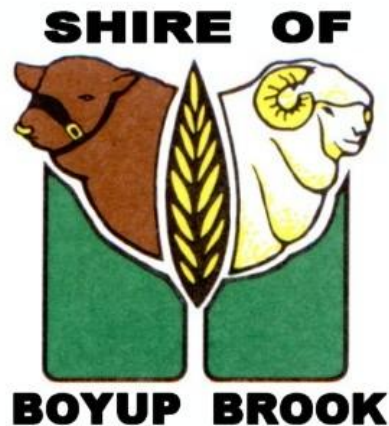


Minutes



ORDINARY MEETING

held

THURSDAY 20 July 2017
Commenced AT 5.02PM

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 G Aird – Shire President
Cr K Moir - Deputy Shire President
Cr J Imrie
Cr P Kaltenrieder
Cr E Muncey
Cr T Oversby
Cr E Rear

STAFF: Mr Alan Lamb (Chief Executive Officer)
Mr Stephen Carstairs (Director Corporate Services)
Mr Rob Staniforth-Smith (Director of Works & Services)
Ms Kerry Fisher (Manager of Finance)
Mrs Maria Lane (Executive Assistant)

PUBLIC: Mr Tony Doust
Mrs Helen O'Connell
Mr Darren Jennings
Mr Ray Willis

1.2 Apologies

1.3 Leave of Absence

2 PUBLIC QUESTION TIME

Mr Tony Doust asked the following questions:

- Will the President explain what action has been taken to consider the existing valuation and rating of the Special Rural Zone west of the Boyup Brook Townsite, as raised by me at the Council meeting in December 2016?

The President at that time did indicate to me that the matter is under review.

Reply:

The Shire President indicated support for a review noting it had not been completed.

The CEO noted that while preliminary Gross Rental Valuations had been received from the Valuer General's Office, other pressures resulted in the review not being completed in time to consult with the community about the proposed changes.

- I refer to item 8.2.6 Levying of Rates in 2017-18 - Differential Rating, on today's meeting agenda and question that statement made in the comment section of the officers report "**since the VG categories them all to be unimproved (UV) properties for rating purposes**"

This statement is incorrect or at the very least misleading as the Valuer General (VG) does not determine the type of valuation to be used but only to provide a valuation as determined under the provisions of the Local Government Act 1995.

I ask that the Council makes this clear in the Minutes of this meeting.

Mr Doust went on to reference s.6.28 (2) of the Local Government Act 1995 (the Act) as follows:

(1) The Minister is to-

- (a) determine the method of valuation of land to be used by a local government as the basis for a rate: and
- (b) publish a notice of the determination in the *Government Gazette*.

(2) In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —

(a) where the land is used predominantly for rural purposes, the unimproved value of the land; and

(b) where the land is used predominantly for non-rural purposes, the gross rental value of the land.

which identifies the Minister as the responsible agent for determining the method of rating a property.

Reply:

The Shire President queried whether Mr Doust's reference to the Act referred to s.6.28 (Basis of rates) or s.6.29 (Valuation and rates on mining ... *the basis for a rate on a relevant interest is to be the unimproved value of the land* ...). Mr Doust reiterated that he was referencing s.6.28, and on appraising the Act online Cr Rear added that Mr Doust's reference was to s.6.28.

The President noted the request.

The CEO added the following after the meeting in order to address that last part of the question/request:

The sentence in question is in a paragraph commenting on Landgate's Unimproved Values - Urban Valuation Policy 4.107 and needs to be read in the context of the whole of the paragraph and the Landgate policy. Here the author is dealing with the requests, made in both submissions, to differentiate between land uses. One sought to have prospecting and exploration leases valued or rated differently to other Mining Act tenements and the other sought to have special rural zoned properties rated at a different rate in the \$ to other properties on Unimproved Valuations. The policy noted does not differentiate on the basis of land use.

Neither submission sought to change from the Unimproved Valuation to a Gross Rental Valuation but sought to have a differential rate applied to their category of land use. Whilst, in hindsight, the author could have added more wording to explain their comment further, it is just a comment. The wording in the agenda should remain in the minutes, the author did not amend the report at the meeting and so the report cannot be adjusted now.

- Will the President confirm that the Council supports the following "Objective" of section 5.3.1 for Special Rural Zoned Land as per the Shire of Boyup Brook Town Planning Scheme No 2?

"The Special Rural Zone is intended primarily to accommodate lots of 1-4 hectares where the primary use is for residential purposes in a rural setting"

Reply:

The President indicated that Council abides by the Shire Town Planning Scheme. The Scheme is subject to change

- Will the Council please consider the provisions of section 6.28 of the Local Government Act 1995 together with the objectives of the Shire of Boyup Brook Town Planning scheme in relation to the use of land zoned Special Rural?

The rating of Special Rural on Gross Rental Values is much more appropriate given the limited use under the Shires Town Planning Scheme for this land which is in the main Residential and Lifestyle.

The argument that there may be a reduction in total rate revenue and some other section will have to pay does not consider those that are already paying more than their fair share.

Reply:

The Shire President reaffirmed the intention to review the valuation method for land in Special Rural zones and the rating arrangements.

Helen O'Connell advised Council that Perup will be having an Open Day on 11th August 2017 and all Councillors are invited to attend.

2.1 Response to Previous Public Questions Taken on Notice

Nil

3 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

4 PETITIONS/DEPUTATIONS/PRESENTATIONS/REPORTS

- Cr Kaltenrieder attended two Community Resource Centre meetings.
Cr Kaltenrieder attended a Council Workshop.
- Cr Imrie informed Council that the site in Wilga has been cleaned up.
- Cr Oversby informed Council that the Tourism Association has organized a movie night to be held on 28th July at 7pm in the Town Hall and tickets are \$10.00 each.
Cr Oversby attended a Lions change over dinner at the Club where 26 people attended and raffle tickets will be for sale.

5 CONFIRMATION OF MINUTES

5.1 Ordinary Meeting of Council - Thursday 15 June 2017

COUNCIL DECISION & OFFICER RECOMMENDATION

MOVED: Cr Oversby

SECONDED: Cr Kaltenrieder

That the minutes of the Ordinary Meeting of Council held on Thursday 15 June 2017 be confirmed as an accurate record with the following amendments:

On page 24 item 8.3.2 remove Cr Kaltenrieder from being against the motion to being for the motion and remove Cr Rear for the motion to being against the motion.

On page 38 item 8.3.5 remove Carried 7/0 and replace with 6/1 and the votes to be recorded with Cr Kaltenrieder being against the motion.

Amend page 4, item 1.3 - nomination was received from Cr Rear nominating Cr Aird.

Amend page 46 - delete the word "deputy" and replace with Shire President.

CARRIED 7/0

Res 84/17

6 PRESIDENTIAL COMMUNICATIONS

- Attended the South West Zone meeting held on 23rd June 2017.
- Attended the Regional Road Group meeting held on 26th June 2017.
- The ABC Great Southern did a live broadcast at the Community Resource Centre on 12th July 2017. We had good speakers from various Community Groups provide information on what to see and do in Boyup Brook.
- Attended a Lions change over dinner at the Club.

7 COUNCILLORS QUESTIONS ON NOTICE

Nil

8 REPORTS OF OFFICERS

8.1 MANAGER WORKS & SERVICES

| |
|--|
| 8.1.1 2017-2018 Road Side Pruning |
|--|

| | |
|--|--|
| <i>Location:</i> | <i>Shire of Boyup Brook</i> |
| <i>Applicant:</i> | <i>Not applicable</i> |
| <i>File:</i> | |
| <i>Disclosure of Officer Interest:</i> | <i>None</i> |
| <i>Date:</i> | <i>12th of July, 2017</i> |
| <i>Author:</i> | <i>Rob Staniforth-Smith - DES</i> |
| <i>Authorizing Officer:</i> | <i>Alan Lamb – Chief Executive Officer</i> |
| <i>Attachments:</i> | <i>Confidential Attachment</i> |

SUMMARY

The purpose of this report is for Council to approve the use of Twin Karri Tree Pruning to perform Councils 2017-2018 road side pruning contract.

BACKGROUND

Council conducts an annual roadside pruning program, aimed at reducing roadside vegetation that protrudes into the roads. For the last 11 years Council has used a mulching head pruner attached to either a tracked or wheeled excavator, provided by Twin Karri Tree Pruning. Council moved at its November 2016 meeting that a 'mulching head pruner' was the best method to perform its roadside pruning.

The Director of Engineering Services has put a figure of \$160,000 for roadside pruning into the 2017/2018 budget (yet to be approved). If approved this amount will be made up of \$80,000 RTR funds and \$80,000 municipal (Council) funds. The funds will be spent as follows:

- Approximately \$100,000 to the roadside pruning contractor
- Approximately \$60,000 to traffic management

Council Policy F03 states:

1.6.1 \$40,000 to \$150,000

For the procurement of goods or services where the value exceeds \$40,000 but is less than \$150,000 - if not accessing WALGA's Preferred Supply Panels, it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The Local Government Purchasing and Tender Guide has a series of forms including a Request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

Process Cntd – Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider:

- *all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.*
- *the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;*
- *financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);*
- *a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.*
- *The Shire of Boyup Brook Local Purchasing Preference (below), and Sale of Goods and Services Policy (Copy attached as Addendum 1).*

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

Quotations were called for roadside pruning contractors in August 2016 for the 2016/2017 roadside pruning program. Twin Karri Tree Pruning was awarded the contract as per the confidential (commercially sensitive) award matrix in the appendices.

Councils Engineering Services would again like to use Twin Karri for its 2017-2018 pruning program, without going out to quotation for the following reasons:

- Twin Karri was the cheapest quotation in 2016/2017 and even with a small increase in hourly rate will still be a lower rate than the 2nd highest quote (based on 2016/2017 matrix) and an increase as per confidential attachment (commercially sensitive).
- Twin Karri has 11 years of proven performance with the Shire
- Twin Karri has always performed in a professional manner
- Twin Karri's pruning method always leaves the trees in a neat manner with branches pruned neatly back to trunks without leaving sharp and dangerous protrusions.
- Twin Karri leaves the road verge in a neat condition, mulching previously fallen timber if able or pushing it away from the road running surface
- Twin Karri leaves the road surface in a clean condition, typically placing the mulch on the verge

- Twin Karri does not push pruned timber and fallen branches into the adjacent farm fences.

COMMENT

Councils purchasing policy is an important document that should be adhered to where possible, however in this purchase of “tree pruning” services, Engineering Services would like Council to waive the need of having to perform a “request for quotation” as it is very happy with the current services offered by Twin Karri to Council over the last 11 years.

Based on 2016/2017 quotation prices, Twin Karri was deemed the best pruning contractor for Council and based on “value for money”, and the points listed above, we believe that Twin Karri is the best contractor for Council.

CONSULTATION

Chief Executive Officer

STATUTORY OBLIGATIONS

Nil

POLICY IMPLICATIONS

POLICY F.03 – Purchasing Policy not adhered to

BUDGET/FINANCIAL IMPLICATIONS

Nil

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 8.1.1

MOVED: Cr Moir

SECONDED: Cr Rear

That the Council approves the use of Twin Karri Tree Pruning for its 2017/2018 pruning programme.

CARRIED 7/0

Res 85/17

8.2 FINANCE

| |
|---|
| 8.2.1 List of Accounts Paid in June 2017 |
|---|

| | |
|--|--|
| Location: | <i>Not applicable</i> |
| Applicant: | <i>Not applicable</i> |
| File: | <i>FM/1/002</i> |
| Disclosure of Officer Interest: | <i>None</i> |
| Date: | <i>13 July 2017</i> |
| Author: | <i>Kerry Fisher – Manager of Finance</i> |
| Authorizing Officer: | <i>Alan Lamb – Chief Executive Officer</i> |
| Attachments: | <i>Yes – List of Accounts Paid in June</i> |

SUMMARY

In accordance with the *Local Government (Financial Management) Regulations 1996* the list of accounts paid in June 2017 are presented to Council.

