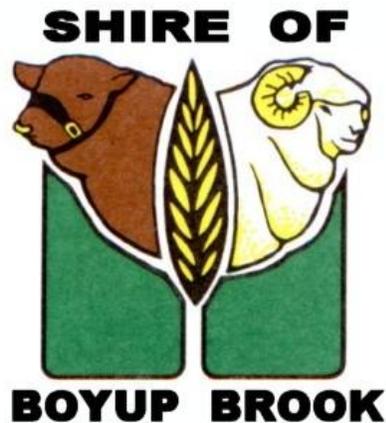


Minutes



SPECIAL MEETING

held

THURSDAY 2 July 2015
Commenced AT 7.14PM

AT

SHIRE OF BOYUP BROOK
CHAMBERS
ABEL STREET - BOYUP BROOK

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1 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED

1.1 Attendance

Cr M Giles – Shire President
Cr G Aird – Deputy Shire President
Cr N Blackburn
Cr J Imrie
Cr P Kaltenrieder
Cr K Moir
Cr O’Hare
Cr T Oversby
Cr R Walker

STAFF: Mr Alan Lamb (Chief Executive Officer)
Mr Stephen Carstairs (Director Corporate Services)
Mrs Maria Lane (Executive Assistant)

1.2 Apologies

1.3 Leave of Absence

2 PUBLIC QUESTION TIME

Nil

2.1 Response to Previous Public Questions Taken on Notice

3 APPLICATIONS FOR LEAVE OF ABSENCE

That Cr Giles be granted leave of absence for the July ordinary meeting of Council.

4 MATTERS REQUIRING A DECISION

4.1 FINANCE

WITHDRAWN

Item 4.1.1 withdrawn by the CEO and to be brought back to the next Council meeting.

Note

The Chief Executive Officer to seek further clarification on a number of items.

4.1.1 Adoption of 2015-16 Schedule of Fees & Charges

Location:	N/A
File:	N/A
Disclosure of Interest:	Nil
Date:	20 June 2015
Author:	Alan Lamb – Chief Executive Officer and Stephen Carstairs – Director Corporate Services
Authorising Officer:	Alan Lamb – Chief Executive Officer
Attachments:	Draft 2015-16 Schedule of Fees & Charges

SUMMARY

This matter is put before Council for information, and for Council to consider and adopt a Schedule of Fees & Charges for 2015-16.

BACKGROUND

As it was in 2014-15, Council's 2015-16 Schedule of Fees & Charges (the Schedule), is to be considered separately in the annual budget preparation and adoption process. This has its advantages in that it allows Council the time to consider its fees & charges in isolation, and second, as the budget will not be adopted until August, finalising the 2015-16 fees & charges early in July will enable them to take effect from 03 July 2015.

In 2013-14 fees and charges comprised 23.4% (\$985,749 and up \$33,886 from 2012-13) of the total operating revenue raised (\$4,214,878), and was second in order of importance to rates (50.5%). Operating grants ranked third with 22.4%.

Under Council's Long Term Financial Plan 2013-2023 (the LTFP), fees and charges were proposed to increase annually by some 3.0%. However, in drafting the proposed 2015-16 fees a 4% increase was factored in (subject to appropriate rounding), as this was more in keeping with the LTFP's factored annual rate increase (6%). The proposed 4% increase in fees comprises an inflationary (Perth

CPI through to March 2015) increase of 2.3%, an increase in line with population growth (some 1.0%), and an additional regional component of 0.7%. Contrasting with this, it is proposed that Medical Centre fees will increase by 5%.

The Schedule attached shows the fees and charges that were imposed in 2014-15 and the charges recommended for 2015-16.

Proposed new fees in 2015-16 include:

- Airport Hanger Hire - \$40.00 (inc GST) per week;
- Portable Ablution Block (6 x pans + urinal) - \$55.00 (inc GST) per day
- Liquid Waste Disposal - \$55.00 (inc GST) per Cubic Metre.

Some changes will be made in 2015-16 regarding the receiving of waste. These include:

- receiving of commercial waste from outside of the district is to be by Council approval; and
- the transfer station will only accept loads up to 3 Cubic Meters. Loads greater than this are to go directly to landfill, by appointment with the Director of Works & Services.

For those fees that are statutory in nature (e.g. – development application fees, building fees, swimming pool inspection fees, FOI fees, etc), Council is without discretion to set fees higher than permitted by the applicable legislation. At the time of writing, officers had received verbal advice from the Building Commission that: there will be variations made to the Statutory Building Application Fees, and that the changes will apply from 01 July 2015.

It is proposed that Council will set its rubbish and recycling collection charges and waste collection rate at the time of budget adoption, as these fees and the rate are to be imposed on a cost recovery basis.

In the event of Council adopting the 2015-16 fees & charges on 02 July it is intended they will apply from 03 July 2015. A notice will be inserted in the Gazette advising of the newly adopted fees and commencement date, as per Section 6.19 of the Local Government Act.

COMMENT

All fees are reviewed annually. Often fees do not cover the cost of providing a service (the subject of the fee), with a proportion of the service costs being funded from other (General Purpose) revenues streams e.g. rates.

CONSULTATION

All sectors within the organisation have had an opportunity for input into the proposed 2015-16 fees and charges.

STATUTORY OBLIGATIONS

Section 6.16(1) and (2) of the Local Government Act states:

(1) A local government may impose and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.

(2) A fee or charge may be imposed for the following —

(a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;

Section 6.17(1) of the Local Government Act states:

In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —

(a) the cost to the local government of providing the service or goods;

(b) the importance of the service or goods to the community; and

(c) the price at which the service or goods could be provided by an alternative provider.

