

Kojoonup



One community, many choices

SHIRE OF KOJONUP

MINUTES

Ordinary Council Meeting

20 August 2019

MINUTES FOR THE COUNCIL MEETING HELD ON 20 AUGUST 2019

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MINUTES

1 **DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Shire President declared the meeting open at 3.04pm and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points and draw the meeting's attention to the disclaimer below:

Disclaimer

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

The Shire of Kojonup expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the meeting.

Where an application for an approval, a license or the like is discussed or determined during the meeting, the Shire warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the Shire.

Acknowledgement of Country

The Shire of Kojonup acknowledges the first nations people of Australia as the Traditional custodians of this land and in particular the Keneang people of the Noongar nation upon whose land we meet.

We pay our respect to their Elders past, present and emerging

Prayer

Gracious Father, we acknowledge you as our Maker and Judge. We ask for wisdom for our reigning monarch Queen Elisabeth. Grant to her good health and strength in the executing of her duties.

We pray for all Ministers and Cabinet members of the Australian Federal and State Government. Grant to them wisdom in the welfare of Australia, so that truth and justice is established for all Australians.

Lastly Gracious Father, we pray for ourselves. We ask that you might grant to us the ability to speak with integrity and to work with uncompromising diligence. Grant to us the wisdom to make good decisions, remembering that we are one community. Grant to us the good humour to keep things in perspective in a community that is a diverse population.

We ask that we might always be mindful of the safety and welfare of the people of Kojonup. Grant to all who serve on Public Committees the ability to listen and work together with mutual respect for one another. Bless us with the personal joy of knowing that we have done our best.

2 **ATTENDANCE and APOLOGIES**

Cr Ronnie Fleay	President
Cr Ned Radford	
Cr John Benn	
Cr Jill Mathwin	
Cr Ian Pedler	
Cr Sandra Pedler	

STAFF

Rick Mitchell-Collins	Chief Executive Officer
Anthony Middleton	Manager Corporate and Community Services
Michelle Dennis	Development Services Coordinator
Phil Shephard	Planner
Judy Stewart	Senior Administration Officer
Lorraine Wyatt	Executive Assistant
Heather Marland	Senior Finance Officer

LEAVE OF ABSENCE

Cr Judith Warland
Cr Graeme Hobbs

APOLOGIES

Nil

GALLERY

Pam McGregor
Peta Zadow

3 **SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

4 **PUBLIC QUESTION TIME**

Peta Zadow

I am here in relation to item 12.6 Proposed Extensions to Blacksmith’s Shop Attraction at the Kojonup Showgrounds. I would like to be able to address any questions Councillors may have in regards to the item should they arise. In addition, I would also like to request that Council reconsider the Officer recommendation not to waive fees? The Show committee does spend a great deal of money on the facilities and ground and the support of council to waive the Development Application fee would be greatly appreciated.

Response from the Shire President

The Shire President gave Councillors the opportunity to address their enquiries to Peta Zadow however no such enquiries were forthcoming.

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES

7.1 ORDINARY MEETING 23 JULY 2019

Minutes of the Ordinary Council Meeting which was held on 23 July 2019 were previously circulated under separate cover and are at [Attachment 7.1.1](#)

OFFICER RECOMMENDATION/COUNCIL DECISION

83/19 Moved Cr Benn seconded Cr Mathwin

“That the Minutes of the Ordinary Meeting of Council held on 23 July 2019 be confirmed as a true record.”

CARRIED 6/0

8 ANNOUNCEMENTS by the Presiding Member without discussion

Nil

9 DECLARATIONS OF INTEREST

- Item 13.1: Planning Scheme – Commercial/Residential Zoning – 77-81 Albany Highway (A23460)

Cr Ian Pedler and Cr Sandra Pedler declared a Financial Interest in this item as the property owners.

10 KEY PILLAR 1 – ‘PLACE’ REPORTS

Nil

11 KEY PILLAR 2 – ‘CONNECTED’ REPORTS

11.1 DRUG ADDICTION AND SEEKING CHANGE – COMMUNITY SEMINAR

AUTHOR	Rick Mitchell-Collins – Chief Executive Officer
DATE	2 August 2019
FILE NO	CS.SVP.9
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP2 - Connected	2.3 Be providing for a safe and secure environment by working with State and Federal authorities.	2.3.2 Support appropriate initiatives to improve safety and reduce crime.

DECLARATION OF INTEREST

Nil.

SUMMARY

To seek Council’s formal endorsement for Mr. Peter Lyndon-James, Founder and CEO of drug rehabilitation centre, Shalom House to conduct a community seminar addressing “drug addiction” at the Sports Complex on Tuesday, 17 September, 2019.

BACKGROUND

Mr Lyndon-James is visiting the Kojonup District High School (KDHS) on 16 September 2019 to conduct drug addiction and rehabilitation presentations to students.

The Shire President, Cr Ronnie Fleay in discussion with KDHS Principal and Shalom House representatives suggested that whilst Mr Lyndon-James is in Kojonup a ‘Community Seminar’ be conducted given the prevalence of drugs in society and the flow on effects to users, families and the community.

COMMENT

Council and the Community have worked collaboratively with Police, Neighbourhood Watch and many Medical, Health and Allied Health Service Providers to better understand and comprehend why people subject themselves to taking drugs and the profound effect that occurs in society, let alone to the individuals, partners, children, family members and general community that are subjected to lies, deceit, intimidation, theft, crime, domestic violence, anti-social behaviour, etc., because of the degenerative nature that substance abuse causes.

Seminars and forums on the subject of drugs and its effects should be openly discussed as drugs do not discriminate!

CONSULTATION

Shire President
Principal Kojonup District High School
Shalom House

STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council's contribution of approx. \$500 will consist of:

- Use of Sports Complex
- Accommodation – Bagg Street
- Catering

Cost Code 1578 (Council/Special Visits) has a budget allocation of \$800 which can be used to cover costs associated with this initiative.

RISK MANAGEMENT IMPLICATIONS

Council 7	Strategic	Not engaging with youth – community disengagement/bias	Lose potential skills, reduction in safe community	Discussions re partnerships with high school
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ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION

84/19 Moved Cr Radford, seconded Cr I Pedler

“That Council:

- 1. Endorse the Shire President’s actions for Mr. Peter Lyndon-James, Founder and Chief Executive Officer of drug rehabilitation centre, Shalom House to conduct a community seminar addressing “drug addiction” at the Sports Complex on Tuesday, 17 September, 2019: and*
- 2. Cost Code 1578 (Council/Special Visits) be used to cover this initiative.”*

CARRIED 6/0

11.2 REVIEW OF COUNCIL POLICY 2.3.9 – CLOSED CIRCUIT TELEVISION (CCTV) OPERATIONS AND RECORDING

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Friday, 02 August 2019
FILE NO	CM.POL.2
ATTACHMENT(S)	11.2.1 – Existing Council Policy 2.3.9 - Closed Circuit Television (CCTV) Operations and Recording showing tracked changes 11.2.2 – Draft updated Council Policy 2.3.9 – Closed Circuit Television (CCTV) Operations and Recording

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP2 – Connected	2.3 – Be providing for a safe and secure environment by working with State and Federal authorities.	2.3.2 – Support appropriate initiatives to improve safety and reduce crime.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to review and update content of Council Policy 2.3.9 – *Existing Closed Circuit (CCTV) Operations and Recording* such that it clarifies areas of responsibility and accountability for all staff involved with the operational aspects of the policy, for their respective areas, in relation to CCTV.

