OC300323-1879

**Background**

The Management Team and Staff have reviewed the 2022/23 Budget and have identified items that require adjustments and have been included in the Review. The Financial Statements have been prepared incorporating budget forecasts to 30 June 2023.

The February Budget Review 2023 is presented to Council for consideration.

**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.
- (2A) The review of an annual budget for a financial year must –
  - (a) Consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - (b) Consider the local government’s financial position as at the date of the review; and

- (c) Review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget a local government is carried out it is to be submitted to 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 Council has adopted the Budget Review, a copy of the review and Council's decision is to be provided to the Department of Local Government.

### Consultation

Consultation has occurred with the Management Team.

### Financial Implications

The changes to existing budget items is detailed in the Budget Review report (refer Attachment 5) and will result in the forecast closing position to 30 June 2023 increasing by \$255,668 to a surplus of \$1,848.

### Strategic Implications

Nil

### Policy Implications

Nil

## 11.6. Draft Compliance Audit Return 2022

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Peter Keane, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Peter Keane, 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>	Attachment 6 – DRAFT Compliance Audit Return 2022			

### Summary

Regulation 14 of the Local Government (Audit) Regulations 1996 requires that a local government carry out a compliance audit for the period 1 January to 31 December of each year. This report is presented to Council for consideration of the Compliance Audit for the period 1 January 2022 to 31 December 2022.

### Officer Recommendation

#### That Council:

Receive and accept the Compliance Audit Return 2022 as presented to Council and that Council request the Chief Executive Officer and Chairperson to sign the Compliance Audit Return and forward the return to the Department of Local Government.

**MOVED BY:** Cr Wendy Dickinson

**SECONDED BY:** Cr Ben Andrew

**RESULT:** CARRIED ~~LOST~~ 4 / 0

**RESOLUTION:** OC300323-1880

### Voting Requirement

Simple Majority



### Background

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

The CAR is required to be submitted to the Executive Director by 31 March of each year. The form of CAR approved by the Minister for the 2018 CAR is via completion of an online form on the Department of Local Government and Regional Developments (DLGRD) website. The CEO has completed the return (Attachment 11.5A) and the report is provided for Council's information.

### Officer Comment

Notes are included in the attached Compliance Audit Return.

### Consultation

Nil

### Financial Implications

Nil

### Statutory Environment

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

### Strategic Implications

Nil

### Policy Implications

Nil

## 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)

This report is confidential in accordance with section 5.23(2)(d) of the Local Government Act 1995, which permits the meeting to be closed to the public.

A confidential report and recommendation have been circulated to members under a separate cover (Confidential Report CRUSC1).

<b>Applicant / Proponent:</b>	Internal			
<b>Responsible Officer:</b>	Peter Keane, Chief Executive Officer			
<b>Responsible Manager:</b>	-			
<b>Executive:</b>	Peter Keane, Chief Executive Officer			
<b>Authority / Discretion:</b>	Advocacy	<input type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input checked="" type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input type="checkbox"/>	Information Purposes	<input type="checkbox"/>
<b>Attachment(s):</b>	Attachment 7 – “Confidential Report CRUSC1”			

*Officer Recommendation*

That Council:

Presiding Member Cr Smith declared the meeting was closed to the public at 4.39pm to discuss “**Confidential Report CRUSC1**”.

MOVED BY: Cr Wendy Dickinson                      SECONDED BY: Cr Ben Andrew

RESULT: CARRIED ~~LOST~~                      4 / 0

RESOLUTION: OC300323-1881

**14.1. Business Case (Banksia Road Organics Processing Facility) (Confidential)**

Applicant / Proponent:	Internal			
Responsible Officer:	Jethro Sleer, Operations Manager			
Executive:	Peter Keane, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input 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 checked="" type="checkbox"/>
Attachment(s):	<b>Attachment 1 (Confidential Item)</b> – Banksia Road Organics Processing Facility Business Case			

*Executive Recommendation*

That Council

1. Endorses the allocation of \$601,000 to be taken from the Organics Processing Reserve fund for the purpose of the associated costs of processing the Legacy Unprocessed Compost Material at Banksia Road Organics Processing Facility, including disposal of the overburden to landfill.
2. Endorses a change to the BHRC Banksia Rd Organics Processing Facility business as usual business model, and supports BHRC to seek market proposals to process the pasteurised/matured FoGo material to a saleable compost material and then engage in the marketing and the sale of the final product and revenue collection for the period of up to four years, or until the Stanley Road Composting Facility reaches practical completion.

MOVED BY: Cr Karen Turner                      SECONDED BY: Cr Wendy Dickinson

RESULT: CARRIED ~~LOST~~                      3 / 1

RESOLUTION: OC300323-1882

*Councillor Ben Andrew moved and Cr Karen Turner seconded an amendment to include an additional point to the motion as follows:*

3. *BHRC CEO write formally to the CEO’s and Mayors’ of the Wellington Group of Councils to highlight the issues with FOGO contamination, the impacts to the continued operations and the need for comprehensive, targetted and ongoing community education, and reinforcement of the need to effectively manage lower contamination levels at the source (household separation & kerbside) via education and ongoing management of contaminated kerbside bins.*

*The Presiding Member put the amendment to the motion to the vote and it was carried, thus becoming the substantive motion.*

### Amended Executive Recommendation

#### That Council

1. Endorses the allocation of \$601,000 to be taken from the Organics Processing Reserve fund for the purpose of the associated costs of processing the Legacy Unprocessed Compost Material at Banksia Road Organics Processing Facility, including disposal of the overburden to landfill.
2. Endorses a change to the BHRC Banksia Rd Organics Processing Facility business as usual business model, and supports BHRC to seek market proposals to process the pasteurised/matured FoGo material to a saleable compost material and then engage in the marketing and the sale of the final product and revenue collection for the period of up to four years, or until the Stanley Road Composting Facility reaches practical completion.
3. BHRC CEO write formally to the CEO's and Mayors' of the Wellington Group of Councils to highlight the issues with FOGO contamination, the impacts to the continued operations and the need for comprehensive, targeted and ongoing community education, and reinforcement of the need to effectively manage lower contamination levels at the source (household separation & kerbside) via education and ongoing management of contaminated kerbside bins.

MOVED BY: Cr Ben Andrew                      SECONDED BY: Cr Karen Turner

RESULT: CARRIED ~~LOST~~                      4 / 0

RESOLUTION: OC300323-1883

Presiding Member Cr Smith declared the meeting was opened to the public at 5.09 pm.

MOVED BY: Cr Ben Andrew                      SECONDED BY: Cr Wendy Dickinson

RESULT: CARRIED ~~LOST~~                      4 / 0

RESOLUTION: OC300323-1884

### 15. Next Meeting

The next meeting is scheduled for Thursday, 25 May 2023 at the Administration Complex, Lot 45 Stanley Road, Wellesley, commencing at 4.15pm.

### 16. Close of Meeting

The Presiding Member declares meeting closed at 5.11pm.