POLICY IMPLICATIONS

Nil

BUDGET/FINANCIAL IMPLICATIONS

The draft 2015-16 Annual Budget will include income streams that will have been estimated using this draft Schedule of Fees & Charges.

STRATEGIC IMPLICATIONS

Every effort has been made to identify those appropriate areas where the user pays cost recovery principle might reasonably be applied.

SUSTAINABILITY IMPLICATIONS

The fees are determined having regard to the cost of providing the service, the scope of the service and the anticipated preparedness of a person to pay the fee.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

MOVED: Cr Kaltenrieder

SECONDED: Cr Aird

That Council:

- 1. Adopt the 2015-16 Schedule of Fees & Charges as per Attachment.**
- 2. Determine the waste collection rate under Section 66 of the Waste Avoidance and Resource Recovery Act at the time of adoption of the 2015-16 Annual Budget.**
- 3. Determine the kerbside rubbish and recycling collection charges at the time of adoption of the 2015-16 Annual Budget.**

Note

The item was withdrawn after the Mover and Seconder.

4.1.2 Levying Rates in 2015-16 – Part 2. Setting the Rates in the Dollar and Minimum Rates

Location:

Application:

File:

Disclosure of Interest:

Date: 20 June 2015

Author: Stephen Carstairs – Director Corporate Services

Authorising Officer: Alan Lamb – Chief Executive Officer

Attachments: Yes. 1. 2015-16 Rates Model (Statement of Rating Information), 2. Notice of Intention to Levy Differential General Rates and Minimum Payments

PURPOSE

This report seeks to have Council consider and adopt:

- the proposed general rates;
- differential general rates; and
- minimum payments,

for the 2015-16 financial year, and seek public comment about the differential rates in accordance with section 6.36 of the Local Government Act 1995.

BACKGROUND

Rates revenue is a substantial source of general purpose (sometimes described as discretionary) revenue for the Shire of Boyup Brook, and accounted for some 50.5% of all operating revenue in 2013-14. The Local Government Act 1995 (the Act) empowers local governments to impose general rates, differential general rates and minimum payments on rateable land in their districts.

The imposition of differential rates is a conscious decision by Council to redistribute the rate burden in its district by imposing a higher impost on 'higher-end' service users (ratepayers) relative to others. Recognising this, and in accord with the WA Local Government Grants Commission's (the Grants Commission) 2013-14 Balance Budget, Council determined at its May 2015 ordinary meeting to differentially rate mining (Unimproved Value (UV)) properties at more than twice the rate of rural UV properties in the district. When rates modelling for the 2015-16 financial year, officers are to aim to approach the following percentage split:

- 16.39% GRV : 80.91% Rural UV : 2.69% Mining UV

After all the other sources of income and expenses have been recognised for a budget, the object of a rating model is to provide for the funding shortfall required to meet the needs (services, activities, financing costs and the current and future capital requirements) of the community. In the 2015-16 financial year, both the shire's (detailed) 2013-23 Long Term Financial (LTFP) and 2014-17 Corporate Business (CBP) Plans determined that funds shortfall to be \$2,394,658. This represents a \$130,534 increase in rate revenue to be collected in 2015-15 relative to that recognised in the plans for 2014-15 (\$2,264,124). The actual rates revenue budgeted for in 2014-15 amounted to \$2,293,355, the difference effectively representing additional rates being contributed by Mining UV properties..

Increasingly, assets management is being recognised as a significant challenge for local governments in Western Australia, and any rating model must also support asset renewal and replacement requirements in line with well defined service levels.

Pursuant to section 6.36 of the Act, local governments are required to give a minimum of 21 days' notice of the proposed differential general rates and minimum payments and must consider any submissions received. Advertising 'proposed' rates and payments does not prohibit Council from amending these following the period of public comment. The purpose of advertising is to provide ratepayers with the opportunity to comment and make submissions prior to the rates being formally imposed.

The state-wide cycle for undertaking General Valuations for Gross Rental Value (GRV) ranges from 3 to 5 yearly, with south-west shires being on a 4 year cycle. During April and May this year the Valuer General reviewed the General Valuations of Boyup Brook and associated town site properties (GRV properties including residential, industrial and commercial properties), and recently provided shire staff with a new 2015 GRV Valuation Roll.

Integrating and reconciling the considerable changes to the roll is taking staff some amount of time, with the effect of causing the modelling of rates to be levied in 2015-16 to be pushed back. Further, the Valuer-General advises that as part of the 2015-16 rate setting process, that Council release aggregated valuation data to ratepayers (e.g. to Public Notice Board the information) prior to the formal adoption of its budget. Examples of aggregated data include:

- Overall and average value percentage increase by property classification; and
- Changes in the number of valuations on the Boyup Brook roll.

Significantly, in the four years since the last GRV valuation overall values increased by approx. 16.4% reflecting firm demand for Boyup Brook property (and see page 4 of the attached). In contrast, but still on a positive note, rural property valuations in the shire increased by 0.21% (and see page 5 of the attached) compared to 2014 valuations. This would be the first rural property valuation increase that Boyup Brook has experienced in the past 4 or so years.

COMMENT

In the development of the rating modelling methodology the following principle were applied:

1. Equity
2. Incentive
3. Administrative Efficiency
4. Compliance
5. Sustainability

The differential rates applied to Rural UV and Mining UV properties will ensure greater equity and contribution of rates according to land use. While the Minister approved the shire's differential rating model in 2014-15, that is not to say that the Minister will approve such a model in 2015-16.

Rates are calculated by multiplying the property valuation (either GRV or UV) provided by Landgate (the Valuer-General), with a rate in the dollar imposed by Council. When Landgate revalue properties, the Shire can adjust the rate in the dollar to offset significant fluctuations in valuation. Further, having several differential rating categories affords Council added discretion.