BACKGROUND

Council’s Policy 2.3.9 was adopted in April 2017 and last reviewed as part of Council’s annual Policy Manual review in November 2018. This policy was formed to set direction on the use, operations and recording of Closed Circuit Television (CCTV). CCTV is currently installed at the following Shire work locations: The Kodja Place, the Works Depot, Springhaven Lodge and the Administration Office.

COMMENT

Since the formation of Policy 2.3.9, the gaining of experience in the operational aspects relating to this Policy has been able to occur and has culminated in this item being brought to Council for consideration.

It is envisaged that the inclusion of a CCTV Authority Table into the Policy will provide for clarity of roles and responsibilities of staff concerned with CCTV operations. It is also acknowledged that, under the section relating to Roles and Responsibilities, the Manager of Regulatory and Technical Services' position is currently vacant and the Manager of Community Development and Tourism's position should no longer hold responsibility for the Black Cockatoo Café (Café) area due to the Café being leased to a private business.

CONSULTATION

Chief Executive Officer

Senior Management Team Meeting - 25 July 2019

STATUTORY REQUIREMENTS

The Council may adopt, amend or waive policies under s. 2.7 (2) of the *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

This item recommends the inclusion of a CCTV Authority Table and the removal of a reference to the Black Cockatoo Café as an area of responsibility, within Policy 2.3.9.

Whilst policies have no legal status, they provide guidance for staff to act with consistency on various matters without constant referral to the Council.

FINANCIAL IMPLICATIONS

There will be some functional changes regarding transfer of maintenance aspects to Works & Services whilst coordinating technical aspects will remain with the Senior Ranger/Building Maintenance Coordinator.

RISK MANAGEMENT IMPLICATIONS

Clearly defined roles and responsibilities and operational processes provide best practice outcome opportunities and mitigate risks associated with operational inconsistencies.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

85/19 Moved Cr Mathwin, seconded Cr Benn

“That the amendments to Council Policy 2.3.9 – Closed Circuit Television (CCTV) Operations and Recording, as attached, be adopted.”

CARRIED 6/0

12 KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS

12.1 FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (JULY 2019)

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Monday, 12 August 2019
FILE NO	FM.FNR.2
ATTACHMENT(S)	12.1.1 – July 2019 Monthly Financial Statements

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to note the Monthly Financial Statements for the period ending 31 July 2019.

BACKGROUND

In addition to good governance, the presentation to the Council of monthly financial reports is a statutory requirement, with these to be presented at an ordinary meeting of the Council within two (2) months after the end of the period to which the statements relate.

COMMENT

The attached Statement of Financial Activity for the period 1 July 2019 to 31 July 2019 represents just one (1) month, or 8% of the year.

The following items are worthy of noting:

- Closing surplus position of \$4.08m;
- Operating results:
 - 38% of budgeted operating revenue has been received; and
 - 14% of budgeted operating expenditure spent;
- Capital expenditure achieved 1% of budgeted projects;
- The value of outstanding rates equates to 97.9% of 2019/2020 rates raised (note – rates not due until 9 August 2019);
- Cash holdings of \$5.6m of which \$3.19m is held in cash backed reserve accounts; and

- Page 9 & 10 of the statements detail major variations from year to date (amended) budgets in accordance with Council Policy 2.1.6.

CONSULTATION

Nil.

STATUTORY REQUIREMENTS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* sets out the basic information which must be included in the monthly reports to Council.

POLICY IMPLICATIONS

Council Policy 2.1.6 defines the content of the financial reports.

FINANCIAL IMPLICATIONS

This item reports on the current financial position of the Shire. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

86/19 Moved Cr I Pedler, seconded Cr Benn

“That the monthly financial statements for the period 1 July 2019 to 31 July 2019, as attached, be noted.”

CARRIED 6/0

12.2 MONTHLY PAYMENTS LISTING

AUTHOR	Melissa Binning – Finance Officer
DATE	Tuesday, 6 August 2019
FILE NO	FM.AUT.1
ATTACHMENT	12.2.1 – Monthly Payment Listing 01/07/2019 to 31/07/2019

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP 3 - Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

To receive the list of payments covering the month of July 2019.

BACKGROUND

Not applicable.

COMMENT

The attached list of payments is submitted for receipt by the Council.

Any comments or queries regarding the list of payments is to be directed to the Manager of Corporate and Community Services prior to the meeting.

CONSULTATION

No consultation was required.

STATUTORY REQUIREMENTS

Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996* provides that payment may only be made from the municipal fund or trust fund if the Local Government has delegated the function to the Chief Executive Officer.

The Chief Executive Officer has delegated authority to authorise payments. Relevant staff have also been issued with delegated authority to issue orders for the supply of goods and services subject to budget limitations.

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer then a list of payments is to be presented to the Council at the next ordinary meeting and recorded in the minutes.

POLICY IMPLICATIONS

Council’s Policy 2.1.2 provides authorisations and restrictions relative to purchasing commitments.

FINANCIAL IMPLICATIONS

All payments made in line with Council Policy.

STRATEGIC/CORPORATE IMPLICATIONS

There are no strategic/corporate implications involved with presentation of the list of payments.

RISK MANAGEMENT IMPLICATIONS

A control measure to ensure transparency of financial systems and controls regarding creditor payments.

ASSET MANAGEMENT PLAN IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

87/19 Moved Cr Radford, seconded Cr I Pedler

“That in accordance with Regulation 13 (1) of the Local Government (Financial Management) Regulations 1996, the list of payments as attached made under delegated authority:

<i>FROM – 1 July 2019</i>		<i>TO – 31 July 2019</i>
<i>Municipal Cheques</i>	<i>14141 – 14146</i>	<i>\$4,311.18</i>
<i>EFTs</i>	<i>24042 – 24282</i>	<i>\$1,546,421.66</i>
<i>Direct Debits</i>		<i>\$414,813.55</i>
<i>Total</i>		<i>\$1,965,546.39</i>

be received.”

CARRIED 6/0

12.3 AUDIT & RISK COMMITTEE MEETING MINUTES – 6 AUGUST 2019

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Monday, 12 August 2019
FILE NO	FM.AUD.1
ATTACHMENT(S)	12.3.1 – Audit & Risk Committee Minutes – 6 August 2019

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to receive the minutes of the Audit & Risk Committee meeting held on 6 August 2019.

BACKGROUND

An Audit & Risk Committee meeting was held on 6 August 2019. A copy of the unconfirmed minutes are attached.

COMMENT

This item is to receive the Committee’s minutes and is for the information of Council only. Any item requiring a decision of the Council will be the subject of a separate agenda item clearly detailing all of the issues involved.

CONSULTATION

Audit Committee.
Senior Finance Officer.

STATUTORY REQUIREMENTS

Nil.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Nil.

RISK MANAGEMENT IMPLICATIONS

Nil.

ASSET MANAGEMENT IMPLICATIONS

Nil.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

88/19 Moved Cr Mathwin, seconded Cr S Pedler

“That minutes of the meeting of the Audit & Risk Committee held on 6 August 2019, as attached, be received.”

CARRIED 6/0

12.4 2017/2018 AUDIT REPORT – SIGNIFICANT MATTER RAISED

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Monday, 12 August 2019
FILE NO	FM.AUD.1
ATTACHMENT(S)	Nil.

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil.

SUMMARY

To consider action to be taken to address a significant matter raised within the 2017/2018 Audit Report.

BACKGROUND

Contained within the 2017/2018 Audit Report was a matter identified as significant by the Auditor. This matter raised by the Auditor was as follows:

‘Significant adverse trend in the financial position of the Shire: Operating Surplus Ratio below the Department standard for the last three years.’