BACKGROUND

This report presents accounts/invoices received for the supply of goods and services, salaries and wages, and the like which were paid during the period 01 to 30 June 2017.

COMMENT

The attached listing represents accounts/invoices the shire paid by cheque or electronic means during the period 01 to 30 June 2017.

CONSULTATION

Nil

STATUTORY OBLIGATIONS

Local Government (Financial Management) Regulations 1996, Regulations 12 and 13 apply and are as follows:

12. *Payments from municipal fund or trust fund*
 - (1) *A payment may only be made from the municipal fund or the trust fund —*
 - (a) *if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or*
 - (b) *otherwise, if the payment is authorised in advance by a resolution of the council.*

- (2) *The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.*

13. *Lists of accounts*

- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*

- (a) the payee's name;*
- (b) the amount of the payment;*
- (c) the date of the payment; and*
- (d) sufficient information to identify the transaction.*

- (2) *A list of accounts for approval to be paid is to be prepared each month showing —*

- (a) for each account which requires council authorisation in that month —*

- (i) the payee's name;*
 - (ii) the amount of the payment; and*
 - (iii) sufficient information to identify the transaction;*
- and*

- (b) the date of the meeting of the council to which the list is to be presented.*

- (3) *A list prepared under sub regulation (1) or (2) is to be —*

- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and*
- (b) recorded in the minutes of that meeting.*

POLICY IMPLICATIONS

Council's *Authority to Make Payments Policy* has application.

BUDGET/FINANCIAL IMPLICATIONS

Account payments accorded with a detailed 2016-17 Annual Budget

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

COUNCIL DECISION & OFFICER RECOMMENDATION – Item 8.2.1

MOVED: Cr Imrie

SECONDED: Cr Oversby

That at its July 2017 ordinary meeting Council receive as presented the list of accounts paid in June 2017, totalling \$922,003.12 from Municipal account and \$6,322.04 from the Trust account as represented by:

| | | |
|--------------------------------------|----------------------|---------------------|
| Municipal Cheques | 20086 - 20100 | \$135,450.58 |
| Municipal Electronic Payments | 5483 - 5656 | \$456,849.96 |
| Municipal Direct Payments | | \$329,702.58 |
| Trust Cheques | 2087 - 2089 | \$6,322.04 |

CARRIED 7/0

Res 86/17

| |
|---|
| 8.2.2 2016-17 Budget Amendments and Items Carried Forward to 2017-18 |
|---|

| | |
|--|---|
| Location: | Not applicable |
| Applicant: | Not applicable |
| File: | FM/9/005 |
| Disclosure of Officer Interest: | Nil |
| Date: | 10 July 2017 |
| Author: | Stephen Carstairs - Director Corporate Services |
| Authorizing Officer: | Alan Lamb – Chief Executive Officer |
| Attachments: | No |

PURPOSE

Council is requested to consider and adopt 2016-17 budget amendments as identified, and to endorse the carrying forward from 2016-17 to 2017-18 a number of capital acquisitions and projects which remained as outstanding items as at 30 June 2017.

BACKGROUND

At its 21 April 2017 meeting the Audit and Finance Committee determined to recommend that Council adopt an annual review of the 2016-17 Annual Budget, which was subsequently adopted by Council by absolute majority. This review was in accord with *Local Government (Financial Management) Regulations 1996*, regulation 33A, requirements, determined that \$107,555 of surplus funds identified in the review would be applied against a budgeted \$1,217,734 loan to refurbish the Lodge, and derived a balanced budget (\$0 carried forward into 2017-18).

The above annual review was for the period 01 July 2016 to 28 February 2017, and the current review takes up the period 01 March 2017 to financial year end. A current (at the time of writing there were year end transactions outstanding) Statement of Financial Activity for the period 30 June 2017 appears elsewhere in this agenda, and will not be presented here.

DETAILS

The sensitivity level for this end of year budget review was set at \$5,000 and the focus was on expenditure items not identified at the time of the annual budget review, and in particular capital acquisitions and projects not for completion by 30 June 2017. Features of this budget review

include:

| | | |
|--|--|--------------|
| OPERATING | | |
| | Opening Balance | \$0 |
| 03 General Purpose Funding | | |
| | | |
| 04 Governance | Net of savings: Accounts 041105 & 041109 Cr Conferences and Refreshments. | \$15,725 |
| | | |
| 05 Law, Order and Public Safety | Acct 051102 Hazard Reduction over allocated - Savings | \$16,450 |
| | Acct 051118 Fire Defence DFES Grant - Carried Forward | \$21,650 |
| | | |
| 07 Health | Acct 074001 Surgery Turnover under allocated | \$18,750 |
| | Acct 074103 Employee Costs over allocated | \$21,500 |
| | | |
| 08 Education & Welfare | | |
| | | |
| 09 Housing | | |
| | | |
| 10 Community Amenities | Acct 101104 Landfill Disposal Site under allocated - new pit | -\$8,075 |
| | | |
| 11 Recreation & Culture | Acct 113022 Grants & Contributions - football change rooms refurbishment carried forward | -\$20,000 |
| | Acct 112102 Employee Costs under allocated - Assistant Manager's costs | -\$8,750 |
| | | |
| 12 Transport | Acct 122124 Storm Damage - Savings realised | \$5,700 |
| | Acct 122130 Road etc Studies - Methods Study \$15k carried forward | \$17,625 |
| | Acct 121007 Special Bridge Grants - Tone Br carried forward | -\$4,950,000 |
| | | |
| | | |
| 13 Economic Services | Acct 132106 BB Promotions - various actions carried forward | \$9,500 |
| | Acct 132107 Flaxmill Complex Operations - Precinct Study carried forward | \$15,250 |
| | Acct 132108 Caravan Park & Flaxmill Operations under allocated - Music Park bund wall | -\$10,525 |

| | | |
|---|---|------------|
| | Acct 133100 Building Control - wages over allocated | \$5,175 |
| | Acct 133103 Building Maintenance Officer - costs allocated to each facility | \$16,100 |
| | Acct 135102 Economic Development Projects - Wilga Mill Demolition (grant funded) | -\$19,450 |
| | | |
| 14 Other Property & Services | Acct 143101 Consultant Engineer - savings realised carry forward | \$6,025 |
| | Acct 143106 PWOH Leave under allocated | -\$6,875 |
| | Acct 144100 Repair Wages under allocated | -\$6,125 |
| | Acct 144101 Fuel & Oils under allocated. | -\$7,850 |
| | Acct 144103 (Plant) Parts & Repairs under allocated | -\$11,575 |
| | Acct 144104 (Vehicle) Licence - State Gov levies | -\$21,000 |
| | Acct 146105 Admin Staff Costs under allocated - includes leave entitlements paid out which reduces Leave Provisions | -\$43,275 |
| | Acct 146107 Asset Management - Plan review carried forward | \$5,125 |
| | Acct 146110 ICT Operations under allocated | -\$7,400 |
| | Acct 147010 Local (District) Planning Strategy carried forward | \$12,000 |
| | Acct 147011 Purchase of Land - resumption costs carried forward | \$37,500 |
| | | |
| | | |
| CAPITAL | | |
| 04 Governance | Acct 041400 Chambers Improvements - carried forward | \$2,500 |
| | Acct 042402 Furniture & Equip - MS Exchange software carried forward | \$10,325 |
| | | |
| 05 Law, Order and Public Safety | Acct 051610 Infrastructure Other Dam Reconstruction carried forward | \$5,000 |
| | Acct 052401 Plant & Equip - Ranger Ute canopy, lights etc \$10k carried forward. | \$14,200 |
| | | |
| 07 Health | Acct 074600 Surgery Equipment - Ultra Sound software carried forward | \$7,650 |
| | | |
| 09 Housing | Acct 092400 Lodge Refurbishment - carried forward | \$510,000 |
| | Loan for Lodge refurb - carried forward | -\$437,540 |
| | Acct 092401 GROH Accommodation - carried forward | \$450,000 |
| | Loan for GROH Accom - carried forward | -\$450,000 |
| | Acct 092405 Aged Accommodation - carried forward | \$679,650 |
| | Loan for Aged Accom - carried forward | -\$330,185 |
| | | |

| | | |
|------------------------------------|--|-------------|
| 11 Recreation & Culture | Acct 111501 Town Hall Furniture & Equip - kitchen equipment carried forward | \$2,500 |
| | Acct 112600 Pool Furniture & Equip - disability initiative carried forward | \$1,500 |
| | Acct 113904 Football Club Rooms - refurbishment carried forward | \$30,000 |
| | Acct 113906 Recreation Infrastructure - netball courts upgrade carried forward | \$20,000 |
| | | |
| 12 Transport | Acct 121401 Muni Gravel Sheeting - carried forward | \$13,600 |
| | Acct 121450 Special Bridge Construct - Tone Br carried forward | \$4,950,000 |
| | Acct 121700 Footpath Construction - fencing carried forward | \$5,500 |
| | Acct 122405 Depot Furniture & Equip - ICT & chairs carried forward | \$6,000 |
| | Acct 123606 Tippers & Trailers - \$160k Tipper carried forward | \$240,000 |
| | | |
| | Acct 132402 Tourist Ctr Building - \$4k drummy walls carried forward | \$7,500 |
| | | |
| | | |
| | Overall Change (surplus) | \$841,375 |

The total for acquisition and projects proposed to be carried forward amounts to \$6,990,275 of which \$6,187,725 would be funded from grants (e.g. \$4.95m new Tone Bridge jointly funded by Main Roads & R2R) and loans. Due to the above adjustments the closing funds as at 30 June 2017 are forecast to be \$841,375 of which \$802,550 represents Reserves and consolidated revenue acquisitions and projects proposed to be carried forward into 2017-18.

CONSULTATION

Alan Lamb (Chief Executive Officer) and seniors officers.

STATUTORY ENVIRONMENT

Local Government Act 1995 and Regulations.

POLICY IMPLICATIONS

The budget is based on the principles contained within the Community Strategic Plan and Plan for the Future.

FINANCIAL IMPLICATIONS

Specific financial implications are as outlined in the Detail section of this report.

STRATEGIC IMPLICATIONS

The Budget Review has been developed based on existing strategic planning documents adopted by council.

VOTING REQUIREMENT

Absolute Majority required: Yes.

TRIPLE BOTTOM LINE ASSESSMENT

Economic Implications

The budget has been reviewed based on sound financial management and accountability principles with the view to deliver a sustainable economic outcome for council and the community.

Social Implications

The budget has been reviewed to deliver social outcomes identified in various planning and community supporting strategies that have previously been adopted by the council.

Environmental Implications

The budget has been reviewed so as to consider key environmental strategies and initiatives as supported by the council.

COMMENT

The budget has been reviewed so as to identify acquisitions and projects to be carried forward into 2017-18. The total for acquisition and projects proposed to be carried forward amounts to \$6,990,275 of which \$6,187,725 would be funded from grants (e.g. \$4.95m new Tone Bridge joint funded by Main Roads & R2R) and loans. Due to the above adjustments the closing funds as at 30 June 2017 are forecast to be \$841,375 of which \$802,550 represents Reserves and consolidated revenue acquisitions and projects proposed to be carried forward into 2017-18.