For the 2015-16 financial year it is proposed that Council adopt increases across its various rating classes as follows:

Rate Classes	2014-15			2015-16	
	Rate in \$	Min \$'s	% Increase	Rate in \$	Min S's
GRV	12.9508	765	-8.93	11.7937	810
GRV – Urban Townsites	12.9508	756	-8.93	11.7937	810
UV - Rural	0.6446	710	5.80	0.6820	750
UV – Urban Townsites	0.6446	710	5.80	0.6820	750
UV – Mining	12.4525	845	19.82	14.9204	845

Adopting these notional rates in the \$ will not preclude Council from striking some other rates when adopting the 2015-16 Annual Budget. The proposed general and minimum rate increases will generate in 2015-16 some \$2,430,955 (the rates pool), and give the differential rates categories the following percentage split (proportional representation) in the pool:

- 17.33% GRV : 81.11% Rural UV : 1.56% Mining UV

The difference (1.13%) between the percentage split of Mining UV revenue in the rates pool (1.56%), compared with the split assessed by the Grants Commission (2.69%), derives from the reduction in number of mining properties from 23 when the Grants Commission made its 2013-14 assessment, to 14 properties in June 2015.

CONSULTATION

Alan Lamb

Subject to endorsement of the proposed rating model by Council, the proposed differential general rates and general minimum payments will be advertised in the West Australian newspaper, on the Shire website and public notice boards, and in the shire library. The *Notice of Intention to Levy Differential General Rates and Minimum Payments* will be accompanied by the Objects of and Reasons for Differential Rates.

STATUTORY OBLIGATIONS

Local Government Act 1995
Part 6 Division 6 – Rates and service charges
s.6.33; s.6.35; and s.6.36

POLICY IMPLICATIONS

Nil

BUDGET FINANCIAL/IMPLICATIONS

The matter of this report has no implications for the shire's 2014-15 *Amended Budget*. Based on property valuations at the time of writing, the proposed differential general rates and minimum rates are expected to yield in 2015-16 total rates revenue of approaching \$2,430,855. This amount will vary, however, should property development occur prior to 30 June and new valuation schedules are received by the shire.

STRATEGIC IMPLICATIONS

The financial principles and strategies identified on page 27 of the 2013-23 LTFP have been adhered to.

SUSTAINABILITY IMPLICATIONS

The financial sustainability principles and strategies identified on page 25 of the 2013-23 LTFP have been adhered to.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION – ITEM 4.1.2

That Council:

1. Endorses for advertising for a minimum of twenty-one (21) days and seeks public submissions on the following notional differential general rates and minimum payments to be applied from 1 July 2015 for the 2015-16 financial year in accordance with section 6.36 of the Local Government Act 1995:

Rate Classes	2015-16	
	Rate in \$	Min S's
GRV	11.7937	810
GRV – Urban Townsites	11.7937	810
UV - Rural	0.6820	750
UV – Urban Townsites	0.6820	750
UV – Mining	14.9204	845

2. Endorse the attached objects and reasons for levying each differential general rate or minimum payment.
3. In accordance with section 6.33(3) of the *Local Government Act 1995*, authorises the CEO to seek approval from the Minister for Local Government to approve the Council in imposing a rate in the

- dollar for UV Mining (14.9204) which will result in it being more than twice the lowest differential general rate (0.6820) imposed.
4. In accordance with section 6.35 of the *Local Government Act 1995*, authorises the CEO to seek approval from the Minister for Local Government to approve the Council in imposing a Mining-UV minimum rate which results in more than 50% of properties in the category being minimum rated.

COUNCIL DECISION & OFFICER RECOMMENDATION – ITEM 4.1.2

MOVED: Cr Walker

SECONDED: Cr Kaltenrieder

That Council:

1. Endorses for advertising for a minimum of twenty-one (21) days and seeks public submissions on the following notional differential general rates and minimum payments to be applied from 1 July 2015 for the 2015-16 financial year in accordance with section 6.36 of the *Local Government Act 1995*:

Rate Classes	2015-16	
	Rate in \$	Min S's
GRV	11.5995	806
GRV – Urban Townsites	11.5995	806
UV - Rural	0.6750	747
UV – Urban Townsites	0.6750	747
UV – Mining	14.9207	850

2. Endorse the attached objects and reasons for levying each differential general rate or minimum payment.
3. In accordance with section 6.33(3) of the *Local Government Act 1995*, authorises the CEO to seek approval from the Minister for Local Government to approve the Council in imposing a rate in the dollar for UV Mining (14.9207) which will result in it being more than twice the lowest differential general rate (0.6750) imposed.
4. In accordance with section 6.35 of the *Local Government Act 1995*, authorises the CEO to seek approval from the Minister for Local Government to approve the Council in imposing a Mining-UV minimum rate which results in more than 50% of properties in the category being minimum rated.

CARRIED BY ABSOLUTE MAJORITY 9/0

Res 62/15

Note

Officer's recommendation amended at the meeting and Council adopted the amended recommendation.

4.1.3 Elected Members Meeting Attendance Fees, Allowances and Expense Entitlements

Location:	<i>N/A</i>
Application:	<i>N/A</i>
File:	
Disclosure of Interest:	<i>Nil</i>
Date:	<i>19 June 2015</i>
Author:	<i>Stephen Carstairs – Director Corporate Services</i>
Authorising Officer:	<i>Alan Lamb – Chief Executive Officer</i>
Attachments:	<i>Determination of the Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members 17 June 2015</i>

SUMMARY

For Council to consider the method for determining Councillor meeting fees in 2015-16, and further for Council to set Elected Member's meeting fees, allowances, and expense entitlements for 2015-16.