Section 7.12A of the *Local Government Act 1995* states:

- (4) *A local government must —*
- (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
 - (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.*

The Audit & Risk Committee considered this item at its meeting held 6 August 2019 and resolved as follows:

‘That it be recommended to the Council that:

- 1. The information contained within this report relating to the Operating Surplus Ratio be received;**
- 2. It is recognised that the Operating Surplus Ratio may decrease further in 2018/2019 and 2019/2020 before improvements are experienced;**
- 3. The Operating Surplus Ratio be reviewed by the Audit & Risk Committee at each meeting until such time as the ‘Basic Achievement’ standard is met, with the relevant Officer presenting three (3) recommended actions to improve the ratio; and**
- 4. The Manager Corporate & Community Services be requested to forward a copy of the Committee and the Council agenda items to the Minister for Local Government and placed on the Shire website in accordance with Section 7.12A (Duties of local government with respect to audits) of the Local Government Act 1995.’**

The Officer preparing an agenda item is the first stage of developing a ‘report’ to address the matter raised by the Auditor, with the Audit & Risk Committee’s consideration and recommendation to the Council being the second stage. **The Author is providing commentary to the issues surrounding this matter, however, it is integral to the process (as a third stage) that the Council build upon the report and the Committee’s recommendation by adding its own commentary to the recommendation.**

COMMENT

The Operating Surplus Ratio is a measure of the extent to which own source revenues raised covers operational expenses. The higher the ratio, the greater the ability to operate effectively on own source revenue.

The Operating Surplus Ratio is calculated as follows:

$$= \frac{\text{Operating Revenue minus Operating Expenses}}{\text{Own Source Operating Revenue}}$$

There are many factors to be considered when addressing this issue as raised by the Council’s Auditors. For example, “*below the Department standard*” is an arbitrary measure not a legislative requirement. Balancing the provision of community services versus achieving an operating surplus is another.

Issues with the Ratio Calculation:

The method of calculating this ratio poses several philosophical problems in the application of the accounting standards.

The main issue is the exclusion of ‘Non-Operating Grants, Subsidies and Contributions’ such as road grants and one-off grants for building assets such as housing. Roads grants, such as ‘Roads to Recovery’, ‘Direct Road’ and ‘Regional Road Group’ are long term local government funding streams that have existed, in some cases, for decades. It is definitely acceptable to expect these funding sources to exist into the future. Secondly, these grants fund new assets or asset renewal and upgrade which all flow through to ‘Operating Expenses’ via increased depreciation and maintenance costs, thus negatively affecting both sides of the ratio calculation.

Road grants and specific grants for built assets (such as the Great Southern Housing Initiative) were received by local authorities fifty years ago, are still being received today and are very likely to be available 50 years into the future. The exclusion of these ‘Non-Operating Grants, Subsidies and Contributions’ can result in a surplus being turned into a deficit. As such, it seems unusual they be excluded from the ratio calculation.

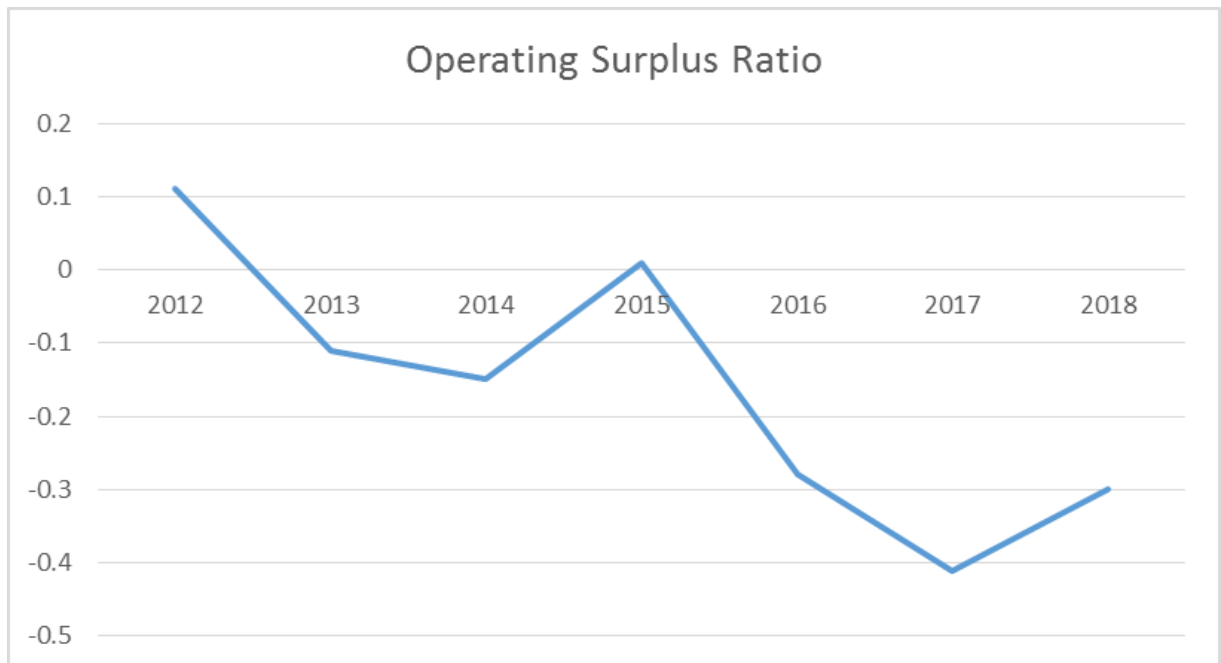
Ratio Departmental Standards:

Targets set by the Department of Local Government guidelines for this ratio are as follows:

0.1 (1%) or less	Concern
Between 0.1 & 0.15 (1% & 15%)	Basic achievement
0.15 (15%) or above	Advanced

Historical Ratio Results:

Date	2012	2013	2014	2015	2016	2017	2018
Operating Surplus Ratio	0.11	(0.11)	(0.15)	0.01	(0.28)	(0.41)	(0.30)



Feedback Provided on the Ratio:

The Auditor, in their Management letter to the Shire, provided the following commentary in relation to this ratio:

“Target not met. Trend downward from the prior year. Indicates necessity for continued close financial management.”

Unfortunately this comment within the ratio section of the letter is the one the Audit & Risk Committee had discussed with the Auditor rather than the comment contained within the Audit Report that it was *‘a serious adverse trend’*.

The independent four (4) year Financial Management Review undertaken in December 2018 by McLeod Corporation Pty Ltd provided commentary on the Shire’s financial ratios. This report stated:

“Overall Assessment:

Councils financial ratio performance generally exceeds the Local Government Departments expectations.”

However, for the Operating Surplus Ratio it stated:

“Council’s result does not meet expectations, influenced by deficit result from operating activities, affected by depreciation expense.”

What has Caused the Ratio to Decline?

During the seven year time frame reported on above, expenses are constantly increasing, whilst our “own source revenue”, which is the denominator in this ratio calculation, is relatively stagnant. Some simple examples of why the ratio isn’t improving include:

Property Rate Increases:

The property rate increase in the 2019/2020 draft budget is 3.0%, which represents an additional \$117,417 of revenue. This proposed rate raise does not sufficiently fund the additional cost of doing business and therefore management have worked hard to find additional operating efficiencies elsewhere to balance the budget. For example:

- Springhaven Lodge operating loss has increased by \$131,885;
- Road Maintenance expenses have increased by \$178,950;
- The Council donation to the new Medical Centre totals \$140,000; and
- Audit costs have increased \$13,000 now that Audits are completed by the State Government.

The above four examples alone represent a rate increase of 11.85% yet rates increased by only 3.0%.

In the time period 30 June 2013 to 30 June 2018, total rates revenue increased by 18.4%.

Insurance Expenses:

In the time period 30 June 2013 to 30 June 2018, the total cost of insurance has increased from \$223,525 to \$314,219, an increase of 40.6%.