COUNCIL DECISION & OFFICER RECOMMENDATION - ITEM 8.2.2

MOVED: Cr Kaltenrieder

SECONDED: Cr Muncey

That Council adopt the budget review with the following variations for the period 1 July 2016 to 30 June 2017, amend the 2016-17 budget accordingly, and endorse for inclusion in the draft 2017-18 Annual Budget items to be carried forward:

| | | |
|--|--|--------------|
| OPERATING | | |
| | Opening Balance | \$0 |
| 03 General Purpose Funding | | |
| | | |
| 04 Governance | Net of savings: Accounts 041105 & 041109 Cr Conferences and Refreshments. | \$15,725 |
| | | |
| 05 Law, Order and Public Safety | Acct 051102 Hazard Reduction over allocated - Savings | \$16,450 |
| | Acct 051118 Fire Defence DFES Grant - Carried Forward | \$21,650 |
| | | |
| 07 Health | Acct 074001 Surgery Turnover under allocated | \$18,750 |
| | Acct 074103 Employee Costs over allocated | \$21,500 |
| | | |
| 08 Education & Welfare | | |
| | | |
| 09 Housing | | |
| | | |
| 10 Community Amenities | Acct 101104 Landfill Disposal Site under allocated - new pit | -\$8,075 |
| | | |
| 11 Recreation & Culture | Acct 113022 Grants & Contributions - football change rooms refurbishment carried forward | -\$20,000 |
| | Acct 112102 Employee Costs under allocated - Assistant Manager's costs | -\$8,750 |
| | | |
| 12 Transport | Acct 122124 Storm Damage - Savings realised | \$5,700 |
| | Acct 122130 Road etc Studies - Methods Study \$15k carried forward | \$17,625 |
| | Acct 121007 Special Bridge Grants - Tone Br carried forward | -\$4,950,000 |
| | | |

| | | |
|---|---|-----------|
| | | |
| 13 Economic Services | Acct 132106 BB Promotions - various actions carried forward | \$9,500 |
| | Acct 132107 Flaxmill Complex Operations - Precinct Study carried forward | \$15,250 |
| | Acct 132108 Caravan Park & Flaxmill Operations under allocated - Music Park bund wall | -\$10,525 |
| | Acct 133100 Building Control - wages over allocated | \$5,175 |
| | Acct 133103 Building Maintenance Officer - costs allocated to each facility | \$16,100 |
| | Acct 135102 Economic Development Projects - Wilga Mill Demolition (grant funded) | -\$19,450 |
| | | |
| 14 Other Property & Services | Acct 143101 Consultant Engineer - savings realised carry forward | \$6,025 |
| | Acct 143106 PWOH Leave under allocated | -\$6,875 |
| | Acct 144100 Repair Wages under allocated | -\$6,125 |
| | Acct 144101 Fuel & Oils under allocated. | -\$7,850 |
| | Acct 144103 (Plant) Parts & Repairs under allocated | -\$11,575 |
| | Acct 144104 (Vehicle) Licence - State Gov levies | -\$21,000 |
| | Acct 146105 Admin Staff Costs under allocated - includes leave entitlements paid out which reduces Leave Provisions | -\$43,275 |
| | Acct 146107 Asset Management - Plan review carried forward | \$5,125 |
| | Acct 146110 ICT Operations under allocated | -\$7,400 |
| | Acct 147010 Local (District) Planning Strategy carried forward | \$12,000 |
| | Acct 147011 Purchase of Land - resumption costs carried forward | \$37,500 |
| | | |
| | | |
| CAPITAL | | |
| 04 Governance | Acct 041400 Chambers Improvements - carried forward | \$2,500 |
| | Acct 042402 Furniture & Equip - MS Exchange software carried forward | \$10,325 |
| | | |
| 05 Law, Order and Public Safety | Acct 051610 Infrastructure Other Dam Reconstruction carried forward | \$5,000 |
| | Acct 052401 Plant & Equip - Ranger Ute canopy, lights etc \$10k carried forward. | \$14,200 |
| | | |
| 07 Health | Acct 074600 Surgery Equipment - Ultra Sound software carried forward | \$7,650 |
| | | |

| | | |
|------------------------------------|--|-------------|
| 09 Housing | Acct 092400 Lodge Refurbishment - carried forward | \$510,000 |
| | Loan for Lodge refurb - carried forward | -\$437,540 |
| | Acct 092401 GROH Accommodation - carried forward | \$450,000 |
| | Loan for GROH Accom - carried forward | -\$450,000 |
| | Acct 092405 Aged Accommodation - carried forward | \$679,650 |
| | Loan for Aged Accommodation - carried forward | -\$330,185 |
| | | |
| 11 Recreation & Culture | Acct 111501 Town Hall Furniture & Equip - kitchen equipment carried forward | \$2,500 |
| | Acct 112600 Pool Furniture & Equip - disability initiative carried forward | \$1,500 |
| | Acct 113904 Football Club Rooms - refurbishment carried forward | \$30,000 |
| | Acct 113906 Recreation Infrastructure - netball courts upgrade carried forward | \$20,000 |
| | | |
| 12 Transport | Acct 121401 Muni Gravel Sheeting - carried forward | \$13,600 |
| | Acct 121450 Special Bridge Construct - Tone Br carried forward | \$4,950,000 |
| | Acct 121700 Footpath Construction - fencing carried forward | \$5,500 |
| | Acct 122405 Depot Furniture & Equip - ICT & chairs carried forward | \$6,000 |
| | Acct 123606 Tippers & Trailers - \$160k Tipper carried forward | \$240,000 |
| | | |
| | Acct 132402 Tourist Ctr Building - \$4k drummy walls carried forward | \$7,500 |
| | | |
| | | |
| | Overall Change (surplus) | \$841,375 |

CARRIED BY ABSOLUTE MAJORITY 7/0

Res 87/17

| |
|---|
| 8.2.3 30 June 2017 Statement of Financial Activity |
|---|

| | |
|--|-------------------------------------|
| Location: | Not applicable |
| Applicant: | Not applicable |
| File: | FM/10/003 |
| Disclosure of Officer Interest: | None |
| Date: | 13 July 2017 |
| Author: | Kerry Fisher – Manager of Finance |
| Authorizing Officer: | Alan Lamb – Chief Executive Officer |
| Attachments: | Yes – Financial Reports |

SUMMARY

This report recommends that Council receive the Statement of Financial Activities and Net Current Assets for the month ended 30 June 2017.

BACKGROUND

Section 6.4 of the Local Government Act 1995 places financial reporting obligations on local government operations.

Regulation 34.(1)–(4) of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare a *Statement of Financial Activity*.

The regulations also prescribe the content of the reports, and that details of items of Material Variances shall also listed.

COMMENT

It is a statutory requirement that the statement of financial activity be prepared each month (Regulation 34.(1A)), and that it be presented at an ordinary meeting of the Council within 2 months after the end of the month to which the statement relates (Regulation 34.(4)(a)).

CONSULTATION

Alan Lamb – Chief Executive Officer

STATUTORY OBLIGATIONS

Local Government (Financial Management) Regulations 1996, Regulation 34.(1A)

Local Government (Financial Management) Regulations 1996, Regulation 34.(4)(a)

POLICY IMPLICATIONS

Nil

BUDGET/FINANCIAL IMPLICATIONS

As presented in the attached reports.

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

COUNCIL DECISION & OFFICER RECOMMENDATION – Item 8.2.3

MOVED: Cr Moir

SECONDED: Cr Rear

That having regard for any material variances, Council receive the 30 June 2017 Statement of Financial Activity and Statement of Net Current Assets, as presented.

CARRIED 7/0

Res 88/17

Mr Darren Jennings left the Chambers at 6.02pm

Mr Ray Willis left the Chambers at 6.02pm

| |
|---|
| 8.2.4 Adoption of 2017-18 Schedule of Fees & Charges |
|---|

| | |
|--|--|
| Location: | <i>Not applicable</i> |
| Applicant: | <i>Not applicable</i> |
| File: | <i>FM/9/002</i> |
| Disclosure of Officer Interest: | <i>None</i> |
| Date: | <i>13 July 2017</i> |
| Authors: | <i>Alan Lamb – Chief Executive Officer and Kerry Fisher – Manager of Finance</i> |
| Authorizing Officer: | <i>Alan Lamb – Chief Executive Officer</i> |
| Attachments: | <i>Draft 2017-18 Schedule of Fees & Charges</i> |

SUMMARY

This matter is put before Council for information, and for Council to consider and adopt a Schedule of Fees & Charges for 2017-18.

BACKGROUND

As it was in 2016-17, Council's 2017-18 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 2017-18 fees & charges in July will enable them to take effect from July 2017.

Under Council's Long Term Financial Plan 2013-2023 (the LTFP), fees and charges were proposed to increase annually by some 3.0%. In drafting the proposed 2017-18 fees the 3% increase was factored in (subject to appropriate rounding). The proposed 3% increase in fees comprises an inflationary increase of 2%, and an additional regional component of 1%.

The Schedule attached shows the fees and charges that were imposed in 2016-17 and the charges recommended for 2017-18.

Proposed new fees in 2017-18 include:

- Swimming Pool Family Day pass - \$10 (incl GST)
- Other Public Open Space hire charge - \$121.50 (incl GST)
- Abel Street Sheds storage - \$20 p/week (incl GST)
- Waste Oil disposal under 100 litres free

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.

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 2017-18 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 2017-18 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

Cr Moir left the Chambers at 6.08pm

COUNCIL DECISION & OFFICER RECOMMENDATION – Item 8.2.4

MOVED: Cr Imrie

SECONDED: Cr Muncey

That Council adopt the 2017-18 Schedule of Fees & Charges as per the Attachment.

CARRIED BY ABSOLUTE MAJORITY 6/0

Res 89/17

8.2.5 Rates Concessions

| | |
|--|---|
| Location: | Shire Boyup Brook |
| Applicant: | N/A |
| File: | FM/48/004 |
| Disclosure of Officer Interest: | None |
| Date: | 08 July 2017 |
| Author: | Stephen Carstairs (Director Corporate Services) and Kay Raisin (Co-ordinator HR and Rates) |
| Authorizing Officer: | Alan Lamb (Chief Executive Officer) |
| Attachments: | Yes: Council Resolution 7.8 August 2001. 2. <i>Department of Finance Office of State Revenue</i> Procedural Manual 2016 (excerpt) |

SUMMARY

In August 2001 Council set a methodology for determining Seniors and Pensioners residing on rural, commercial and industrial land as follows:

" ... allow Seniors and Pension cardholders residing on Rural/Commercial/Industrial land to receive a Pension/Seniors rebate of 50% and Seniors rebate of 25% calculated on the minimum GRV rate for Residential - Town properties, ..."

and see Council Resolution 7.8 August 2001 attached.

As the 2001 resolution of Council is at variance with either the intent or the methodologies allowed in the *Department of Finance of State Revenue* Procedural Manual 2016 (the Departmental Manual), alternate methodologies are proposed for determining rebates for Seniors and Pensioner residing on rural, commercial and industrial land.

BACKGROUND

OSR's (*Department of Finance of State Revenue*) concern in cases where concessions are being considered is that local governments adopt a consistent approach to ensure pensioners and seniors in similar circumstances in the municipality are treated the same.

The Departmental Manual identifies five (5) options available to authorising agents (e.g. local governments), for determining concessions on commercial (including industrial) and farming properties as follows:

1. no concession;
2. a proportional rebate, based on the area used for residential purposes against that used for commercial or farm (income generating) purposes, and see workings example on page 73 of the Departmental Manual);
3. a proportionate rate, by applying an arbitrary curtilage of 2 ha in respect to the residential component of the rated property;
4. a minimum rate or valuation based rate, for example, in the case of hobby farms or where the residence is situated on a distinct identifiable parcel of land (i.e. a titled location) that has no commercial use, irrespective of the property size, and see workings example on page 74 of the Departmental Manual; or
5. a concession based on the total rates levied against the property, notwithstanding that all or part of the property may have some commercial/farm use. *NOTE: This option is considered inappropriate because it does not produce an equitable outcome.*

An assumption made in Council's August 2001 resolution was that the situation is the same for Seniors and Pensioners residing in GRV (the most intensive living), UV Urban and Special Rural (e.g. Hobby Farms) which is less intensive living, and UV Rural settings. But clearly proximity to amenities, and access to shire facilities and services could be different for Seniors and Pensioners residing in these different categories of property. So it may be that the *one-size-fits-all* approach taken in 2001 might not be consistent with OSR's concern that the local government " ... ensure pensioners and seniors in similar circumstances in the municipality are treated the same ... ".