BACKGROUND

Part 5, Division 8 (Sections 5.98, 5.98A, 5.99 and 5.99A) of the Local Government Act provides for council members to receive certain payments.

The Salaries and Allowances Tribunal (the Tribunal) completed its 2015 review of meeting attendance fees, allowances and expense entitlements for elected members of Local Governments throughout Western Australia, and made a determination which came into operation from 17 June 2015. In accordance with the Local Government Act 1995 and the Local Government (Administration) Regulations 1996, the determination establishes the current scale of fee and allowance payments, and provisions for reimbursement of expenses.

The Tribunal made some key points as follows:

1. Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.
2. Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.

3. The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairmen of regional local governments and to remunerate them for the performance of the duties associated with their office.

The Tribunal recognises that local governments fall into one of four bands (categories), and categorisation is based on factors such as population, size of budget, complexity of issues, etc. The 2015 Determination identifies the Shire of Boyup Brook as a Band 4 local government.

Meeting Fees or Annual Attendance Fees - Councillors

Pursuant to Section 5.98 of the Local Government Act a council member, mayor or president who attends a council or committee meeting is entitled to be paid a fee set by the Council within the range stipulated in the Tribunal's determination. Pursuant to Section 5.99 of the Local Government Act a Council may decide by absolute majority that instead of paying council members, mayors or presidents a meeting fee it will be pay an annual attendance fee within the range stipulated in the Tribunal's determination.

Band 4 Councils are able to set Council meeting attendance fees in the range \$188 to \$232 per meeting for members other than the president, and between \$44 and \$116 for committee meetings. Alternatively Council, by absolute majority, may pay Councillors an annual attendance fee within the range of \$3,500 to \$9,270.

In 2014-15 Council resolved (Res 72/14) that Councillors would receive an annual attendance fee of \$6,585, which was an amount in the range set by the Tribunal.

Meeting Fees or Annual Attendance Fees – Shire President

The shire President can be provided with a higher meeting or annual attendance fee in recognition of the greater workload and responsibility associated with presiding at a council meeting.

Band 4 Councils are able to set council meeting attendance fees for the President in the range \$88 and \$477 per meeting, and might receive the same committee meeting attendance fee as determined by Council for Councillors. Alternatively, Council, via absolute majority can determine that the President would receive an annual attendance fee in the range of \$3,500 to \$19,055.

In 2014-15 Council resolved that the President would receive an annual attendance fee of \$12,660, which was an amount in the range set by the Tribunal.

Annual Allowance for President

Under Section 5.98 of the Local Government Act Council can set an allowance for the President (separate from meeting or annual attendance fees), and as per the Determination, the allowance can be in the range \$500 to \$19,570 or 0.2% of

Council's 2013-14 operating revenue, whichever is the lesser. Council's 2013-14 operating revenue was \$4,214,878 of which 0.2% equates to \$8,430. Thus a President's Annual Allowance in 2015-16 might fall between \$500 and \$8,430.

In 2014-15 Council resolved that the President's Allowance would be \$6,590.

Annual Allowance for Deputy President

Section 5.98A of the Local Government Act allows Council to provide a special allowance to the Deputy President, with the amount of the allowance being 25% of the President's allowance.

In 2014-15 Council resolved that the Deputy President would receive an allowance.

Meetings Fees or Annual Attendance Fee?

It is recommended that Council retain the "annual" method for determining Councillor meeting attendance allowances rather than changing to a "per meeting" fee. The advantages of the "annual" method include:

- A "per meeting" fee doesn't take into account all the work that a Councillor does in between Council or Committee meetings. A councillor may perform a substantial amount of work between meetings but if he/she then misses a meeting for legitimate reasons they would not receive any payment towards that work.
- Under the Local Government Act only Council or committee meetings trigger payment of a meeting attendance fee. This Council uses the "briefing session" process on a regular basis, and those meetings, which can generate additional work for Councillors, would not provide a meeting fee to those participating Councillors.
- Whilst the annualising of meetings fees can result in councillors receiving a fee when not attending meetings, as in the case of an apology or on leave of absence, it is a rare occurrence for a Councillor to take extended leave of absence.

Reimbursement of Expenses Including Annual Allowances *in Lieu of* Reimbursement

Under the *Local Government Act and Local Government (Administration) Regulations 1996* elected members are entitled to reimbursement of telecommunications, information technology, child care, travel and accommodation expenses. Policies M.05 (Councillors – Expenses Reimbursement and Loss of Earnings) and M.11 (Councillors Telecommunications and Information Technology) provides guidance on these entitlements.

Pursuant to Section 5.99A of the *Local Government Act 1995* Council can decide by absolute majority that instead of reimbursing councillors for all of a particular type of expense it pay an annual allowance.

The Tribunal has amalgamated telecommunications and information technology allowances into a single Information and Communications Technology (ICT) Allowance, with a permissible range between \$500 and \$3,500.

While policy M.11 indicates that elected members will be paid an annual ICT allowance of \$1,800, in 2014-15 Council resolved that each Councillor would receive an ITC allowance of \$1,105.

COMMENT

In this report officers are recommending that elected council member annual meeting attendance fees, the President's annual meeting attendance meeting fee and allowance, and the annual ICT allowance for elected council members increase in 2014-15 by 5% (rounded up to the nearest \$5). The proposed 5% increase comprises an inflationary (Perth annual average CPI increase to March 2015) increase of 2.3%, an increase in line with population growth (some 1.0%), and an additional regional component of 1.7%.

Currently meeting attendance fees, allowances and travel re-imbursements payments are made to Councillors in three x four monthly instalments, occurring in February, June and October of the year.