Wages & Salaries:

In the time period 30 June 2013 to 30 June 2018, the total cost of wages and salaries has increased from \$3.13m to \$4.6m, an increase of 46.8%. This is primarily due to the creation of new positions and the annual increases prescribed by the Shire of Kojonup All of Staff Enterprise Bargaining Agreement.

The Kodja Place:

In the time period 30 June 2013 to 30 June 2018, the total loss incurred by The Kodja Place has increased from \$242,000 to \$650,000, an increase of 168.3%. This is due to the change in management and operational structure.

Road Maintenance Expenditure:

In the time period 30 June 2013 to 30 June 2018, total road maintenance expenditure increased by 10.1%.

Road Maintenance expenditure in 2018/2019 was up by \$255,000 (from budget estimates) yet no corresponding revenue was received (including this financial year into the calculations would bring the percentage increase from 30 June 2013 up to 17.8%).

Springhaven Lodge:

Springhaven Lodge's 2018/2019 budgeted operating loss of \$96,582 was exceeded by \$232,087 (total operating loss of \$328,669).

Swimming Pool:

Swimming Pool entry fees cut by more than half in 2015 to improve patronage.

It should be emphasised that the Author is not criticising the examples and initiatives shown above, in fact they are all valuable to the community. Unfortunately though, each example has a negative effect on the Operating Surplus Ratio and is therefore identified. This is why a balance between 'the good of the community' and an emphasis on financial ratios is so important.

Action that can be taken to rectify the Ratio:

The difficulty in addressing the Auditors comments from the 2017/2018 Audit Report is that the Local Government Act requires a report to be prepared "*stating what action the local government has taken or intends to take*". This is not going to be easy as, if anything, the situation has got worse, not better:

- The 2018/2019 financial year incurred a substantial operating loss due to Springhaven's finances and increased road maintenance expenditure (Note – No actual loss was incurred due to the prepayment of 2019/2020 Financial Assistance Grant funds); and
- The budget for 2019/2020 will see the ratio worsen yet again with a considerable operating deficit as the budget has a heavy reliance on non-operating (capital) grants and reserve account transfers to achieve the coming year's goals.

It is very easy for the Author to provide ‘mathematical’ solutions to improve the ratio, simply by “cutting this service” or “raising that fee”, however, the decisions required to be made will have more far reaching impacts than merely improving financial ratios. Such ‘blunt’ examples or suggestions on how to improve the ratio may not be in the best interests of the community.

Summary

In addition, it is very relevant that the importance of these ratios is put into perspective. Ratios that cover all local governments in WA, regardless of size or geographic location, are a very rudimentary way of evaluating performance and it is vital to see these ratios as only one part of the jigsaw puzzle. While they are important, it is the trend of each ratio that gives the biggest indicator to performance, rather than merely the gross ratio score itself.

The above commentary surrounding the Operating Surplus ratio seeks to provide the Audit & Risk Committee and the Council with the information necessary to inform future decision making and to assess the financial performance of the Shire now and into the future. It is not the Author’s intention to magically solve this ratio overnight, as the above information shows that it will likely get worse before it gets better, however, awareness of all of the issues allows financial information and systems to be continually improved.

The Council is encouraged to add its own recommendations or requests to the Author’s recommendation at the conclusion of this agenda item.

CONSULTATION

Audit & Risk Committee Meeting – 6 August 2019.

Shire President

Chief Executive Officer

Senior Finance Officer

STATUTORY REQUIREMENTS

Section 7.12A. (Duties of local government with respect to audits) of the *Local Government Act 1995* states:

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) **prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and**

- (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

This item reports on the current financial position of the Shire. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

Indicators:

- Audit notifications
- Increased scrutiny from regulators or agencies
- Letters from the Department of Local Government

Officer Comment:

An independent audit process is a key risk management control mechanism and greatly assists in the identification of system, process or financial improvements.

ASSET MANAGEMENT IMPLICATIONS

Nil.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RECOMMENDATION

That:

- 1. The information contained within this report relating to the Operating Surplus Ratio be received;*
- 2. It is recognised that the Operating Surplus Ratio may decrease further in 2018/2019 and 2019/2020 before improvements are experienced;*
- 3. The Operating Surplus Ratio be reviewed by the Audit & Risk Committee at each meeting until such time as the 'Basic Achievement' standard is met, with the relevant Officer presenting three (3) recommended actions to improve the ratio; and*
- 4. The Manager Corporate & Community Services be requested to forward a copy of the Committee and the Council agenda items to the Minister for Local Government and placed on the Shire website in accordance with Section 7.12A (Duties of local government with respect to audits) of the Local Government Act 1995.'*

COUNCIL DECISION

89/19 Moved Cr Benn, seconded Cr Mathwin

That:

- 1. The information contained within this report relating to the Operating Surplus Ratio be received;*
- 2. It is recognised that the Operating Surplus Ratio may decrease further in 2018/2019 and 2019/2020 before improvements are experienced;*
- 3. The Operating Surplus Ratio be reviewed by the Audit & Risk Committee at each meeting until such time as the 'Basic Achievement' standard is met; and*
- 4. The Manager Corporate & Community Services be requested to forward a copy of the Committee and the Council agenda items to the Minister for Local Government and placed on the Shire website in accordance with Section 7.12A (Duties of local government with respect to audits) of the Local Government Act 1995.'*

CARRIED 6/0

Reason: Council believed that reference to the "relevant officer presenting three (3) recommended actions to improve the ratio, at four meetings per annum", was not a realistic expectation as actions needed to be a whole of organisation approach, including review at each meeting of the Audit Committee.

12.5 INSURANCE POLICIES 2019/2020

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Tuesday, 30 July 2019
FILE NO	RM.REG.1
ATTACHMENT(S)	12.5.1 - Vehicle and Plant Register 12.5.2 - Property Register

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP 3 – Performance	3.4 Be organised and transparent with our financial management	3.4.2 Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Council of the insurance levels and associated costs held by the shire for the 2019/2020 financial year.

BACKGROUND

Insurance is one of the Shire’s largest annual expenses and most important risk management tasks and therefore it is appropriate that the Council, in addition to staff, be comfortable with the levels of insurance taken out.

The Audit and Risk Committee considered this item at its meeting held on 6 August 2019 and resolved:

“That the information regarding the levels of the Shire’s Insurance for the 2019/2020 financial year be noted.”

COMMENT

The Shire of Kojonup obtain insurance cover through LGIS (Local Government Insurance Services). LGIS is partly owned by WALGA and offer insurance through their Scheme Membership and also through policies taken out with insurers. They are able to obtain policies from main stream insurance at a reduced rate as they broker on behalf of all scheme members.

Below is a list of insurances held by the Shire for the 2019/2020 financial year including the insurance provider, limit of liability and the cost of premium.