Further, when it was resolved in 2001 that Seniors and Pensioners residing on minimum rated properties in UV Urban, Special Rural and UV Rural properties would receive a 25% and 50% GRV concession respectively, consideration was not made for the occurrence where the Minimum Rate for GRV is different to that for UV. When this occurs, as it would in 2017-18 where GRV Minimums (\$897) are greater than UV Minimums (\$747), then GRV Seniors and Pensioners could be seen to be disadvantaged relative to those residing in UV Urban and Special Rural as follows:

GRV Pensioners eligible for 50% concession on the Minimum would pay:

$$\$897/2 = \$448.50.$$

UV Urban and Special Rural Pensioners eligible for 50% concession on GRV Minimum would pay: $\$747 - \$448.50 = \$298.50$.

Further, a complication also arises in the above UV Urban and Special Rural example in that OSR would not make a rebate contribution to these Pensioners for an amount that is greater than 50% of the UV Minimum Rate (i.e. OSR's rebate calculation would look something like this $\$747/2 = \373.50).

Seniors and Pensioners residing in UV Rural residences that are collocated with farming operations and facilities like shearing sheds, equipment storage sheds etc (i.e. broad acre commercial farming) present administrative problems of their own. The 2001 resolution would have officers treat these rate payers the same as UV Urban and Special Rural Seniors and Pensioners, i.e. as if they were situated on a distinct identifiable parcel of land (i.e. a titled location) within a contiguously titled farm property, and so option 4 (above) from the Departmental Manual could apply. However, as the shire's records show that distinct identifiable parcels of land have not been identified for Seniors and Pensioners residing on this category of land, option 4 could not be made available to them.

COMMENT

This report seeks to align Council's methodology for determining concessions allowed to Seniors and Pensioner residing on UV rated properties with that identified in the *Department of Finance of State Revenue Procedural Manual 2016*. The net effect of implementing OSR's methodology in 2017-18 will be of taking a more consistent approach in the treatment of Seniors and Pensioners in similar circumstances within the municipality.

CONSULTATION

Department of Finance Office of State Revenue Procedural Manual 2016.

STATUTORY OBLIGATIONS

Rates and Charges (Rebates and Deferments) Act 1992

POLICY IMPLICATIONS

Council's Rating Strategy Policy should be read in conjunction with this report.

BUDGET/FINANCIAL IMPLICATIONS

No financial implications derive from this item.

STRATEGIC IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

- **Environmental** – Nil
- **Economic** – Nil
- **Social** – Nil

VOTING REQUIREMENTS

Simple majority

COUNCIL DECISION & OFFICER RECOMMENDATION - ITEM 8.2.5

MOVED: Cr Muncey

SECONDED: Cr Kaltenrieder

That Council resolve as follows:

1. For Seniors and Pensioners whose residences are on clearly identifiable parcels (i.e. a titled location) of UV Urban and Special Rural land either occurring alone or within a contiguously titled property consisting of a number of titled locations, that their concessions be calculated using the UV Minimum Rate and option 4 in the *Department of Finance of State Revenue Procedural Manual 2016* and.
2. For Seniors and Pensioners whose residences are on clearly identifiable parcels (i.e. a titled location) of UV Rural land occurring within a contiguously titled property consisting of a number of titled locations, that their concessions be calculated using the UV Minimum Rate and option 4 in the *Department of Finance of State Revenue Procedural Manual 2016* and.
3. For Seniors and Pensioners whose residences are not on clearly identifiable parcels (i.e. a titled location) of unimproved land (e.g. UV Rural) occurring within a contiguously titled property consisting of a number of titled locations, that their concessions be calculated using option 3 in the *Department of Finance of State Revenue Procedural Manual 2016*.
4. The CEO is to notify in writing those rate payers affected by the change and publish the change in the Public Notice section of the Gazette, on Council's and the Library notice boards, and on the shire website.

CARRIED 6/0

Res 90/17

8.2.6 Levying Rates in 2017-18 - Differential Rating Submissions

| | |
|--------------------------------|---|
| Location: | N/A |
| Application: | N/A |
| File: | FM/48/002 |
| Disclosure of Interest: | |
| Date: | 14 July 2017 |
| Author: | Stephen Carstairs (Director Corporate Services) |
| Authorising Officer: | Alan Lamb (Chief Executive Officer) |
| Attachments: | Yes. 1. Unimproved Values - Urban Valuation Policy 4.107. 2. Statement of Rating Information 2017-18 Submission 1. McMahon Mining Title Services Pty Ltd. Submission 2. Mr AJR Doust. |

PURPOSE

This report seeks to have Council consider:

1. Two (2) submissions received by the Chief Executive Officer (CEO), as they relate to the differential rates proposed to be levied in 2017-18.
2. Direct the CEO to seek approval from the Minister to levy differential rates in 2017-18 where the Mining UV rate will be more than twice as much as the lowest (non-Mining UV) differential rate.

BACKGROUND

At its June 2017 ordinary meeting Council resolved (Resolution 63/16) as follows:

1. *Endorses for 2017-18 Annual Budget preparation purposes the following proposed general rates and minimum payments to be applied from 1 July 2017 for the 2017-18 financial year:*

| <i>Rate Classes</i> | <i>2017-18 Rate in \$</i> | <i>Min S's</i> |
|---------------------|-------------------------------|----------------|
| <i>GRV</i> | <i>12.8775</i> | <i>897</i> |
| <i>UV - Rural</i> | <i>0.7268</i> | <i>824</i> |
| <i>UV – Mining</i> | <i>16.3152</i> | <i>851</i> |

2. *Endorse the Objects and Reasons for the rates to be imposed in the 2017-18 financial year.*
3. *Subject to endorsement of the proposed rating model by Council, the proposed general rates and general minimum payments will be advertised in Saturday's West Australian, the Gazette (time permitting), on the shire website, on the shire public notice board and in the library.*

Subsequently the proposed differential rates were advertised for submissions in the West Australian (Saturday 17 June 2017), on the shire notice board, in the shire library, and on the shire's website. The closing time for submissions was 4:30pm on Tuesday 11 July 2017. At the closing time, the CEO had not received 2 submissions as follows:

Submission 1. McMahon Mining Title Services Pty Ltd (McMahon) representing Metalcity Energy Pty Limited (Tenement E70/04804).

McMahon is asking Council to:

" ... consider a separate and lower rate in the dollar and minimum for Exploration/Prospecting Licences (a change that has been made in other Shires) ... "

McMahon then goes on to explain that since the *Mining Act 1978* identifies different types of tenements:

- Mining Leases which would be required to extract minerals for the purpose of sale, and
- Exploration/Prospecting Licences which only allow the holder to search for and test to establish the potential presence of mineralisation;

this is sufficient argument for Council to differentially rate Exploration and Prospecting Licences from Mining Tenements.

Submission 2. Mr Doust resides on a Special Rural property in Boyup Brook, and indicated that:

" ... Council needs to reconsider the Differential rating to ensure the rating of properties in the unimproved areas is fair and equitable ... "

Mr Doust explains that as:

" ... properties within the special rural zones ... have been valued using the principles applicable in the Unimproved Values - Urban Valuation Policy 4.107 used by the Valuer General (Landgate) ... ",

his "urban unimproved" property is valued at \$278,000 compared with a valuation of \$115,000 for a similarly sized "Rural Unimproved" property nearby, and that this is sufficient argument for Council to differentially rate Special Rural properties from other unimproved value properties in the district.

On a separate matter, since Council's June 2017 ordinary meeting when the proposed rates in the \$ and Minimum Rates for 2017-18 were endorsed, the shire has received a 01 July 2017 Mining UV role and it indicates that the sector in Boyup Brook has increased from 14 rateable properties to 16. Further, the role shows total valuations for this sector increasing substantially from \$289,136 to \$509,595.

COMMENT

The basis of the arguments presented in the 2 submissions are similar. In the first submission McMahon argue that since the *Mining Act 1978* distinguishes between Mining Tenements and Exploration and Prospecting Licences, that Council should consider differentially rating them. In the second submission Mr Doust distinguishes between urban valuation and Rural Valuation properties, and argues that these properties should be differentially rated.

On examination of Landgate document *Unimproved Values - Urban Valuation Policy 4.107* (attached), however, seems the Valuer General (VG) has not recognised for valuation purposes, that the types of properties distinguished in the 2 submissions are different. **Since the VG categorises them all to be Unimproved Values (UV) properties for rating purposes**, it would be reasonable for Council to determine to not differentially rate Mining Tenements from Exploration or Prospecting Licences, or Special Rural properties from other Rural properties.

In points (1) through (6) in the *Policy* section of Policy 4.107 the VG describes the criteria by which Landgate determines the Unimproved Values (UV) of properties in this category. Point (7) in the *Policy* section informs rate payers on what basis they might object to the VG about their property valuation. So Policy 4.107 prescribes for rate payers the course they can take when raising an objection to their valuations, that being to take their objection up with Langate.

Finally, on McMahon's matter of Council proposing to levy a substantially higher Minimum Rate (\$851) on (Mining UV) Licences in 2017-18 relative to 2016-17, compared with the Minimum Rate levied on these properties in 2014-15 (\$845) the 2017-18 rate represents only a 0.7% increase in 3 years. Further, as 8.33% of all rates levied (\$51,093) in this rating category is represented by Minimums, the shire's *Objects and Reasons for Levying Differential Rates and Minimum Rates in 2017-18* is satisfied.

As to the matter of total Mining UV valuations increasing from \$289,136 to \$509,595, it will be recommended that Council:

- determine to reduce the rate in the \$ for this sector from \$0.163152 to \$0.093845; and

- retain the Minimum Rate for this sector at \$851,

thereby levying a total of \$51,093 rates in 2017-18 on Mining UV properties which is in keeping with the Department of Local Government Grants Commission's 2015-16 Balanced Budget methodology, and see attached Statement of Rating Information 2017-18.

CONSULTATION

Alan Lamb (Chief Executive Officer), and Unimproved Values - Urban Valuation Policy 4.107.

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 2016-17 budget. Based on property valuations at the time of writing, the proposed general rates and minimum rates are expected to yield in 2017-18 total rates revenue of \$2,659,377.

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

Simple Majority

Cr Rear left the Chambers at 6.56pm
Cr Rear returned to the Chambers at 6.58pm

COUNCIL DECISION & OFFICER RECOMMENDATION - ITEM 8.2.6

MOVED: Cr Oversby

SECONDED: Cr Muncey

That Council:

1. Acknowledge 2 submissions (McMahon Mining Title Services Pty Ltd and Mr AJR Doust) received by the Chief Executive Officer (CEO), as they relate to the proposed differential rates to be levied in 2017-18, and determine to not change the proposed rates as a consequence of their submissions.
2. Direct the CEO to correspond to McMahon Mining Title Services Pty Ltd and Mr AJR Doust Council's decision to not change the proposed 2017-18 rates as a consequence of their submissions.
3. Direct the CEO to seek approval from the Minister to levy differential rates and minimum charges in 2017-18 where the Mining UV rate will be more than twice as much as the lowest (Rural UV) differential rate as follows:

| Rate Classes | 2016-17 Rate in \$ | Minimum \$ |
|--------------|-----------------------|------------|
| GRV | 0.128775 | 897.00 |
| UV - Rural | 0.007268 | 824.00 |
| UV – Mining | 0.093845 | 851.00 |

4. Direct the CEO to include in the 2017-18 Adopted Budget the reasons for levying rates which are at variance with those advertised for submissions.

