

Kojonup



SHIRE OF KOJONUP

MINUTES

Ordinary Council Meeting

19 November 2019

MINUTES FOR THE COUNCIL HELD ON 19 NOVEMBER 2019

TABLE OF CONTENTS

1	DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS.....	5
2	ATTENDANCE AND APOLOGIES.....	6
3	SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE	7
4	PUBLIC QUESTION TIME	7
5	PETITIONS, DEPUTATIONS AND PRESENTATIONS.....	10
6	APPLICATIONS FOR LEAVE OF ABSENCE	11
7	CONFIRMATION OF MINUTES.....	11
8	ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION.....	12
9	DECLARATIONS OF INTEREST	12
10	KEY PILLAR 1 – ‘PLACE’ REPORTS.....	13
10.1	NATURAL RESOURCE MANAGEMENT COMMITTEE MINUTES.....	13
10.2	REVIEW OF VOLUNTEER HANDBOOK.....	15
11	KEY PILLAR 2 – ‘CONNECTED’ REPORTS	18
11.1	LOCAL LAW REVIEW	18
12	KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS	28
12.1	FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (SEPTEMBER 2019) .	28
12.2	FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (OCTOBER 2019).....	31
12.3	MONTHLY PAYMENTS LISTING – SEPTEMBER 2019	33
12.4	MONTHLY PAYMENTS LISTING – OCTOBER 2019.....	36
12.5	MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD 5 NOVEMBER 2019	39
12.6	2020 COUNCIL MEETING DATES.....	41
12.7	ADMINISTRATION OFFICE AND LIBRARY CLOSURE DURING THE 2019/2020 CHRISTMAS AND NEW YEAR PERIOD	44
12.8	GREAT SOUTHERN DEVELOPMENT COMMISSION BOARD NOMINATIONS	46
12.9	USEFUL LIFE OF ASSETS REVIEW.....	49
12.10	OPERATING SURPLUS RATIO – PROGRESS REPORT.....	54
12.11	MANAGEMENT OF COMMUNITY HALLS	62
12.12	ORCHID VALLEY HALL CLOSURE	72
12.13	WESTCOURT ROAD RE-ALIGNMENT (CLOSURE AND DEDICATION) PROPOSAL THROUGH RESERVE 16076, BLACKWOOD ROAD RECREATION PRECINCT, KOJONUP	78
12.14	DRAFT POLICY – FRAUD, CORRUPTION AND MISCONDUCT PREVENTION	82
12.15	RESERVE ACCOUNT APPROPRIATENESS REVIEW – 2019/2020.....	87
12.16	KOJONUP TELECENTRE, KOJONUP NEWS AND SOUTHERN DIRT	100
12.17	CORPORATE BUSINESS PLAN – KOJONUP 2023+ SMART IMPLEMENTATION	105
12.18	POLICY MANUAL REVIEW.....	108

13	KEY PILLAR 4 – ‘PROSPERITY’ REPORTS	110
13.1	DISPOSAL OF PORTION LOT 9999 THORNBURY CLOSE, KOJONUP TO SYD MATTHEWS & CO PTY LTD.	110
13.2	R-CODE VARIATION FOR RETAINING WALL AND CARPORT LOT 950 (No. 11) GEORGE STREET, KOJONUP.....	113
14	KEY PILLAR 5 – ‘DIGITAL’ REPORTS.....	118
15	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	118
16	NEW BUSINESS.....	118
16.1	DEED OF AGREEMENT	118
17	CONFIDENTIAL REPORTS.....	119
17.1	REQUEST FOR TENDER 10/2019/20 – RENOVATIONS & ALTERATIONS, SPRINGHAVEN FRAIL AGED LODGE, KOJONUP.....	120
17.2	QUOTATION FOR THE SUPPLY AND DELIVERY OF 1 (ONE) SKID STEER LOADER.....	120
18	NEXT MEETING.....	121
19	CLOSURE	121
20	ATTACHMENTS (SEPARATE).....	122

The Shire of Kojonup has a set of six guiding principles it uses when making decisions. These principles are checked and enhanced every two years; in line with the Strategic Community Plan review schedule.