Shire of Kojonup – Ordinary Council Meeting – Minutes – 20 August 2019

Policy	2018/19 Premium	2019/20 Premium	Insurer	Liability	Interest Protected
LGIS Bushfire	\$22,646	\$33,635	Scheme	\$500k	Volunteer Bushfire members, medical expenses, loss of salary/wages and death benefits
LGIS Liability	\$33,151	\$34,146	Scheme	\$500m	Public liability - Death or Personal Injury, Loss or Damage to Property
Casual Hirers Liability	\$ 0	\$0	Covered by Scheme	\$10m	Legal liability to thirds parties for death, illness or personal injury and loss of damage to property at hired facility
Crime	\$867	\$942	Scheme	\$400k	Direct financial loss sustained by member.
LGIS Property	\$99,995	\$94,526	Scheme	\$600m	Physical loss, destruction or damage to property including Machinery breakdown and electronic equipment
LGIS Workcare	\$102,774	\$100,695	Scheme	\$500k	Workers Compensation and Injury Management including Journey Accident Cover
Corporate Travel	\$825	\$825	Chubb Insurance	\$10m	External Journey beyond 50km
Cyber Liability	\$1,650	\$1650	Chubb Insurance	\$1m	Data stolen/accessed/altered
Management Liability	\$29,993	\$30,893	Chubb Insurance	\$4.25m	Councillors and Officers Liability and Employment practices Liability
Marine Cargo	\$660	\$660	QBE	\$400k	All goods &/or interests belonging &/or appertaining whilst in transit by land, air, water and parcel post.
Motor Vehicle	\$52,922	\$59,733	Zurich Australia	\$3.2m	All motor vehicles and trailers owned leased or mortgaged under hire purchase or hired in or let out. Includes volunteer bushfire brigade member's vehicles.
Personal Accident - Volunteers , Councillors	\$467	\$467	Chubb Insurance	\$300k	Elected members and volunteers if injured or death whilst engaged in work for the Shire if said work is authorised by the Shire.
Medical Malpractice Liability	\$5,775	\$6352	Vero Insurance	\$20m	Cover of Medical Practice lawsuits for Springhaven
	\$354,933	\$364,527			

CONSULTATION

David Woods – Account Manager LGIS

Anthony Middleton – Manager Corporate and Community Services

Audit and Risk Committee

STATUTORY REQUIREMENTS

Local Government Act 1995 Section 5.42(1)

Delegation Register – Admin 007 – Entering into Contracts of Insurance

The Chief Executive Officer is Delegated Authority to enter into appropriate contracts of insurance. In exercising the delegation the CEO is to have regard to the provisions of the Annual Budget.

Section 5.49(2) (Workers' compensation arrangement) of the *Local Government Act 1995* states:

(2) WALGA is to establish and manage, for the benefit of itself and any eligible body that chooses to participate, a group self-insurance arrangement against liability to pay compensation under the WCIM Act.

POLICY IMPLICATIONS

2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

FINANCIAL IMPLICATIONS

Insurance is the most important risk management task undertaken each year. Insurance is our single largest ongoing external cost, and without adequate cover the Shire is extremely exposed to financial and property loss and open to liability.

RISK MANAGEMENT IMPLICATIONS

Without sufficient insurance cover we run the risk of being unable to maintain our current level of service in the event of a major/catastrophic loss and possibly expose ourselves to litigation costs if not adequately insured.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

90/19 Moved Cr Mathwin, seconded Cr I Pedler

“That the information regarding the levels of the Shire’s Insurance for the 2019/2020 financial year be noted.”

CARRIED 6/0

12.6 PROPOSED EXTENSIONS TO BLACKSMITH’S SHOP ATTRACTION AT KOJONUP SHOWGROUNDS

AUTHOR	Phil Shephard – Town Planner Michelle Dennis – Development Services Coordinator
DATE	Wednesday, 14 August 2019
FILE NO	PR.RES.13697
ATTACHMENT(S)	12.6.1 Application letter

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - Performance	3.3 Use a building assessment framework and control our investment in buildings	3.3.3. Develop a Capital Assessment Framework for all new asset decisions.

DECLARATION OF INTEREST

Nil.

SUMMARY

To consider the application for development approval to undertake extensions to the blacksmith’s shop attraction at the Showgrounds. The applicants have also requested the Council waive the development application fees.

BACKGROUND

At its meeting held on 19 September 2017, the Council resolved to approve the original proposal from the Kojonup P&A Society to add a blacksmith’s shop to the show attractions.

COMMENT

The extensions proposed will be 10m² in area and adjoin the existing structure (total area 19m²) and be constructed of steel frame patio tube with dirt floor and 1 wall covered with wooden faceboards. The building will be used as a blacksmith’s shop attraction for patrons during the annual show event.

Zoning and Land Use/Development

The proposed land use is consistent with the definition of Community Use in Town Planning Scheme No. 3 (TPS3) which is defined as:

means land used by a club or association or other body approved by the Council as a meeting place for formal and informal activity, including entertainment and includes any land appurtenant thereto used for recreation, and includes a residential club;

The development of the blacksmith’s shop is not exempt from requiring development approval and Council must determine the application.

The land is contained within the Recreation Local Reserve under TPS3 and clause 2.2 'Matters to be Considered by the Council' of TPS3 requires:

Where an Application for Planning Consent is made with respect to land within a Local Reserve, the Council shall have regard to:

- (a) The objectives as outlined below; and*
 - (b) The ultimate purpose intended for the reserve;*
- and the Council shall, in the case of land reserved for the purposes of a public authority, confer with that authority before granting its consent.*

The objectives for the Recreation Local Reserve (c.2.3.1) are:

- a) To secure and reserve land for public access and recreation.*
- b) To maintain public recreation areas for the use of sporting and recreation bodies.*
- c) To preserve areas of natural vegetation worthy of retention.*
- d) To provide visual or noise buffer areas between incompatible uses.*
- e) To reflect and protect areas already set aside for National Parks or Crown Reserves.*

In accordance with c.5.4 of TPS3, any development of land shall conform to the requirements for that use in Table II – Development Table. There is no listing for community use in Table II and c.5.4.1 and Council must determine the requirements to apply consistent with the predominant use and objectives for the reserve.

Table II establishes setbacks, plot ratio, landscaping and car parking requirements for the various listed uses and these requirements are discussed below:

Setbacks

The proposed additions adjoin the existing blacksmith's shop, which is located within the middle of the Showgrounds area and will be well setback from all boundaries.

Plot Ratio

The plot ratio is not considered relevant to the proposal.

Landscaping

No additional landscaping is proposed in the application.

Car Parking

There are sufficient additional areas available within the showground area for any additional car parking required.

Heritage

The Showgrounds are contained on the Shire's Municipal Inventory (Place No. 10602).

The listing advises:

These Showground buildings have historical and social significance. The Kojonup Show continues to be an important event in the life of a rural community and run by the Pastoral and Agricultural Society.

The listing also advises the place has a high authenticity and high integrity.

Clause 5.16.1 of TPS3 advises:

The purpose and intent of the heritage provisions are to:

- (a) Ensure the conservation of any place, area, building, object or structure of heritage value;*
- (b) Afford the opportunity for existing traditional uses to be continued or allow for the approval of alternative uses which are compatible with the heritage values and amenity of the locality;*
- (c) Ensure that development or redevelopment within or adjacent to places of heritage value has due regard to the heritage value of the place and is in harmony with the character of the locality.*

Clause 5.16.4.4 of TPS3 requires:

Notwithstanding any other provision of the Scheme, no person shall commence or carry out any development affecting any building, object, structure or place listed in the inventory or contained within a heritage precinct without first having applied for and obtained the Planning Consent of the Council pursuant to the provisions of clause 5.16.5 of the Scheme.

Clause 5.16.6.1 of TPS3 advises:

Without affecting the generality of any other provision of the Scheme specifying the way the Council is obliged or permitted to deal with an application for Planning Consent, the Council in dealing with any such application may, for reasons related to the conservation of a place of cultural heritage significance or a heritage precinct:

- (i) Refuse approval;*
- (ii) Grant approval without conditions; or*
- (iii) Grant approval with conditions including conditions aimed at the conservation of the place or precinct.*

TPS3 Considerations

The *Planning and Development (Local Planning Schemes) Regulations 2015* (c.67) requires the Council in considering an application for development approval have regard to those matters relevant to the application from the list. Those relevant matters are discussed in the table below:

Matter to be Considered	Response
(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;	The proposed additions to the blacksmith's shop are considered consistent with the TPS3 objectives for recreation reserves and compliant with the relevant provisions contained in TPS3.