CONSULTATION

Alan Lamb

STATUTORY OBLIGATIONS – Local Government Act

5.98. Fees etc. for council members

(1) A council member who attends a council or committee meeting is entitled to be paid –

(a) the prescribed minimum fee for attending a council or committee meeting; or

(b) where the local government has set a fee within the prescribed range for council or committee meeting attendance fees, that fee.

(2A) A council member who attends a meeting of a prescribed type at the request of the council is entitled to be paid –

(a) the prescribed minimum fee for attending a meeting of that type; or

(b) where the local government has set a fee within the prescribed range for meetings of that type, that fee.

(2) A council member who incurs an expense of a kind prescribed as being an expense —

(a) to be reimbursed by all local governments; or

(b) which may be approved by any local government for reimbursement by the local government and which has been approved by the local government for reimbursement, is entitled to be reimbursed for the expense in accordance with subsection (3).

(3) A council member to whom subsection (2) applies is to be reimbursed for the expense —

(a) where the minimum extent of reimbursement for the expense has been prescribed, to that extent; or

(b) where the local government has set the extent to which the expense can be reimbursed and that extent is within the prescribed range (if any) of reimbursement, to that extent.

(4) If an expense is of a kind that may be approved by a local government for reimbursement, then the local government may approve reimbursement of the expense either generally or in a particular case but nothing in this subsection limits the application of subsection (3) where the local government has approved reimbursement of the expense in a particular case.

(5) The mayor or president of a local government is entitled, in addition to any entitlement that he or she has under subsection (1) or (2), to be paid —

(a) the prescribed minimum annual local government allowance for mayors or presidents; or

(b) where the local government has set an annual local government allowance within the prescribed range for annual local government allowances for mayors or presidents, that allowance.

(6) A local government cannot —

(a) make any payment to; or

(b) reimburse an expense of, a person who is a council member or a mayor or president in that person's capacity as council member, mayor or president unless the payment or reimbursement is in accordance with this Division.

(7) A reference in this section to a committee meeting is a reference to a meeting of a committee comprising —

(a) council members only; or

(b) council members and employees.

[Section 5.98 amended by No. 64 of 1998 s. 36; No. 17 of 2009 s. 33.]

5.98A. Allowance for deputy mayor or deputy president

(1) A local government may decide to pay the deputy mayor or deputy president of the local government an allowance of up to the prescribed percentage of the annual local government allowance to which the mayor or president is entitled under section 5.98(5).*

** Absolute majority required.*

(2) An allowance under subsection (1) is to be paid in addition to any amount to which the deputy mayor or deputy president is entitled under section 5.98.

[Section 5.98A inserted by No. 64 of 1998 s. 37.]

5.99. Annual fee for council members in lieu of fees for attending meetings

A local government may decide that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —*

- (a) the prescribed minimum annual fee; or*
- (b) where the local government has set an allowance within the prescribed range for annual allowances for that type of expense, an allowance of that amount and only reimburse the member for expenses of that type in excess of the amount of the allowance.*

** Absolute majority required.*

POLICY IMPLICATIONS

Policy M.11 (Councillors Telecommunications and Information Technology) provides guidance on ICT entitlements, and Policy M.05 (Councillors – Expenses Reimbursement and Loss of Earnings) addresses other expenses e.g. child care & travel, not covered in this report.

BUDGET/FINANCIAL IMPLICATIONS

As part of the annual budget process Council is to set annual meeting attendance fees (or per meeting fees) for the President and Councillors, the President's annual attendance fees and allowance, and ITC allowances within the permissible range set by the Tribunal.

STRATEGIC IMPLICATIONS

Not Applicable

SUSTAINABILITY IMPLICATIONS

Not Applicable

VOTING REQUIREMENTS

Absolute Majority is required for payments of allowances to elected members.

COUNCIL DECISION & OFFICER RECOMMENDATION – ITEM 4.1.3

MOVED: Cr Aird

SECONDED: Cr Walker

That Council:

- 1. Retain in 2015-16 the annual attendance fee method of payment of Councillor and President meeting attendance fees, rather than the 'per meeting basis' method.**
- 2. Set in 2015-16 Councillor meeting attendance fees, the President's annual attendance fee and annual allowance, the Deputy President's annual allowance, and ICT allowances as follows:**
 - Annual Attendance Fee for Council Members is to be \$6,915;**
 - Annual Attendance Fee for Shire President is to be \$13,295;**
 - Annual President's Allowance is to be \$6,920;**
 - Provision of an Annual Deputy President Allowance to an amount 25% of the amount determined for the Annual President's Allowance i.e. \$1,730; and**
 - Annual Information and Communications Technology Allowance is to be \$1,165.**

CARRIED BY ABSOLUTE MAJORITY 8/1

Res 63/15

4.2 CHIEF EXECUTIVE OFFICER

4.2.1 Donations

Location:	N/A
Applicant:	Various
File:	FM/25/008
Disclosure of Officer Interest:	The author is a member of the Boyup Brook Country Music Club and his granddaughter attends St Marys School, and so makes a declaration of impartiality.
Date:	16 June 2015
Author:	Alan Lamb - CEO
Authorizing Officer:	Not applicable
Attachments:	Confidential attachment – summary of donation applications

SUMMARY

The purpose of this report is to put before Council applications for donations with the recommendation that the recommended donations be included in the draft budget for Council consideration.

BACKGROUND

Each year Council calls for donations. Administration assesses and summarises the applications and the Council decision is made at budget adoption time.

COMMENT

It will be noted that all but four requests for a donation have been recommended and the attachment provides comments on all applications.