CARRIED 6/0

Res 91/17

The application proposes the keeping of 2 male dogs and 10 female dogs in fenced enclosures for commercial breeding of puppies.

Council discretion is required in accordance with the Shire's scheme, cl.3.3.1, which states:

In order to give full effect to the provisions and objectives of this Scheme, all development, including a change in the use of land, except as otherwise provided, requires the prior approval of the Council in each case. Accordingly, no person shall commence or carry out any development, including a change in the use of any land, without first having applied for and obtained the planning approval of the Council pursuant to the provisions of this Part.

It is recommended that the Council agree to refuse the proposed Animal Establishment (Dog Breeding Kennel) at Lot 1431, for the following reasons:

- The person who will have the charge of the dogs will not reside on the premises, or, in the opinion of the local government, sufficiently close to the premises so as to control the dogs and so as to ensure their health and welfare.
- The proposed housing of the dogs is insufficient without concrete, brick, stone or frame sheeted and a constructed surface at least 100mm above the surface of the surrounding ground, with a fall to a spoon drain, which in turn leads to a suitably sized diameter sewerage pipe.
- The application involves the transfer of puppies from Lot 1431 Boyup Brook Kojonup Road, to be cared for at a Boyup townsite residential property. In accordance with the Shire's scheme, an 'Animal Establishment' may only be considered for approval at a 'rural' or 'light industrial' zone property.

BACKGROUND

In 2002 conditional planning approval was granted to develop kennels at the subject Lot 1431. Conditions included:

- A time limit of two years from the date of the Council's decision;
- Sufficient control of the dogs to ensure their health and welfare;
- Walls of each kennel constructed of concrete, brick, stone or sheeted frames;
- The upper surface of the kennel floors being at least 100mm above the surface of the surrounding ground, with a fall of not less than 1 in 100 to a spoon drain, which in turn must lead to a suitably sized diameter sewerage pipe.

The Shire then issued 12 month approval for a Kennel Establishment Licence in accordance with the Shire of Boyup Brook Dogs Local Law.

In 2017, the Shire received a noise complaint in relation to puppies barking at a residential lot in the Boyup Townsite.

An investigation revealed that puppies were being transferred from the kennel located at the rural Lot 1431 (Mayanup) to the Boyup townsite lot.

Further investigation revealed that:

- The kennel was operating without a valid planning approval and Kennel Establishment Licence (the planning approval and licence had lapsed);
- Control of the dogs to ensure their health and welfare was being undertaken by remote care. The operator lives offsite (Boyup Townsite) and travels to the kennel to attend to dog faeces and the feeding of the dogs. The dogs were being fed bulk food, which was attracting vermin.
- The walls of each kennel is constructed of wire mesh and not the required concrete, brick, stone or sheeted frames;
- The upper surface of the kennel floors were left as bare earth. The planning condition required a constructed surface at least 100mm above the surface of the surrounding ground, with a fall of not less than 1 in 100 to a spoon drain, which in turn must lead to a suitably sized diameter sewerage pipe.

The proponent was notified that the Planning Approval and Kennel Establishment Licence had lapsed, which renders the establishment as being invalid.

Subsequently, the proponent re-submitted a new application seeking development approval for 'Animal Establishment' (Dog Breeding Kennel). If development approval is granted, the proponent may then apply for a Licence in accordance with the Shire's Dog Local Law.

COMMENT

The applicant is proposing to use Lot 1431 (Mayanup) for the keeping of two (2) male dogs and ten (10) female dogs for breeding purposes.

The applicant is proposing to live in the Boyup townsite and to drive out to the Mayanup property to manage the dogs, which includes:

- Attending to dog faeces on a daily basis;
- Washing kennels as required - more often in summer than winter;
- Feeding the dogs bones and raw meat a couple of times a week with their biscuits;
- Washing water bowls 2-3 times a week and topping up water daily; and
- Changing food dishes weekly - the dirty ones are brought home and cleaned.

The dogs are proposed to be kept in fenced enclosures. Portable plastic kennels are proposed to be provided for dogs to sleep in.

Some of the enclosures are proposed to be located out in the open, on bare earth and with shade cloth or tree cover for sun protection.

The outside enclosures have large kennels so in winter the food dishes can be placed into the kennel to keep the food dry for two 'Miniature Pinschers' to sleep at the back of each kennel.

During the winter months the dogs have water proof rugs to wear to keep them dry and warm.

The following illustrates dog enclosures and plastic kennel.



The application is also proposing the use of a townsite lot for the keeping of puppies. Puppies are transferred from the rural lot to the townsite lot and kept in a caravan for more hands-on care. The puppies are then vaccinated, microchipped and delivered to their new owners.

CONSULTATION

The proposed animal establishment is classified in accordance with the Shire's scheme as an 'SA' use. This means that the use is not permitted unless the Council has granted planning approval after giving notice.

The application was advertised via notices published around the Boyup Townsite and on the Shire's website.

At the close of advertising, six (6) submissions were received, all objecting to the proposed animal establishment (refer to schedule of submissions). The following issues were alleged:

- Dogs and puppies are being poorly managed and are kept in substandard conditions;
 - The areas proposed for the keeping of dogs is inadequate for the health of the dogs. The drainage and effluent system hasn't been maintained nor is effective or compliant. A permanent supply of water isn't available. The disposal of faeces in a rubbish bin isn't an accepted method of disposal.
 - Puppies are kept in a caravan.

- Because the operator does not reside on-site, dog faeces, food and water is left unmanaged for lengthy periods of time. Dogs are left in unclean conditions. Bulk food is left out for the dogs giving rise to disease/vermin.
 - There is no roof cover on some of the yards.
- The applicant was suspended from breeding for breaches of the West Australian Code of Ethics in 2014.
- The RSPCA has received complaints in the past about this operation.

STATUTORY OBLIGATIONS

In accordance with the Shire's scheme, an 'Animal Establishment' may only be considered for approval at a 'rural' or 'light industrial' zone property and not a residential property.

In accordance with the Shire's Dog Local Law cl. 3.2, the limit on the number of dogs which may be kept on a 'townsite' premises is 2 dogs over the age of three months and the Young of those dogs under that age.

In accordance with the Shire's Dog Local Law (cl.4.7), the local government cannot approve an application for a licence where the person who will have the charge of the dogs will not reside on the premises, or, in the opinion of the local government, sufficiently close to the premises so as to control the dogs and so as to ensure their health and welfare.

POLICY IMPLICATIONS

There are no policy implications relating to the proposal.

BUDGET/FINANCIAL IMPLICATIONS

There are no financial implications directly relating to this item.

VOTING REQUIREMENTS

Simple majority.

CONCLUSION

The proponent has been operating a dog breeding kennel without a valid planning approval and kennel licence.

When the approval notices were valid, the proponent operated in breach of planning approval conditions and the Shire's Dogs Local Law.

During the advertising of the proposed animal establishment, community concerns were raised regarding unhealthy management of the dogs.

It is apparent that the proponent is unwilling to comply with standards and operational measures, applicable to the development of dog breeding kennels.

It is recommended that the Council refuse the development application. If the Council decides otherwise, then it is recommended that vigilant development and compliance measures are administered.

COUNCIL DECISION & OFFICER RECOMMENDATION – ITEM 8.3.1

MOVED: Cr Rear

SECONDED: Cr Oversby

That Council

REFUSE the application for an animal establishment at Lot 1431 Boyup Brook Kojonup Road for the following reasons:

1. Contrary to the Shire's Dog Local Law (cl.4.7), the person who will have the charge of the dogs will not reside on the premises, or, in the opinion of the local government, sufficiently close to the premises so as to control the dogs and so as to ensure their health and welfare.

Note: the proponent is unwilling to live at the property where the kennels and dogs are located. The proponent lives approximately 15km away from the proposed dog breeding kennel.

2. The proposed housing of the dogs is insufficient without concrete, brick, stone or frame sheeted and a constructed surface at least 100mm above the surface of the surrounding ground, with a fall to a spoon drain, which in turn leads to a suitably sized diameter sewerage pipe.

Note: The proponent has openly stated unwillingness to develop kennels to the above stated standards.

3. The application involves the transfer of puppies from Lot 1431 Boyup Brook Kojonup Road, to be cared for at a Boyup townsite residential property. In accordance with the Shire's scheme, an 'Animal Establishment' may only be considered for approval at a 'rural' or 'light industrial' zone property.

Note: the proponent has been advised (prior to lodging the application) that the limit on the number of dogs which may be kept on a townsite premises is 2 dogs over the age of three months and the Young of those dogs under that age.

CARRIED 6/0

Res 92/17

8.3.2 Development (Farm Workers Accommodation) - Lot 1602, Boyup Arthur River Road.

| | |
|--|---|
| Location: | <i>Lot 1602, Boyup Arthur River Road, Dinninup.</i> |
| Applicant: | <i>DFD Rhodes Pty Ltd</i> |
| File: | <i>A5820</i> |
| Disclosure of Officer Interest: | <i>None.</i> |
| Date: | <i>20 July 2017.</i> |
| Author: | <i>A. Nicoll, Town & Regional Planner.</i> |
| Authorizing Officer: | <i>Alan Lamb, Chief Executive Officer.</i> |
| Attachments: | <i>Nil</i> |

SUMMARY

The purpose of this report is to put before Council the request to replace an existing old weatherboard 1940's house with a new 'Farm Workers Accommodation' at Lot 1602, Boyup Arthur River Road.



BACKGROUND

In 2015, DFD Rhodes Pty Ltd purchased the subject Lot 1602, which is located north of Dinninup, on the Boyup Arthur River Road.

Two houses occupy the subject lot. One house is brick construction and the other is a run-down weatherboard 1940's house.

The 1940's house is in disrepair and therefore unsuitable for residency. Consequently, DFD Rhodes Pty Ltd submitted an application to the Shire to replace the 1940's house with a 'Farm Workers Accommodation'.

The existing brick house is proposed to be maintained, similarly for 'Farm Workers Accommodation'.



COMMENT

Farm Workers Accommodation

The new proposed 'Farm Workers Accommodation' is:

1. Single storey;
2. 3 bedroom/2 bathroom;
3. Hardiplank/colourbond exterior wall cladding and zincalume roof; and
4. Setback approximately 500m from the Boyup Arthur River Road and 350m from the Blackwood River.

An existing farm track and crossover to the Boyup Arthur River Road is proposed to be utilised for access.

The development site is not located within a bushfire prone area and therefore does not require a Bushfire Attack Level Assessment.



CONSULTATION

Consultation in accordance with the Shire's scheme 2 is not required for an application to build a 'Farm Workers Accommodation'.

STATUTORY OBLIGATIONS

'Farm Workers' Accommodation' means accommodation for persons involved in the operation of an agricultural enterprise.

The subject lot is zoned 'Rural' in accordance with the Shire's Local Planning Scheme No.2. 'Farm Workers Accommodation' is classified as an 'AA' use in accordance with the Shire scheme. 'AA' means a use which Council, in exercising the discretionary powers available to it, may approve under this Scheme.

POLICY IMPLICATIONS

There are no policy implications relating to the proposed 'Farm Workers Accommodation'

BUDGET/FINANCIAL IMPLICATIONS

There are no known budget implications relating to this application.

STRATEGIC IMPLICATIONS

Planning practice employed by some local governments includes the requirement for a notification on Title advising the owners and subsequent owners of the land that the 'Farm Workers Accommodation' is to be occupied by person or persons

involved in the management/running of the agricultural property. Such notification is generally placed on the title prior to the issue of a Building Permit.