(b) the requirements of orderly and proper planning including any proposed local planning scheme or amendment to this Scheme that has been advertised under the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> or any other proposed planning instrument that the local government is seriously considering adopting or approving;	The proposal satisfies the requirements of orderly and proper planning. There are no other draft scheme amendments or planning instruments that affect this proposal.
(j) in the case of land reserved under this Scheme, the objectives for the reserve and the additional and permitted uses identified in this Scheme for the reserve;	The proposal is considered consistent with the objectives for the Recreation local scheme reserve and showgrounds use.
(k) the effect of the proposal on the cultural heritage significance of the area in which the development is located;	The showgrounds are included on the Shire’s Municipal Inventory for its cultural heritage values. The proposed blacksmith’s shop will provide another attraction during the annual show and will not alter the heritage values of the place.
(w) the history of the site where the development is to be located;	The site has a long-standing use as a showground.

In determining an application for development approval, the Council has a number of options available to it, which are discussed below:

1 Not approve the proposal

The Council can choose to refuse to approve the proposal. If this option was chosen, the extensions would not proceed.

2 Approve the proposal

The Council can choose to approve the proposal, with or without conditions.

3 Defer the proposal

The Council can choose to defer the matter for a period of time and seek additional information, if deemed necessary to complete the assessment, before proceeding to make a decision.

In accordance with the *Planning and Development Act 2005*, this is a discretionary decision and the applicant has a right to request a review of any decision and/or condition made by the Local Government to the State Administrative Tribunal if aggrieved by the decision and/or any condition. An appeal must be lodged within 28-days of being notified of the decision/condition to be appealed.

CONSULTATION

Nil.

STATUTORY REQUIREMENTS

Planning and Development Act 2005 and Planning and Development (Local Planning Schemes) Regulations 2015 - The processing of the development application is required to comply with the requirements of Town Planning Scheme No. 3 which is an operative local planning scheme under the provisions of the Act/Regulations.

POLICY IMPLICATIONS

Policy 1.3 – At CEO discretion to waive fee unless Council instructs otherwise.

FINANCIAL IMPLICATIONS

The applicant is required to pay the application fee of \$147 as set out in the adopted List of Fees and Charges. The P&A Society (applicants) are a community group and will use local sponsorship and volunteers to complete the works and have requested that Council waive the application fee.

The application requires development approval and a Building Permit to be issued. As the Shire is the 'owner' of the property in this case, the Shire needs to engage the services of a Building Surveyor Contractor to complete the necessary Certificate of Design Compliance for the resultant building application (previous project cost \$350). The total application fees (including planning and building) are \$313.65 and this does not cover the cost of the processing. The request to waive the development application fee is therefore not supported.

RISK MANAGEMENT IMPLICATIONS

Risk area 10 "Management of Facilities, Venues and Events" - The P&A Society have requested these works in order to improve conditions for the artists using the area during show days and to offer patrons more weather protection during demonstrations. The use of the Showgrounds and the condition of the existing buildings is the subject of a review by LGIS; report due end of October 2019.

ASSET MANAGEMENT IMPLICATIONS

Notwithstanding the recommended condition that this building be removed from site when no longer required, the building will need to be added to the Shire's Asset Management Plan as a building located on land controlled by the Shire of Kojonup.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

Moved Cr S Pedler, seconded Cr Benn

91/19 *That:*

- 1) *Council grant development approval for the extensions to the blacksmith's shop on the Kojonup Showgrounds at Lot 37 Blackwood Road, Kojonup subject to the following conditions:*
 - a) *The development to be in generally in accordance with the stamped approved plans, unless a variation has been approved by the Chief Executive Officer.*
 - b) *The improvements to be removed from the site when no longer required.*
- 2) *The Kojonup Pastoral & Agricultural Society be advised that as the Shire is required to incur additional costs of engaging an external Building Surveyor Contractor for the Building Permit process the request for donation of the application fee of \$147 be denied.*

Advice Notes:

You are required to obtain a Building Permit prior to any construction activity commencing."

CARRIED 5/1

Peta Zadow left the meeting at 3.26pm

12.7 MAIN ROADS WA ALBANY HIGHWAY ROAD WIDENINGS

AUTHOR	Phil Shephard – Town Planner
DATE	Wednesday, 14 August 2019
FILE NO	RO.ROA.250
ATTACHMENT(S)	12.7.1 - Application letter & Land Dealing Plans

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP3 – Performance	3.3 Use a building assessment framework and control our investment in building maintenance	3.3.3 Develop a Capital Assessment Framework for all new asset decisions.

DECLARATION OF INTEREST

Nil.

SUMMARY

To consider the request from Main Roads WA to dedicate land acquired along Albany Highway as a road reserve as part of their improvement works.

BACKGROUND

Nil.

COMMENT

Main Roads have provided the attached plans, numbers 201901-066, 201801-0015, 201801-0016 and 201801-017, showing proposed road widenings along Albany Highway south of Kojonup as part of their improvement works to the highway.

They advise they have approached the landowners and other affected parties and are completing the formal acquisition of the land. As part of the approval process, Main Roads WA require the Council to dedicate these road widenings under the *Land Administration Act 1997*. Main Roads have requested specific wording for the recommendation if acceptable.

CONSULTATION

Chief Executive Officer

STATUTORY REQUIREMENTS

Land Administration Act 1997 – s.56 sets out the process and requirements for a local government requesting the Minister dedicate land as a public road.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

While the land acquired from the respective landowners will reduce their lot area; it is unlikely to change the rateable value of the land.

RISK MANAGEMENT IMPLICATIONS

Nil.

ASSET MANAGEMENT IMPLICATIONS

As it adjoins a State Highway (i.e. Albany Highway) once the roads are dedicated as a road their care and control will become the responsibility of Main Roads.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

92/19 Moved Cr Mathwin, seconded Cr Radford

“That Council at its ordinary meeting held 20 August 2019 passed a resolution for the dedication of the land subject of Main Roads Land Dealing Plans 201901-066, 201801-0015, 201801-0016 and 201801-017 as a road pursuant to section 56 of the Land Administration Act 1997.”

CARRIED 6/0

12.8 ELECTED MEMBER CHARTER

AUTHOR	Lorraine Wyatt – Executive Assistant
DATE	Thursday 15 August 2019
FILE NO	CM.POL.2
ATTACHMENT(S)	12.8.1 – Elected Member Charter

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - 3 Performance	3.1 - Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group.	3.1.5 – Implement strategies to improve Councillors’ role as community leaders and asset custodians.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to present the updated Elected Members Charter, previously known as the Councillor Induction Manual.

BACKGROUND

The Councillor Induction Manual has not been reviewed since the 2017 Local Government Elections. The 2019 Local Government Elections and the introduction of the amendments to the *Local Government Act 1995* offered the ideal opportunity to review and update the previous manual.

COMMENT

The *Local Government Amendment Act 2019*, requires potential candidates in the 2019 Local Government Elections to complete an induction course prior to nomination. The Shire of Kojonup will declare four (4) positions vacant and it is possible that Council may welcome four (4) new Elected Members who may or may not have previous experience of a governance and strategic nature.

To assist newly elected members to understand their roles and responsibilities, and to support current elected members, the Elected Members Charter has been developed with the view that the document becomes an enduring reference rather than simply an induction manual which has no useful reference past the induction itself.

It is planned that the document will be reviewed at least annually or, more frequently as amendments are required from time to time, and that it will be available via the Docs on Tap App under the folder “Useful Documents”. A separate, thorough induction program, relevant to the Shire of Kojonup, will also be conducted post-election.