The Boyup Brook Club has made a practice of writing to request a reduction to its annual rates or a donation outside of the annual donation process. According to Council's policy, the CEO should reject the request but each year it has been included for Council to consider. Council made a donation of \$2,500 in the 2013/14 and \$2,500 in 14/15. No request has been received this year and so no provision has been made for a donation in this report or in the draft budget.

A donation request was received from Henri Novwen House 18 May 2015. The call for donation requests is done at the same time every year. It was advertised in the February edition of the Boyup Brook Gazette, in the more frequent emailed

gazette, in the Shire website and on the Shire notice board. The closing date was 4.30pm 30 April 2015. It is apparent from the number of requests received that the community is in tune with the process including its timing. Whilst Council had made donations to Henri Novwen House in past years, no request was received last year. It is intended that this request be rejected (Council's Donation Policy provides; *The CEO shall reject all other requests throughout the year outside the donation funding program*)

CONSULTATION

The author consulted with some applicants.

STATUTORY OBLIGATIONS

Nil

POLICY IMPLICATIONS

Council's Donations Policy applies.

<i>POLICY NO.</i>	<i>F.02</i>
<i>POLICY SUBJECT</i>	<i>Donations</i>
<i>ADOPTION DATE</i>	<i>17 June 2004</i>
<i>VARIATION DATE</i>	<i>21 December 2007</i>

Objective

To promote and support community-based initiatives, which meet Shire's strategic direction.

Statement

Definitions

The following definitions apply to this policy:

- *Organisation is an incorporated body under the Associations Incorporation's Act 1987 or a recognised corporate body created by government with an Australian Companies Number (ACN).*
- *Individual is a resident of the Shire.*
- *Grant – is the provision of a set amount of funds for a single year in order to achieve a specific identified purpose.*
- *Sponsorship- is the provision of cash, in-kind support or subsidy to organisations or individuals in return for specifically identified promotional opportunities for the Shire.*
- *Subsidy is the provision of in-kind in the form of a cash book entry which enables the Shire to determine the real cost of support provisions and donations to community groups.*

Eligibility

Only organisations are eligible for funding support. In some instances, organisations may apply for funding on behalf of individuals who must be residents of the shire. Only one application per year may be funded for any one organisation.

In general, applications for funding shall fulfil the following criteria:-

- *Not for direct profit or financial gain to the organisation or an individual;*
- *The proposal supports the mission statement, values and strategic direction of the Shire;*
- *The applicant organisation can demonstrate the capacity to manage and be accountable for the funds and the project.*

The Council will: -

- *only allocate funds for identified purposes and with specific expenditure estimates provided and will not provide block grants under any circumstances;*
- *require each applicant organisation to submit a new funding application on each occasion before Council will commit any funds;*
- *require each successful applicant to agree that they do not represent the Shire in any capacity.*

Program Promotion

All funding programs will be advertised annually in March with all applicants advised of the outcome of their application within one month of the adoption of the annual Budget.

These requests will be presented to the Council with a brief precis.

Lodging of Applications

Applications for assistance should be made on the application form available from the Shire Office.

The information required for applications of less than \$500 shall include:-

- *The name of the organisation and applicant, accompanied by contact details;*
- *The purpose and value of the funding required;*
- *The value of funding which will be provided by the organisation;*
- *The timeframe for completion of the project or activity;*
- *Such other details as required from time to time.*

The information required for applications of more than \$500 shall include: -

- *The name of the organisation and applicant, accompanied by contact details*
- *The purpose and value of the funding required;*
- *The value of funding which will be provided by the organisation;*
- *The timeframe for completion of the project or activity;*
- *confirmation by the President or Secretary that the application has been supported by resolution of the Organisation;*
- *the names of current Office Bearers and Committee members and a copy of the Certificate of Incorporation;*
- *A copy of the most recent audited financial statements;*
- *Such other details as required from time to time.*

Accountability

Organisations successful in their application are generally required to:-

- Acquit the funds by 30 June in the year following their successful grant application. The acquittal is to include the appropriate financial statements as determined by the Shire, and to demonstrate that the funds have been spent on the purpose for which they were allocated;
- Provide a written report to the Shire on the outcome of their project including relevant statistics and whether objectives of the project have been met. The contents of the report requirements will be determined by the Shire;

Where an organisation has applied for funds, an individual on behalf of the group may be required to make a presentation to the Council, participate in an interview or address a group of people regarding the activity.

It is expected that all projects, events and activities will:-

- acknowledge Shire's support in its advertising, promotion and any media publicity to the satisfaction of the Shire;
- utilise Shire's logo where appropriate;
- provide a detailed report at the conclusion of the project, which outlines the project's achievements measured against the objectives.

Availability of Information

A central register of grants will be maintained and will be submitted to Council for noting annually. The register will contain the following information: -

- Name of recipient organisation and individual concerned (where applicable);
- Amount of funds provided;
- Purpose of funds provision;
- Date project/activity is expected to be complete;
- Date funds were approved;
- Date/notification of satisfactory acquittal of funds has been received by the Shire;
- Any other information considered by the Chief Executive Officer to be of value to the Council in its decision-making and funds management.

Decision Final

Decisions regarding funding applications are final and will not be reconsidered during the financial year in which the application was made.

Procedures for grants or contributions of \$10,000 or more:

On receipt of approval of a grant application the recipient agrees:-

- that the funds be applied only for the purpose approved;
- to supply an audited statement of income and expenditure supported by copies of invoices on the completion of the project;
- that 50% of the grant will be provided at the commencement of project (and following receipt of the duly signed approval terms).