In relation to the above, it is proposed that the Council include a planning condition informing the proponent that the farm workers accommodation is for persons involved in the operation of the agricultural enterprise.

Planning practice by some local governments also includes the restriction on the amount of 'Farm Workers Accommodation' on the one property.

The Shire of Boyup Brook may wish to consider adopting (sometime in the future) a policy position that limits the amount of farm workers accommodation on a property, considerate of the size and type of the farm operation or the amount of employees.

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 8.3.2

MOVED: Cr Oversby

SECONDED: Cr Rear

That Council

Grants development approval for Lot 1602 Boyup Arthur River Road, Dinninup, for the purpose of 'Farm Workers Accommodation' subject to the following notice:

Planning and Development Act 2005

Shire of Boyup Brook

NOTICE OF DETERMINATION ON APPLICATION FOR DEVELOPMENT APPROVAL

Location: Lot 1602 Boyup Arthur River Road, Dinninup

Description of proposed development:

Farm Workers Accommodation

The application for development is approved subject to the following conditions.

Conditions:

1. Prior to occupancy of use, unless varied by a condition of approval or a minor amendment to the satisfaction of the Shire of Boyup Brook, all development shall occur in accordance with the stamped, approved plans.
2. An on-site wastewater system being developed to the satisfaction of the Shire.
3. A roof water storage tank of approximately 92,000 litres is developed to the satisfaction of the Shire.
4. The Farm Workers Accommodation is for persons involved in the operation of the agricultural enterprise.

Date of determination: 20 July 2017

Note 1: If the development the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of determination, the approval will lapse and be of no further effect.

Note 2: Where an approval has so lapsed, no development must be carried out without the further approval of the local government having first been sought and obtained.

Note 3: If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the *Planning and Development Act 2005* Part 14. An application must be made within 28 days of the determination.

Signed:

Dated:

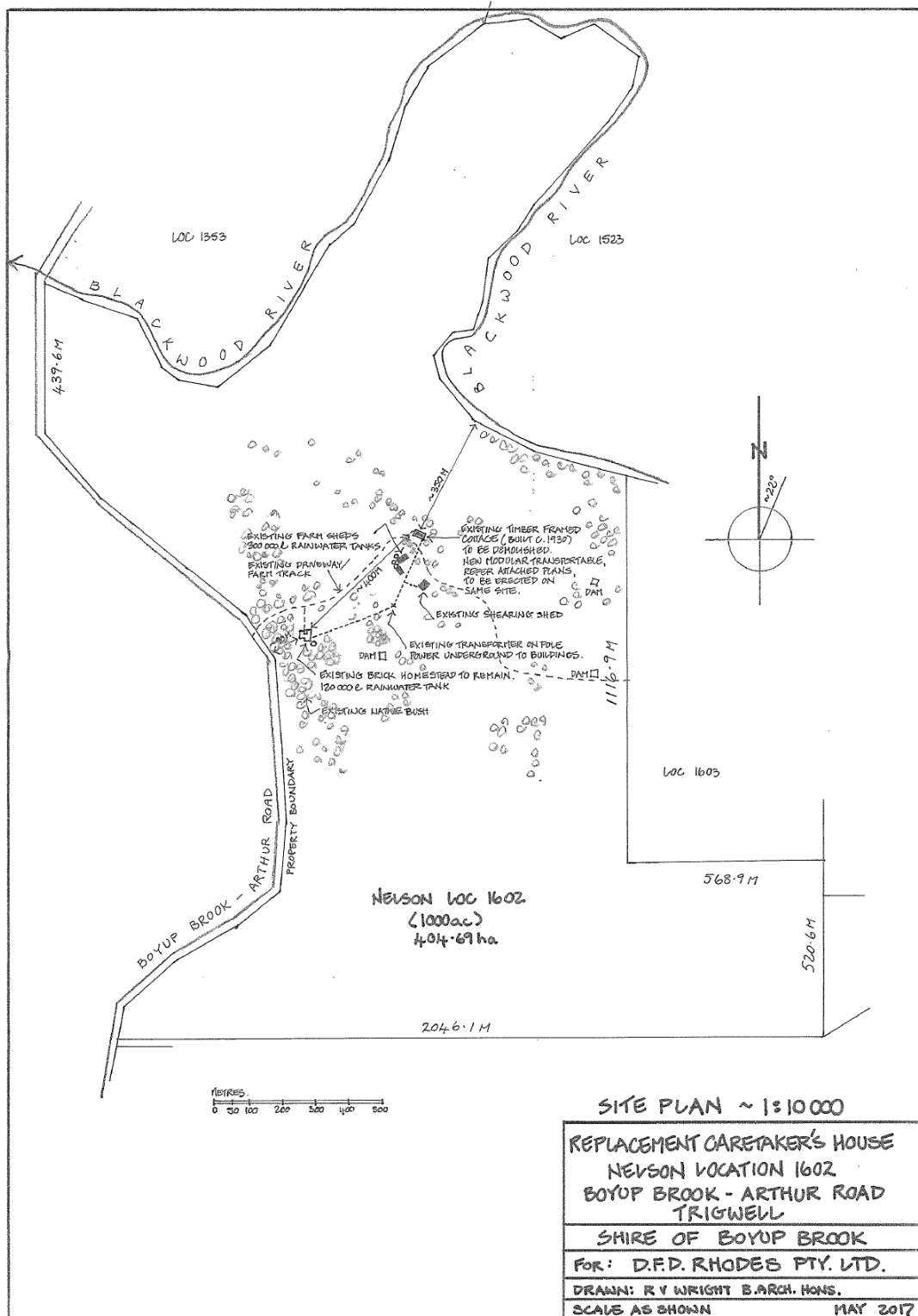
for and on behalf of the Shire of Boyup Brook.

CARRIED 6/0

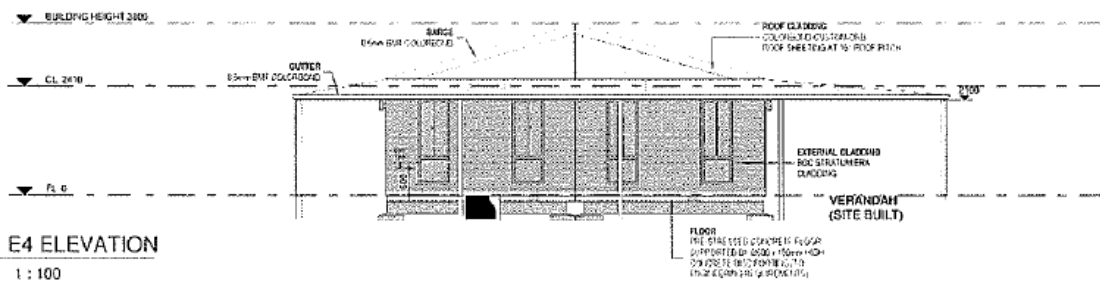
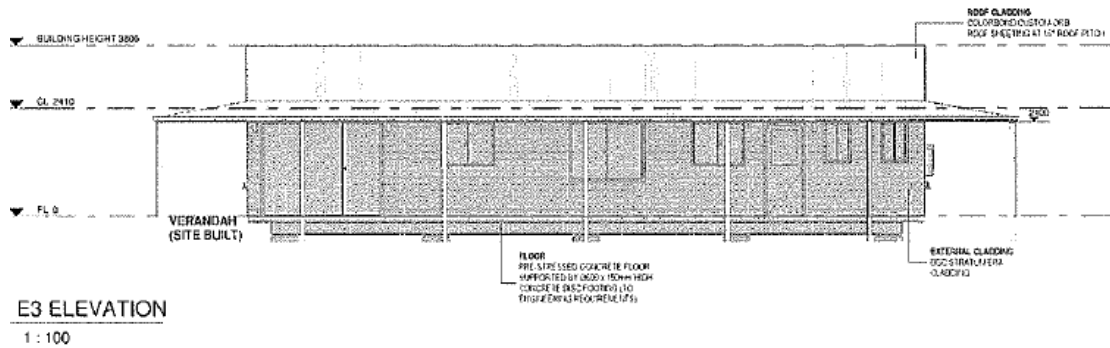
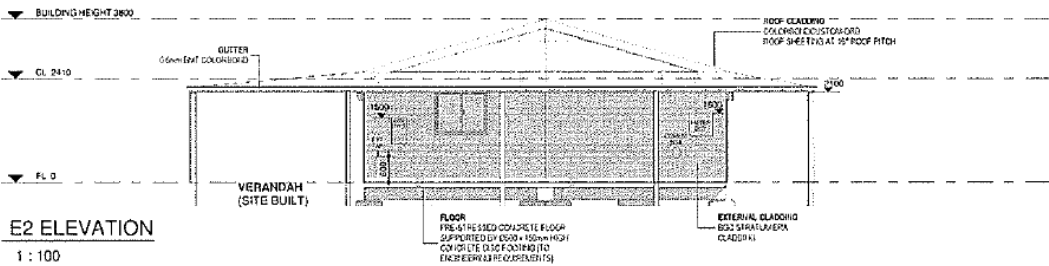
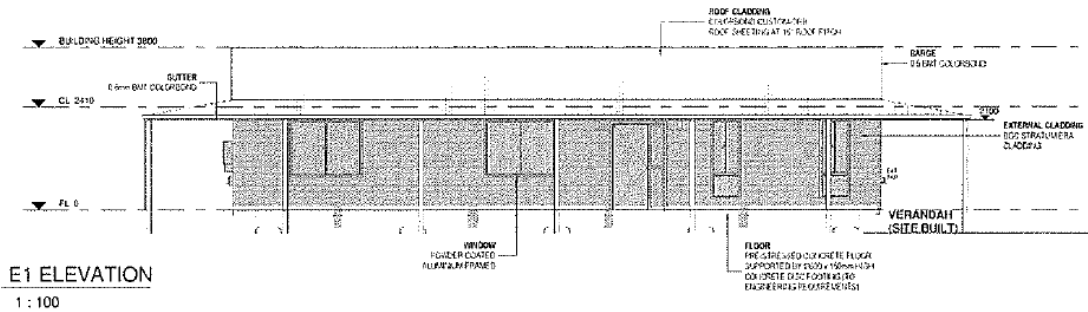
Res 93/17