CONSULTATION

Chief Executive Officer
Manager of Corporate and Community Services
Senior Administration Officer
Department of Local Government Local Government, Sport and Cultural Industries
Operational Guidelines Number 04 Elected Member Induction
Western Australian Electoral Commission

STATUTORY REQUIREMENTS

Section 4.48 and 4.49 of the *Local Government Act 1995* discusses the completion of the “Induction Program” as an eligibility requirement for potential Candidates. It is considered best practice for local governments to have policies, procedures and guidelines that provide guidance to both staff and elected members however, there is no statutory requirement to produce this Charter.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Robust systems and controls, including guidance documents such as Elected Member Charter, reduce inconsistencies and risks associated with good governance.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

93/19 Moved Cr Radford, seconded Cr Benn
“That Council endorse the Elected Members Charter”.

CARRIED 6/0

Cr Ian Pedler and Cr Sandra Pedler declared a Financial Interest in this item as the property owners and left the meeting at 3.28pm

13 KEY PILLAR 4 – ‘PROSPERITY’ REPORTS

13.1 PLANNING SCHEME – COMMERCIAL/RESIDENTIAL ZONING – 77-81 ALBANY HIGHWAY (A23460)

AUTHOR	Rick Mitchell-Collins – Chief Executive Officer
DATE	7 August 2019
FILE NO	LP.PLN.15
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP4 - Prosperity	4.1 Be providing business assistance for growth in small local industry.	4.1.1 Amend Town Planning Scheme to encourage economic development and private investment.

DECLARATION OF INTEREST

Nil

SUMMARY

To seek Council’s formal direction regarding either progressing immediately for a new Town Planning Scheme or alternatively progressing a Scheme amendment to change the existing ‘Commercial’ zoning on certain properties along the Main Street (Albany Highway) to ‘Residential’ zoning given the existence of dwellings rather than commercial premises.

BACKGROUND

Cr Ian Pedler has expressed frustration via personal email *“that banks will not give a housing loan on property zoned commercial. . . The only way to borrow against commercial property is to have a business loan which requires a one third deposit and is limited in term to 10 years and in certain circumstances 15 years and is at business rates not housing loan rates. In addition, the borrower must be in business so the general population is excluded from borrowing.”*

COMMENT

Planner – Phil Shephard workshopped the Planning Strategy and Scheme with Council at the Briefing Session held 2 April 2019 with the following response/action:

- New planning strategy and scheme. Councillors were provided some slides demonstrating a scheme preparation flowchart and current Strategic Plan. The discussion surrounded timing and it was advised that Kojonup are following the scheme/strategy formats being prepared for Gnowangerup.

- Reference was made to the Strategic Plan and feedback was requested from Councillors on the meaning of some statements contained within the plan. In addition, examples of current practice, where improvements could be made. This is to ensure the new strategy delivers the community expectations as outlined in the Strategic Plan.
- Due to time/staff constraints it is expected that the new scheme/strategy will be completed by the end of the year although it was emphasised that this is only an estimate.

Crs Ian and Sandra Pedler have listed the property for sale and unfortunately a purchaser was unable to secure finance as the financial institution required a business loan given the commercial zoning. Cr Ian Pedler wishes to ascertain from Council when the new Scheme will be lodged with the Planning Commission or alternatively will Council progress a Scheme Amendment given this anomaly has been known to Council for many years.

Mr Shephard in an email to the CEO dated 2 July 2019 advised:

“It will require either a new scheme or an amendment to change the present situation with zoning. The property owner could prepare their own amendment or Council can do one on their behalf. The time required would be 7-8 months given previous experience with amendments and the WAPC. To start an amendment, the owner would write and request it be initiated and include the planning reasons for the request – it cannot just be the bank said no! If as the owner was saying others may want to participate, he would provide their written agreement etc. An officer’s report required and Council then decide whether the amendment proceeds and who pays etc. If the Council says no to the amendment proceeding, there are some avenues to having the decision reviewed available.”

The final decision on any scheme and/or amendment is for the Minister for Planning to make and they will ultimately decide whether to support/approve the application or not. Should the justification for the change to the scheme be based solely on the financial restrictions mentioned, it is unclear if the proposal would be supported by the WA Planning Commission/Minister.

The existing Town Planning Scheme No. 3 does not prevent residential housing from being developed on commercial properties/zone (it allows the use/development of a single house, grouped dwellings and multiple units). Whilst the situation being experienced by the applicants is acknowledged, the grounds for the change are not town planning, nor is it correct to say that the present situation has caused town planning problems.

CONSULTATION

Briefing Sessions - 6 February 2018 and 2 April 2019

Should the scheme or amendment proceed, there are consultations with government agencies and the public required to be completed under the *Planning and Development (Local Planning Schemes) Regulations 2015*.

STATUTORY REQUIREMENTS

Planning and Development Act 2005 and Planning and Development (Local Planning Schemes) Regulations 2015 – control the process for preparing local planning schemes and amendments etc.

POLICY IMPLICATIONS

There are no planning policies that apply to this proposal.

FINANCIAL IMPLICATIONS

Ordinarily, the costs of preparing, administering and finalising an amendment is met by the applicant and these costs are likely to range from \$2,000 - \$4,000 to cover administration costs, advertising charges etc. Given this proposal is being requested and driven by an individual landowner, they should meet these costs.

RISK MANAGEMENT IMPLICATIONS

This item relates to a proposed new scheme or scheme amendment to the existing scheme. All schemes and amendments are governed by the *Planning and Development Act 2005* and *Planning and Development (Local Planning Schemes) Regulations 2015* which controls the process for preparing local planning schemes and amendments including referral process, advertising etc.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications that apply from this proposal.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION

That Council advise the applicant that:

- 1) The proposed change from commercial to residential would need additional planning justification to proceed as the present financial justification provided is not sufficient to support the scheme amendment being initiated.*
- 2) The costs of preparing and administering a scheme amendment for their property would be at their cost.*

COUNCIL DECISION

94/19 Moved Cr Fleay, seconded Cr Mathwin

“That the matter lay on the table allowing Council to identify other parties/properties that may be affected in relation to this item”

CARRIED 4/0

Cr I Pedler and Cr S Pedler returned to the meeting at 3.44pm

13.2 MARRIBANK ABORIGINAL CORPORATION – REQUEST TO WAIVE RATES

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Tuesday, 13 August 2019
FILE NO	A12955
ATTACHMENT(S)	13.2.1 - Letter – Marribank Aboriginal Corporation

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP 4 - Prosperity	4.3 Be attracting support industries and diverse and new business sectors to the region	4.3.4 Drive population growth through the support of local industry, development of new industry and promotion of Kojonup’s point of difference.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider a request from Marribank Aboriginal Corporation to waive their property rates for three (3) years.

BACKGROUND

An email has been received from Caron Wynne, Chairperson for Marribank Aboriginal Corporation (MAC) requesting that the rates for Marribank Mission Site be waived for the coming three years from 2019/2020 to 2021/2022 inclusive. The request states that the money saved will enable MAC to concentrate on renovations and upkeep of Marribank Mission.

COMMENT

Lot 1 Mission Rd (otherwise known as Marribank) is owned by Southern Aboriginal Corporation (SAC) and is leased by the MAC. The 2019/2020 rates were \$4221.13 which has been paid in full within the discount period. SAC own 2 other residential properties in the townsite of Kojonup, A6395 - 10 Gregory St and A8920 - 10 Broomehill Rd with a combined rate value of \$2965.00.