- *Progressive claims (to a maximum of 50%) will be payable upon production of an income and expenditure statement accompanied by relevant invoices, or as otherwise agreed to in writing by the Shire.*

General

The Chief Executive Officer may in consultation with the Shire President approve extraordinary donation requests up to \$100.00 in cash, or \$500.00 in-kind (excluding administrative support e.g. photocopying), to local community groups throughout the year when requested.

The Annual Budget to include \$500.00 per year in cash for this purpose.

Extraordinary in-kind support may be carried out during normal working hours where there is no impact on work programs.

The CEO shall reject all other requests throughout the year outside the donation funding program.

BUDGET/FINANCIAL IMPLICATIONS

Nil at this stage as the recommendation deals with inclusion in the draft budget only and so is not a commitment of funds.

The following is included for comparison purposes:

<u>Detail</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Group 1 Small Grants (\$500 or below)	1,000	2,000	1,000
Group 2 (\$501 to \$5,000)	6,346	10,351	13,212
Group 3 (\$5,001 to \$10,000)	20,000	15,300	43,750
Sub Total	27,346	27,651	57,962
Standard annual contributions	27,330	27,330	27,330
Total applied for and supported	54,676	54,981	85,292
Annual provision as per Policy	500	500	500
Boyup Brook Club rates assistance	2,500	2,500	-
Total Donations	57,676	57,981	85,792

STRATEGIC IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

- **Environmental**
There are no known significant environmental issues.
- **Economic**
There are no known significant economic issues.
- **Social**
There are no known significant social issues.

VOTING REQUIREMENTS

Simple majority

COUNCIL DECISION & OFFICER RECOMMENDATION – Item 4.2.1

MOVED: Cr Aird

SECONDED: Cr Walker

That administration includes the donations as recommended in the confidential attachment, and in the table under Budget/Financial implications, in the draft budget for 2015/16.

CARRIED 8/1

Res 64/15

4.2.2 Plant Tender No 15-003 – Diesel Motor Grader

Location:	N/A
Applicant:	
File:	
Disclosure of Officer Interest:	None
Date:	26 th of June, 2015
Author:	Alan Lamb
Authorizing Officer:	Alan Lamb
Attachments:	<i>Confidential attachment - Qualitative Criteria Assessment and Grader Comparison Sheet as provided to the June ordinary Council meeting.</i>

SUMMARY

This report deals with the sale of the old Shire grader, not the purchase of the new machine. The current situation is put to Council with a recommendation for it to rescind part of its previous motion on the matter and resolve to accept the Canning Vale Earthworks offer.

BACKGROUND

The 2014/2015 Plant Replacement Program allowed for the replacement of a Diesel Motor Grader. The intention was for the new grader will become the Shires Construction Grader, operated by our finishing grader driver Joe Fenwick.

The Council's purchasing policy, F03, as does the Local Government Act, requires that for purchases over \$100,000 Council is required to go to public tender for the supply. WALGA's preferred supplier list allows for the tender process to be waived in lieu of seeking quotations from suppliers on WALGA's 'preferred supplier list'.

The Local Government Act also provides for the sale of Shire property (see Statutory Obligations) and in the case of a machine with a market value of more than \$20,000, Council has to sell via auction or tender, or go through a set process to sell by private treaty.

Prices were requested for new machines via WALGA's E Quotes and simultaneously WALGA ran a tender for the disposal of the Councils Caterpillar 120H grader.

The following was reported to the June ordinary Council meeting:

Prices submitted to purchase (either by trade or outright purchase) Councils 2000 Caterpillar 120H grader are as follows.

Company	Price <i>(exc GST)</i>
<i>CJD</i>	<i>52,000</i>
<i>Komatsu</i>	<i>6,000 see note below</i>
<i>Hitachi</i>	<i>47,000</i>
<i>Westrac</i>	<i>45,000</i>
<i>Smith & Broughton</i>	<i>42,770</i>
<i>MA Trevenen</i>	<i>55,500</i>
<i>Canning Vale Earthmoving</i>	<i>47,000</i>

Note:

- 1. Komatsu's submitted purchase price of \$60,000 is only if Council trades in its Caterpillar 120H on a Komatsu grader – it is not an offer to purchase Councils machine without Council purchasing a new machine from them.*
- 2. If Council purchases a new grader from Komatsu, Komatsu will offer a \$15,000 rebate to Council if they do not trade the Caterpillar grader –this means that using Trevenen's price will be equivalent to a \$55,000 + \$15,000 = \$70,000.*

The purchase of a new grader and sale of the old unit was dealt with by Council at its June ordinary meeting (18 June 2015) and Council resolved as follows:

- 1. That the quotation submitted by MA Trevens for \$55,500 plus GST is accepted for the outright purchase of Councils 2000 Caterpillar 120H grader.***
- 2. That the quotation submitted by Komatsu for a new Komatsu 555-5 grader is accepted.***

The new machine purchase is progressing in accordance with Council's resolution but the sale of the old unit has stumbled. When verbally advised of Council's decision the successful tenderer advised they had already purchased a unit and declined to go ahead with the purchase.

COMMENT

The current budget provided \$263,000 for the net cost of purchasing a new grader and selling the old unit. If Council were to now accept the next highest offer on the old grader, the net cost would still be within budget (\$248,000). The Canning Vale Earthmoving price, at \$47,000, is \$8,500 less than the MA Trevenen price (\$55,500).

Council has a number of options including the following:

- Pursue the accepted offer
- Take the next best price
- Call tenders again for the sale

Each option has arguments for and against, the first may take time, involve litigation and the like. The third will also take time and lead to more costs for the tender process. On the plus side though both one and three may result in a higher sale price than two, but two is certain and expeditious.

CONSULTATION

Director of Engineering Services, Works Supervisor.