Approved Plans

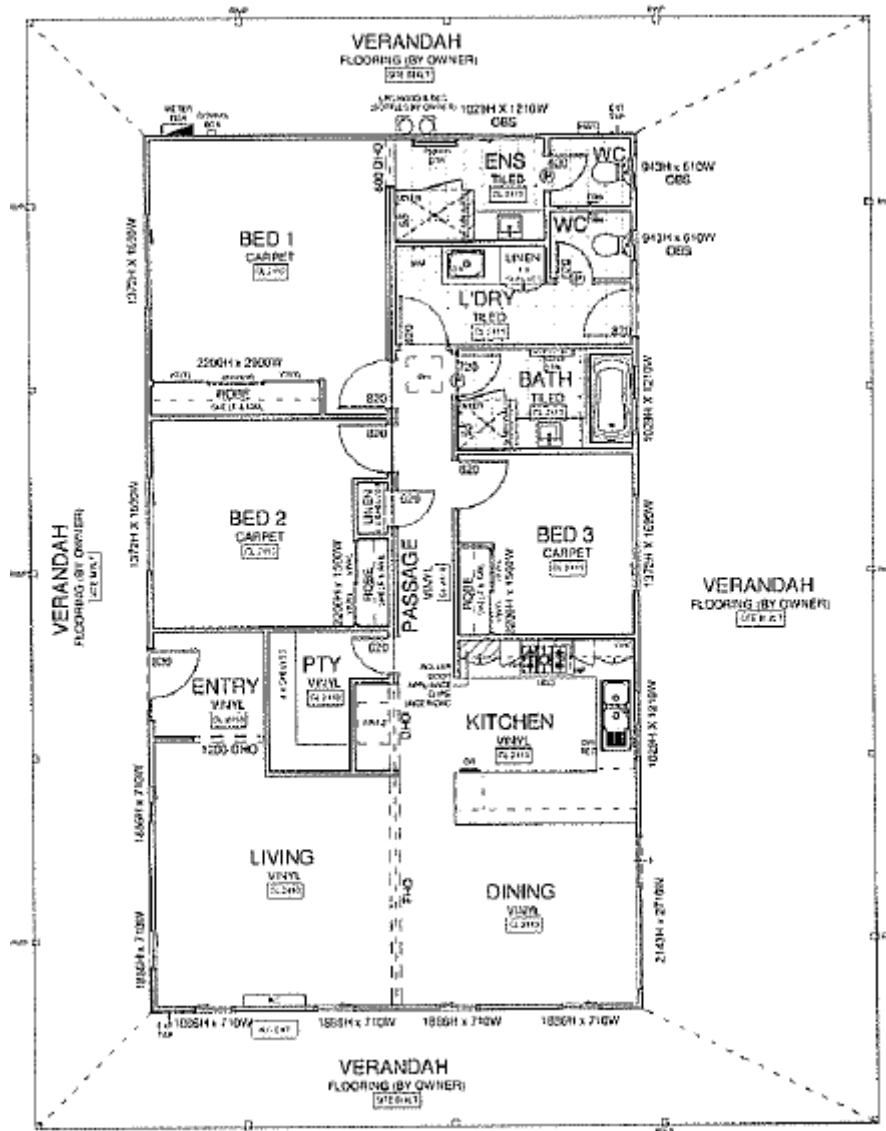
Site Plan



Elevations



Floor Plan



**8.3.3 Strategic Community Plan 2017 to 2027 and Corporate Business Plan
2017/18 to 2020/21**

| | |
|--|--------------------------------|
| Location: | <i>N/a</i> |
| Applicant: | <i>N/a</i> |
| File: | |
| Disclosure of Officer Interest: | <i>None</i> |
| Date: | <i>13 July 2017</i> |
| Author: | <i>Alan Lamb</i> |
| Authorizing Officer: | <i>Chief Executive Officer</i> |
| Attachments: | <i>Nil at this time</i> |

SUMMARY

The purpose of this report is to bring the draft plans to Council, following a Council workshop to further develop them, for adoption.

BACKGROUND

Legislation requires that these plans be reviewed every 4 years and 2016/17 is the year for review. The new plans then come into effect from 2017/18. The are designed to drive the annual budget and so Council is being asked to adopt them now in anticipation of the 2017/18 draft budget being put to Council in the near future.

COMMENT

Members will be aware of the surveys that were conducted and of the reviews they have participated in. The draft plans will be explained and reviewed at a workshop before the Council meeting and it is recommended that the plans, that come from that workshop, be adopted.

The plans will be put on the Shire website and residents will be invited to make comment. The plan is that Council conducts, in addition to the two yearly reviews as required, an annual mini review of these plans at the time of the annual budget review.

CONSULTATION

The community has been consulted by way of surveys and will have access to, and be able to comment on, the plans once adopted.

STATUTORY OBLIGATIONS

The Local Government Act provides as follows:

5.56. Planning for the future

- (1) *A local government is to plan for the future of the district.*
- (2) *A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

The Local Government (Administration) Regulations provide as follows:

Division 3 — Planning for the future

[Heading inserted in Gazette 26 Aug 2011 p. 3483.]

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) *A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.*
- (3) *A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.*
- (4) *A local government is to review the current strategic community plan for its district at least once every 4 years.*
- (5) *In making or reviewing a strategic community plan, a local government is to have regard to —*
 - (a) *the capacity of its current resources and the anticipated capacity of its future resources; and*
 - (b) *strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and*
 - (c) *demographic trends.*
- (6) *Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.*
- (7) *A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute majority required.*

- (8) *If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*
- (9) *A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.*
- (10) *A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.*

[Regulation 19C inserted in Gazette 26 Aug 2011 p. 3483-4.]

19DA. Corporate business plans, requirements for (Act s. 5.56)

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*
 - (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) *A local government is to review the current corporate business plan for its district every year.*
- (5) *A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.*
- (6) *A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute majority required.*

- (7) *If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

[Regulation 19DA inserted in Gazette 26 Aug 2011 p. 3484-5.]

19DB. Transitional provisions for plans for the future until 30 June 2013

(1) *In this regulation —*

former regulation 19C means regulation 19C as in force immediately before 26 August 2011 and continued under subregulation (2);

former regulation 19D means regulation 19D as in force immediately before 26 August 2011;

plan for the future means a plan for the future of its district made by a local government in accordance with former regulation 19C.

(2) *Except as stated in this regulation, former regulation 19C continues to have effect on and after 26 August 2011 until this regulation expires under subregulation (7).*

(3) *A local government is to ensure that a plan for the future applies in respect of each financial year before the financial year ending 30 June 2014.*

(4) *A local government is not required to review a plan for the future under former regulation 19C(4) on or after 26 August 2011.*

(5) *If, for the purposes of complying with subregulation (3), a local government makes a new plan for the future, local public notice of the adoption of the plan is to be given in accordance with former regulation 19D.*

(6) *If a local government modifies a plan for the future under former regulation 19C(4), whether for the purposes of complying with subregulation (3) or otherwise —*

(a) *the local government is not required to comply with former regulation 19C(7) or (8) in relation to the modifications of the plan; and*

(b) *local public notice of the adoption of the modifications of the plan is to be given in accordance with former regulation 19D.*

(7) *This regulation expires at the end of 30 June 2013.*

[Regulation 19DB inserted in Gazette 26 Aug 2011 p. 3485-6.]

19D. Adoption of plan, public notice of to be given

(1) *After the adoption of a strategic community plan, or modifications of a strategic community plan, under regulation 19C, the local government is to give local public notice in accordance with subregulation (2).*

(2) *The local public notice is to contain —*

(a) *notification that —*

(i) *a strategic community plan for the district has been adopted by the council and is to apply to the district for the period specified in the plan; and*

(ii) *details of where and when the plan may be inspected;*

or

- (b) *where a strategic community plan for the district has been modified —*
- (i) *notification that the modifications to the plan have been adopted by the council and the plan as modified is to apply to the district for the period specified in the plan; and*
 - (ii) *details of where and when the modified plan may be inspected.*

[Regulation 19D inserted in Gazette 31 Mar 2005 p. 1033-4; amended in Gazette 26 Aug 2011 p. 3486.]

POLICY IMPLICATIONS

Nil

BUDGET/FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This planning sets the strategic path for Council.

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

COUNCIL DECISION & OFFICER RECOMMENDATION – ITEM 8.3.3

MOVED: Cr Kaltenrieder

SECONDED: Cr Imrie

That Council adopt the:

- **Strategic Community Plan 2017 - 2027**

Noting that there will be the inclusion of a photograph of the Shire President and there will be minor changes to the Sustainability Performance Index - lead indicators.

CARRIED BY ABSOLUTE MAJORITY 6/0

Res 94/17

8.3.4 Policy F.10 Related Party Disclosures

| | |
|--|---|
| Location: | Shire Boyup Brook |
| Applicant: | N/A |
| File: | CM/43/001 |
| Disclosure of Officer Interest: | None |
| Date: | 13 July 2017 |
| Author: | Alan Lamb (Chief Executive Officer) and Stephen Carstairs (Director Corporate Services) |
| Authorizing Officer: | Alan Lamb (Chief Executive Officer) |
| Attachments: | Yes: (Draft) Policy F.10 Related Party Disclosures |

SUMMARY

This item proposes that Council endorse Policy F.10 *Related Party Disclosures*. Implicit in this endorsement is acknowledgment of the:

- positions to be identified as Key Management Personnel; and
- transactions to be recognised as Ordinary Citizen Transactions (OCT), and as such have no ensuing disclosure obligations.

BACKGROUND

The scope of Australian Accounting Standards Board Accounting Standard AASB124 (Related Party Disclosures) was amended in July 2015 to encompass not for profit entities including local governments. AASB124 now imposes a number of obligations upon elected members and senior Shire staff in relation to disclosure of their financial dealings with related parties. These obligations come into effect for the 2016-17 financial year and the information is to be disclosed as a note within Annual Financial Reports.

The primary objective of AASB124 is to ensure that an entity's (e.g. a local government's) financial statements contain disclosures necessary to draw attention to readers of the statements that the entity's financial position and potential profit or loss may have been impacted by the occurrence of related parties and their transactions.

COMMENT

Definitions

Definitions that relate to the commentary provided on this item are as follows.

Related party - a person or entity that is related to the local government. Related parties include:

- Entities related to Council;
- Key Management Personnel;
- Close family members of Key Management Personnel; and
- Non-Council entities that are controlled or jointly controlled by Key Management Personnel or their close family members

Related party transaction - a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Key Management Personnel - people who have authority and responsibility for planning, directing and controlling the activities of the reporting entity, and for local governments includes: all Councillors; and senior staff (Chief Executive Officer, Senior Employee(s) and Executive Director(s)).

Ordinary Citizen Transaction - an exchange that is made on terms and conditions no different to those applying to the general public which is unlikely to influence the decisions made by the users of the Shire's financial statements (for example, a dog registration fee).

Comment

The objective of AASB124 is to cause an entity's financial statements to contain disclosures necessary to draw attention to the possibility that its financial position and any profit or loss may have been impacted by the occurrence of related parties and transactions with those parties.

This means that stakeholder users of Shire of Boyup Brook's Annual Financial Reports will become aware of any relationships that may impact the financial position and profit or loss of the Shire. Annual Financial Reports provides information at a summary level of the financial remuneration of related parties, key management personnel and the financial value of transactions with related parties such as services or goods purchased from businesses operated by related parties.

Individual financial details of related parties are not disclosed during the reporting process, and the transactions are presented as aggregated information in financial reports. The information collated and aggregated for the Annual Financial Report is obtained from a number of sources; however the primary source would be a Related Party Declaration form.

This form would be completed by Key Management Personnel at least annually, and is appended to the draft policy. The policy proposes that Key Management Personnel be required to complete this form twice each financial year in December and June.

Disclosure requirements apply to the existence of relationships regardless of whether or not any transaction has occurred. Each Financial Year, the Shire of Boyup Brook would make an informed judgement as to what is considered to be a related party, and what transactions should be considered when determining if disclosure is required.

AASB 124 advises that if a local government has had related party transactions during a financial year, it will disclose the nature of the related party relationship as well as information about those transactions, including commitments that are necessary for users to understand the potential effect of the relationship on the financial statements.

To progress the implementation of AASB 124 for 2017-18 Council is requested to consider and endorse the following:

1. Positions to be included as Key Management Personnel (KMP) in the assessment of related parties; and
2. Transactions that are considered to be Ordinary Citizen Transactions (OCT) that will not be included as related party transactions.

Key Management Personnel

AASB 124 (Aus 9.1) specifically includes Elected Members as part of the definition of Key Management Personnel (KMP). It is expected that in local government, KMP would include Elected Members, the Chief Executive Officer and the next level of management, which in the case of the Shire of Boyup Brook includes Senior Employee(s) and Director(s).

Ordinary Citizen Transactions

In order to identify which transactions are related party transactions and subject to disclosure it is necessary to consider and exclude Ordinary Citizen Transactions (OCT) from disclosure requirements.

OCTs are those transactions provided on terms and conditions no different to those applying to the general public and are unlikely to influence the decisions that users of the Shire's financial statements make. These Ordinary Citizen Transactions include the following:

- Paying rates; fines or penalties;
- Paying application fees for licences, approvals or permits;
- Using Shire owned and operated facilities such as civic centres, recreation centres, aquatic centres, libraries, parks, ovals, public open space, transfer stations and landfill sites (whether a fee is charged or not).