Considering the property is owned by a third party (SAC), if the Council were to waive the rates there is no guarantee that the MAC would receive the benefit as the property owner may not pass on this benefit. In addition, SAC have previously requested the Council not charge rates on any of their three (3) properties. The Council declined this request. If the rates for the Mission Rd property were waived, would the expectation be that the rates for the other two (2) residential properties owned by SAC also be waived, resulting in a loss of revenue of \$7,185 per year?

If the Council were in agreement with the request, a more appropriate solution would be to simply make a cash donation to the MAC for an amount equivalent to the annual property rates. There is no provision in the 2019/2020 adopted budget for such a donation.

CONSULTATION

Anthony Middleton – Manager Corporate and Community Development

STATUTORY REQUIREMENTS

Section 6.25 to 6.82 of the *Local Government Act 1995* and Sections 52 to 78 of the *Local Government (Financial Management) Regulations 1996* relate to property rating requirements and procedures.

Specifically, section 6.47 (Concessions) states:

“Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.*

** Absolute majority required.”*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Subject to the Council decision, there is the possibility of a financial loss of between \$4,200 and \$7,185 per annum for the next three (3) years. No such loss of revenue/expense was budgeted for in the 2019/2020 budget. The allowance of such a waiver or donation could be included in the budgeting process for the 2020/2021 and 2021/2022 financial years.

Account 2006 - ‘Donations - CEO Delegation’ has a budget of \$500 with \$0 expended to date.

Account 2008 - ‘Donations - Council Decision’ has a budget of \$750 with \$0 expended to date.

RISK MANAGEMENT IMPLICATIONS

Given the tightness of the current budget and the fact there is no budget provision for the waiving of rates, ‘Donations - CEO Delegation’ and ‘Donations - Council Decision’, that a donation other than cash would be prudent in this economic climate.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority if resolving to move officer’s recommendation.

Absolute Majority if resolving to waive the property rates.

OFFICER RECOMMENDATION

That Marribank Aboriginal Corporation be advised that:

- 1. The Council is unable to waive its property rate account for the Marribank Mission in the 2019/2020 financial year of \$4,200; and*
- 2. The request to waive property rates will be considered during the 2020/2021 and 2021/2022 budgeting process.*

COUNCIL DECISION

Moved Cr Fleay, seconded Cr Radford

95/19 That Marribank Aboriginal Corporation be advised that:

- 1. The Council is unable to waive its property rate account for the Marribank Mission in the 2019/2020 financial year of \$4,200;*
- 2. Council make a donation to the Marribank Aboriginal Corporation of \$2,100 for the 2019/2020 Financial Year to assist with associated commencement costs, with such funds being allocated from account 1912, Councillor Conference Fees to account 2008, Donations - Council Decision;*
- 3. The 2019/2020 Annual Budget be amended by reducing account 1912 (Councillors Conference Fees) by \$2,100 and increasing account 2008 (Donations - Council Decision); and*
- 4. Council will give consideration to further donations during the 2020/2021 and 2021/2022 budgeting process.*

CARRIED BY AN ABSOLUTE MAJORITY 6/0

Reason:

Lot 1 Mission Rd (otherwise known as Marribank) is owned by Southern Aboriginal Corporation (SAC) and is leased by the MAC. Council preferred any financial assistance to the Marribank Aboriginal Corporation be via donation.

14 KEY PILLAR 5 – ‘DIGITAL’ REPORTS

Nil

15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

16 NEW BUSINESS

17 CONFIDENTIAL REPORTS

- 17.1 REQUEST FOR TENDER 01/2019/20 – KEY WORKER HOUSING – DESIGN AND CONSTRUCT, PL8 SOLDIER ROAD, KOJONUP
REQUEST FOR TENDER 02/2019/20 – KEY WORKER HOUSING – DESIGN AND CONSTRUCT, 13 LOTON CLOSE, KOJONUP

AUTHOR	Michelle Dennis – Development Services Coordinator
DATE	Monday, 12 August 2019
FILE NO	FM.TND.3/A11940
ATTACHMENT(S)	17.1.1 - Request for Tender – Key Worker Housing – Design & Construct 17.1.2 – Request for Tender – Addendum 1 17.1.3 – Request for Tender – Addendum 2 17.1.4 – RFT Soldier Rd Preferred Tender 17.1.5 – RFT Loton Close Preferred Tender

STATUTORY REQUIREMENTS

Section 5.23(2) of the Local Government Act 1995 permits the Council to close a meeting, or part of a meeting, to members of the public if the meeting deals with any of the following:

- (a) a matter affecting an employee or employees; and
- (b) the personal affairs of any person; and
- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and
- (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and
- (e) a matter that if disclosed, would reveal –
 - (i) a trade secret; or
 - (ii) information that has a commercial value to a person; or
 - (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and
- (f) a matter that if disclosed, could be reasonably expected to –
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or

- (ii) endanger the security of the local government’s property; or
- (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and

(g) information which is the subject of a direction given under section 23(1a) of the *Parliamentary Commissioner Act 1971*.

Subsection (3) requires a decision to close a meeting, or part of a meeting and the reason for the decision to be recorded in the minutes.

PROCEDURAL MOTION

Moved Cr Benn, seconded Cr Mathwin

96/19 “That the meeting proceed behind closed doors at 3.52pm”.

CARRIED 6/0

Phil Shepard, Heather Marland, Judy Stewart and Pam McGregor left the meeting at 3.52pm

PROCEDURAL MOTION

Moved Cr Radford, seconded Cr Benn

97/19 “That the meeting be reopened to the public at 4.07pm”.

CARRIED 6/0

The Shire President read aloud the decision made while behind closed doors.

OFFICER RECOMMENDATION/COUNCIL DECISION

98/19 Moved Cr Radford, seconded Cr S Pedler

That Council accept:

1. The tender offer from Home Group WA Great Southern for a total of \$475,200 (including GST) for the design and construction of a new dwelling at PL8 Soldier Road, Kojonup in accordance with Shire of Kojonup tender specification 01/2019/20 subject to the floor and site plan being approved by the Department of Communities ; and
2. The tender offer from Wauters Enterprises Pty Ltd for a total of \$494,769.64 (including GST) for the design and construction of a new dwelling at 13 Loton Close, Kojonup in accordance with Shire of Kojonup tender specification 02/2019/20 subject to the floor and site plan being approved by the Department of Communities.

CARRIED 6/0

18 NEXT MEETING

Special Council Meeting, Tuesday, 3 September 2019 commencing at 3.00pm to deal specifically with tenders received as part of the Great Southern Housing Initiative and 2018/19 CEO Review.

Ordinary Council Meeting Tuesday, 17 September 2019 commencing at 3.00pm

19 CLOSURE

There being no further business to discuss, the President thanked the members for their attendance and declared the meeting closed at 4.09pm.

20 ATTACHMENTS (SEPARATE)

Item 7	7.1.1	Minutes of the Ordinary Council Meeting held 23 July 2019
Item 11.2	11.2.1	Existing Council Policy 2.3.9 - Closed Circuit Television (CCTV) Operations and Recording showing tracked changes
	11.2.2	Draft updated Council Policy 2.3.9 – Closed Circuit Television (CCTV) Operations and Recording
Item 12.1	12.1.1	July 2019 Monthly Financial Statements
Item 12.2	12.2.1	Monthly Payment listing 01/07/2019 to 31/07/2019
Item 12.3	12.3.1	Audit & Risk Committee Minutes – 6 August 2019
Item 12.5	12.5.1	Vehicle and Plant Register
	12.5.2	Property Register
Item 12.6	12.6.1	Application Letter
Item 12.7	12.7.1	Application letter & Land Dealing Plans
Item 13.2	13.2.1	Letter – Marribank Aboriginal Corporation
Item 17.1		Confidential Attachments – Distributed under separate cover

Presiding Member

Date