STATUTORY OBLIGATIONS

The following section of the Local Government Act and the subsequent Regulation deal with the disposal of property.

3.58. Disposing of property

- (1) *In this section —*
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) *Except as stated in this section, a local government can only dispose of property to —*
- (a) *the highest bidder at public auction; or*
 - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) *it gives local public notice of the proposed disposition —*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
- and*
- (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
- (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
- (5) *This section does not apply to —*
- (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
 - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
 - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
 - (d) *any other disposition that is excluded by regulations from the application of this section.*

[Section 3.58 amended by No. 49 of 2004 s. 27; No. 17 of 2009 s. 10.]

The following Regulation from the Local Government (Functions and General) Regulations has application:

30. Dispositions of property excluded from Act s. 3.58

- (1) *A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act.*
- (2) *A disposition of land is an exempt disposition if —*
- (a) *the land is disposed of to an owner of adjoining land (in this paragraph called the **transferee**) and —*
 - (i) *its market value is less than \$5 000; and*
 - (ii) *the local government does not consider that ownership of the land would be of significant benefit to anyone other than the transferee;*
 - or*
 - (b) *the land is disposed of to a body, whether incorporated or not —*
 - (i) *the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and*

- (ii) *the members of which are not entitled or permitted to receive any pecuniary profit from the body's transactions;*
 - or*
 - (c) *the land is disposed of to —*
 - (i) *the Crown in right of the State or the Commonwealth; or*
 - (ii) *a department, agency, or instrumentality of the Crown in right of the State or the Commonwealth; or*
 - (iii) *another local government or a regional local government;*
 - or*
 - (d) *it is the leasing of land to an employee of the local government for use as the employee's residence; or*
 - (e) *it is the leasing of land for a period of less than 2 years during all or any of which time the lease does not give the lessee the exclusive use of the land; or*
 - (f) *it is the leasing of land to a person registered under the Health Practitioner Regulation National Law (Western Australia) in the medical profession to be used for carrying on his or her medical practice; or*
 - (g) *it is the leasing of residential property to a person.*
- (2a) *A disposition of property is an exempt disposition if the property is disposed of within 6 months after it has been —*
- (a) *put out to the highest bidder at public auction, in accordance with section 3.58(2)(a) of the Act, but either no bid is made or any bid made does not reach a reserve price fixed by the local government; or*
 - (b) *the subject of a public tender process called by the local government, in accordance with section 3.58(2)(b) of the Act, but either no tender is received or any tender received is unacceptable; or*
 - (c) *the subject of Statewide public notice under section 3.59(4) of the Act, and if the business plan referred to in that notice described the property concerned and gave details of the proposed disposition including —*
 - (i) *the names of all other parties concerned; and*
 - (ii) *the consideration to be received by the local government for the disposition; and*
 - (iii) *the market value of the disposition as ascertained by a valuation carried out not more than 12 months before the proposed disposition.*
- (2b) *Details (see section 3.58(4) of the Act) of a disposition of property under subregulation (2a) must be made available for public inspection for at least 12 months from the initial auction or tender, as the case requires.*
- (3) *A disposition of property other than land is an exempt disposition if —*
- (a) *its market value is less than \$20 000; or*
 - (b) *it is disposed of as part of the consideration for other property that the local government is acquiring for a consideration the total value of which is not more, or worth more, than \$50 000.*

[Regulation 30 amended in Gazette 25 Feb 2000 p. 974-5; 28 Apr 2000 p. 2041; 31 Mar 2005 p. 1055-6; 27 Sep 2011 p. 3846.]

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

Purchasing Policy F03

BUDGET/FINANCIAL IMPLICATIONS

The approved 10 Year plan had a changeover price of \$263,000 (excluding GST) for the new grader.

The approved purchase of the new grader and recommended disposal of the old grader come in under the budget provision.

SUSTAINABILITY IMPLICATIONS

- **Environmental**
There are no known significant environmental issues.
- **Economic**
There are no known significant economic issues.
- **Social**
There are no known significant social issues.

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION – ITEM 4.2.2

That Council:

- 1. Rescind the previous decision to sell Councils 2000 Caterpillar 120H grader to MA Trevenen being part of Resolution 59/15 18 June 2015.**
- 2. Accept the quotation submitted by Canning Vale Earthworks for \$47,000 plus GST for the outright purchase of Councils 2000 Caterpillar 120H grader.**

COUNCIL DECISION – ITEM 4.2.2

MOVED: Cr Oversby

SECONDED: Cr Kaltenrieder

That Council:

- 1. Rescind the previous decision to sell Councils 2000 Caterpillar 120H grader to MA Trevenen being part of Resolution 59/15 18 June 2015.**
- 2. Accept the quotation submitted by Canning Vale Earthworks for \$47,000 plus GST for the outright purchase of Councils 2000 Caterpillar 120H grader.**
- 3. The CEO seek compensation from MA Trevenen for the loss incurred.**

CARRIED BY ABSOLUTE MAJORITY 9/0

Res 65/15

Note

Council sought to explore the opportunities for compensation.

5 CONFIDENTIAL MATTERS

5.1.1 Waste Management –Recyclable Processing Services

COUNCIL DECISION & OFFICER RECOMMENDATION – ITEM 5.1.1

MOVED: Cr Walker

SECONDED: Cr Kaltenrieder

That Council:

Enter into a contract with Perthwaste Pty Ltd for the provision of a recyclables processing service and authorise the Shire President and Chief Executive Officer to execute the contract as attached to the meeting agenda.

CARRIED BY ABSOLUTE MAJORITY 9/0

Res 66/15

6 CLOSURE OF MEETING

There being no further business the Shire President thanked all for attending and declared the meeting closed at 9.15pm.