- Attending Shire functions that are open to the public.

The exclusion of the above from related party transactions effectively limits the related party transactions that are to be declared and disclosed to the following.

- purchases of sales or goods (finished or unfinished);
- purchases or sales of property or other assets;
- rendering or receiving services;
- leases;
- transfers of research and development;
- transfers under licence agreements;
- transfers under finance arrangements (including loans and equity contributions in cash or kind);
- provisions of guarantees or collateral;
- commitments to do something if a particular event occurs or does not occur in the future, including execution of contracts (recognised or unrecognised); and
- settlement of liabilities on behalf of Council or by Council on behalf of the related party.

CONSULTATION

Shire staff attended a workshop with Moore Stephens (WA) Pty Ltd in which the requirements and implications of the change in AASB124 were discussed. Moore Stephens and the Shire of Boyup Brook provided guidance in the development of this Related Party Disclosures policy.

STATUTORY ENVIRONMENT

Local Government Act 1995

2.7 *Role of council*

(1) *The council —*

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(2) *Without limiting subsection (1), the council is to —*

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies.

POLICY IMPLICATIONS

A new Policy will be included in the Finance section of the Policy Manual.

BUDGET IMPLICATIONS

There are no budget implications from this item.

SUSTAINABILITY IMPLICATIONS

Policies assist in the sound management of a local government's financial resources, governance procedures and financial systems. This assists Council in creating positive social and environmental impacts in the community.

STRATEGIC IMPLICATIONS

Strategic Outcomes include:

- Ensure continuous improvement of the organisation.
- Provide efficient and effective financial management to ensure the long term financial sustainability of the organisation.

VOTING REQUIREMENTS

Simple majority

COUNCIL DECISION & OFFICER RECOMMENDATIONS – ITEM 8.3.4

MOVED: Cr Oversby

SECONDED: Cr Kaltenrieder

That Council endorses:

- 1. Policy F.10 *Related Party Disclosures* (detailed in attachment); and**
- 2. The following Ordinary Citizen Transactions (OCT) as exempt from Related Party Disclosure reporting:**
 - **Paying rates; fines or penalties;**
 - **Paying application fees for licences, approvals or permits;**
 - **Using Shire owned and operated facilities such as civic centres, recreation centres, aquatic centres, libraries, parks, ovals, public open space, transfer stations and landfill sites (whether a fee is charged or not); and**
 - **Attending Shire functions that are open to the public.**

CARRIED 6/0

Res 95/17

| |
|---|
| 8.3.5 Elected Members Meeting Attendance Fees, Allowances and Expense Entitlements |
|---|

| | |
|--------------------------------|--|
| Location: | N/A |
| Application: | N/A |
| File: | |
| Disclosure of Interest: | Nil |
| Date: | 08 July 2017 |
| Author: | Alan Lamb (Chief Executive Officer) and Stephen Carstairs (Director Corporate Services) |
| Authorising Officer: | Alan Lamb (Chief Executive Officer) |
| Attachments: | 1. Determination of the Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members Pursuant to Section 7A and 7B 11 April 2017 (excerpt). 2. Public Sector Wages Policy Statement 2016 (excerpt). |

SUMMARY

For Council to:

- elect the method for determining Councillor meeting fees in 2017-18; and
- set Elected Member's meeting fees, allowances, and expense entitlements for 2017-18.

BACKGROUND

Part 5, Division 8 (Sections 5.98, 5.98A, 5.99 and 5.99A) of the *Local Government Act 1995* (the Act) provides for council members to receive certain payments.

The Salaries and Allowances Tribunal (the Tribunal) completed its 2017 review of meeting attendance fees, allowances and expense entitlements for elected members of Local Governments throughout Western Australia, and made a determination which comes into operation on 01 July 2016 (see page 10 in Attachment 8.3.5). In accordance with the Act and the *Local Government (Administration) Regulations 1996*, the determination establishes, among other things, the current scale of elected member fee and allowance payments, and provisions for reimbursement of expenses.

Meeting Fees or Annual Attendance Fees - Councillors

Pursuant to Section 5.98 of the 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 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, like the Shire of Boyup Brook (and see Schedule 1 on page 33 of the attached), are able to set Council meeting attendance fees in the range \$90 to \$236 per meeting for members other than the president (and see Table 4 on page 23 of the attached), and between \$45 and \$118 for committee meetings (see page 24 of the attached). Alternatively Council, by absolute majority, may pay Councillors an annual attendance fee within the range of \$3,553 to \$9,410 (see page 25 of the attached).

In July 2015 Council resolved (Res 63/15) that in 2015-16 Councillors would receive an annual attendance fee of \$6,915 (representing a 5.0% increase on 2014-15), which was an amount within the fee range set by the Tribunal. In June 2016 Council resolved (Res 62/16) to not increase in 2016-17 the annual sitting fee for Councillors.

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 \$90 and \$485 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 \$3,553 to \$19,341.

In 2015-16 Council resolved that the President would receive an annual attendance fee of \$13,295 (representing a 5.0% increase on 2014-15), which was an amount in the range set by the Tribunal. In June 2016 Council resolved (Res 62/16) to not increase in 2016-17 the annual sitting fee for the President.

Annual Allowance for President

Under Section 5.98 of the Act Council can set an allowance for the President (separate from meeting or annual attendance fees), and as per the 2017 Determination the allowance can be in the range \$508 to \$19,864 (see page 27 of the attached).

In 2014-15 Council resolved that the President's Allowance would be \$6,920 (representing a 5.0% increase on 2014-15). In 2016-17 Council resolved to not increase the President's allowance.

Annual Allowance for Deputy President

Section 5.98A of the 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 2016-17 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 for legitimate reasons a Councillor misses a meeting then they would not receive any recompense payment towards that work.
- Under the 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 Act Council can decide by absolute majority that rather than reimburse Councillors for all of a particular type of expense, it would 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 (see page 32 of the attached).

While policy M.11 indicates that elected members will be paid an annual ICT allowance of \$1,800, in 2015-16 and 2016-17 Council resolved that each Councillor would receive an ICC allowance of \$1,165.

COMMENT

In this report officers are recommending that elected member annual meeting attendance fees, the President's annual meeting attendance fee and allowance, and the annual ICT allowance for elected council members increase in 2017-18 by 4% (rounded up to the nearest \$5). The proposed 4% increase comprises an inflationary increase of 1.5% (and see Public Sector Wages Policy Statement 2016 at point 24 on page 4 of Attachment 8.3.5), an increase in line with population growth (some 1.0%), and an additional regional component of 1.5%.

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

Robert Staniforth-Smith (Acting CEO)

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 setting an annual sitting fee, and for payments of allowances to elected members.

COUNCIL DECISION & OFFICER RECOMMENDATION - Item 8.3.5

MOVED: Cr Kaltenrieder

SECONDED: Cr Muncey

That Council:

- 1. Retain in 2017-18 the annual attendance fee method of payment of Councillor and President meeting attendance fees, rather than the 'per meeting basis' method.**
- 2. Set in 2017-18 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 \$7,190;**
 - Annual Attendance Fee for Shire President is to be \$13,825;**
 - Annual President's Allowance is to be \$7,195;**
 - Provision of an Annual Deputy President Allowance to an amount 25% of the amount determined for the Annual President's Allowance i.e. \$1,798.75; and**
 - Annual Information and Communications Technology Allowance is to be \$1,210.**

CARRIED BY ABSOLUTE MAJORITY 5/1

Res 96/17

Request for Vote to be recorded

Cr Rear requested that the vote of all Councillors be recorded.

FOR

Cr Aird

Cr Imrie

Cr Oversby

Cr Kaltenrieder

Cr Muncey

AGAINST

Cr Rear

8.3.6 Elected Member Policies

| | |
|--|--|
| Location: | Shire Boyup Brook |
| Applicant: | N/A |
| File: | |
| Disclosure of Officer Interest: | None |
| Date: | 08 July 2017 |
| Author: | Stephen Carstairs (Director Corporate Services) |
| Authorizing Officer: | Alan Lamb (Chief Executive Officer) |
| Attachments: | Yes: Revised Policy M.11 <i>Councillors Telecommunications and Information Technology Allowance Policy</i> |

SUMMARY

Council is requested to consider and endorse reviewed Councillor policy M.11 *Councillors Telecommunications and Information Technology Allowance Policy*.

Among other things, Policy M.11 sets elected members' annual Information and communications technology (ICT) allowance.

BACKGROUND

Among other things, section 78(2) of the *Salaries and Allowances Act 1975* requires the *Salaries and Allowances Tribunal* (SAT), at intervals of not more than 12 months, to review and determine allowances (i.e. minimum and maximum amounts) to be paid under the *Local Government Act 1995* to elected council members. SAT's 11 April 2017 determination was that elected member ICT allowances shall fall in the range \$500 to \$3,500.

COMMENT

Policy M.11 *Councillors Telecommunications and Information Technology Allowance Policy* needs to be reviewed annually so as to keep it contemporary with elected member fees and allowances (see report presented elsewhere in this agenda), which are also reviewed each year. The ICT allowance proposed for elected members in Policy M.11 (\$1,210) is within the range set by SAT for the 2017-18 financial year.

CONSULTATION - Nil

STATUTORY OBLIGATIONS

The *Local Government Act 1995* prescribes that the role of Council is to include:

2.7. *The role of the council*

- (2) *Without limiting subsection (1), the council is to –*
- (b) *determine the local government’s policies.*

POLICY IMPLICATIONS

This item impacts no other policies.

BUDGET/FINANCIAL IMPLICATIONS

No financial implications derive from this item.

STRATEGIC IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

- **Environmental** – Nil
- **Economic** – Nil
- **Social** – Nil

VOTING REQUIREMENTS

Simple majority

COUNCIL DECISION & OFFICER RECOMMENDATION - Item 8.3.6

MOVED: Cr Kaltenrieder

SECONDED: Cr Rear

That Council adopts reviewed Policy M.11 Councillors Telecommunications and Information Technology Allowance Policy, as presented.

CARRIED 6/0

Res 97/17

9 COMMITTEE MINUTES

| |
|---|
| 9.1.1 Minutes of South West Zone Meeting |
|---|

| | |
|--|------------------------|
| Location: | <i>N/A</i> |
| Applicant: | <i>N/A</i> |
| File: | <i>n/a</i> |
| Disclosure of Officer Interest: | <i>Nil</i> |
| Date: | <i>9 May 2017</i> |
| Author: | <i>Alan Lamb - CEO</i> |
| Attachments: | <i>Yes – Minutes</i> |

BACKGROUND

The South West Zone meeting was held on 23 June 2017.

Minutes of the meeting are laid on the table and circulated.

COUNCIL DECISION & OFFICER RECOMMENDATION – Item 9.1.1

MOVED: Cr Imrie

SECONDED: Cr Oversby

That the minutes of the South West Zone meeting be received.

CARRIED 6/0

Res 98/17

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

The Shire President noted the following late item to the meeting and, with dissent, agreed to deal with it.

11 URGENT BUSINESS BY APPROVAL OF THE PRESIDENT OR A MAJORITY OF COUNCILLORS PRESENT

MOTION

MOVED: Cr Aird

SECONDED: Cr Rear

That the Council meeting date be deferred from 17 August to the 31st August 2017.

CARRIED 6/0

Res 99/17

Note: The Council meeting date got deferred due to some Councillors being unavailable.

12 CONFIDENTIAL MATTERS – BEHIND CLOSED DOORS

13 CLOSURE OF MEETING AT

There be no further business the Shire President, Cr Aird thanked all for attending and declared the meeting closed at 7.41pm.