MINUTES

1 DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS

The Shire President declared the meeting open at 3.00pm 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 – Cr S Pedler

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**

COUNCILLOR

Cr Benn	Shire President
Cr Radford	Deputy Shire President
Cr Fleay	
Cr Gale	
Cr Pedler	
Cr Webb	
Cr Wieringa	

STAFF

Rick Mitchell-Collins	Chief Executive Officer
Anthony Middleton	Manager Corporate and Community Services
Craig McVee	Manager Works and Serri
Heather Marland	Senior Finance Officer
Judy Stewart	Senior Administration Officer
Michelle Dennis	Development Services Coordinator
Claire Servaas	Administration/Records Officer
Emily Hills	Sport and Recreation Officer

LEAVE OF ABSENCE

Nil

APOLOGIES

Cr Singh	
Phil Shephard	Town Planner
Lorraine Wyatt	Executive Assistant

GALLERY

Denise Berryman	Lynn Boys
Peta Zadow	Cathie Ivey
Jill Mathwin	Susanne Bilney
Ian Pedler	Jenny Matthews
Judith Warland	Robert Sexton
Pam McGregor	Allison Ballard
Will Harvey	Jill Sexton
Kevin Broom	

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

Nil

4 **PUBLIC QUESTION TIME**

4.1 Denise Berryman – Muradup Hall

Request that the Shire give the Muradup Hall Committee more time to consider the proposed conditions of an MOU in today's agenda. Members involved with the Muradup Hall have been liaising with Judy Stewart in regards to the Muradup Hall and would like more time to work their way through the incorporation and insurance requirements. Members involved with the Muradup Hall love the hall and would like to see if they can find other ways to get the hall more usage and address maintenance items requiring attention. They have priced their insurances at around \$1,700 and the recommendations of \$1,500 leaves them already out of pocket without knowing what other costs may arise. Ultimately the Committee would like to work together with Council for the future benefit of the Muradup Hall.

Response by Senior Administration Officer

Judy Stewart advised that the item in today's agenda suggests an anticipated start date of 1 July 2020 to start the MOU.

Question by Denise Berryman

The agenda item states "building maintenance to be completed by the Committee". Can this be changed to minor building maintenance and then the difference between minor and major building maintenance be clarified?

Response by Shire President

Councillors may add this clarification to the Officers recommendation but the feedback will be taken on board.

4.2 Will Harvey – Orchid Valley Hall

Who is behind the getting rid of the halls in the staff? Why weren't the people in regards to the halls consulted?

Response by Manager Corporate and Community Services

Community groups occupying and renting out Shire owned buildings currently have no written authority or agreement in place and this agenda item is trying to rectify and clearly define each parties responsibilities.

Question by Will Harvey

Why is it changing now when it has been this way for 85 years. The hall is still used for fire brigade meetings. If a fire or natural disaster happened and the Hall was knocked down sure it won't be rebuilt and we wouldn't care, however we would like to keep using it in the meantime.

Response by Shire President

That is a general consensus on all halls and the comments will be taken on board.

4.3 Jenny Matthews – Price of Council Meeting Agenda

Jenny Matthews had attended the Shire Administration Office on Monday, 18 November 2019 and requested over the counter a paper copy of the Council Agenda, the first staff member stated she would see if it was online to which Jenny Matthews said she would prefer a paper copy and that she often has one printed out to be picked up on the Monday to allow ample time to read through it before the Council Meeting. The second staff member got up from her desk and handed her a copy. Later in the day a friend attended the Shire Admin Office to obtain a paper copy and was told that she would need to pay for a copy of the Agenda? Since when did ratepayers have to pay for a printed copy of the Agenda? Why are we being treated with disrespect?

Why does the Shire not respond to letters sent in to the Shire then write about it in the E-News?

Response by Shire President

Feedback has been taken on board and questions will be taken on notice.

4.4 Cathy Ivey – Community Halls and Price of Council Agenda

The Halls agenda item needs time to allow for consideration. The Boscabel Hall has only had a couple of days' notice at the most. Also queried the price of the paper copy of the Council agenda.

Response by Shire President

Feedback has been taken on board and questions will be taken on notice.

4.5 Suzanne Bilney – Kojonup Telecentre & Kojonup News

1. Who were the councillors who approved the minutes of the 8 October 2019 Briefing Session?
2. When are the minutes going to be removed from the Shire Website?
3. Do the Shire realise that they brought one State Government and one Federal Government Department into disrepute which potentially impacts 'Be Connected' funding?
4. When is the Council going to negotiate with the Kojonup News in an open and transparent manner?

Response by Shire President

Feedback has been taken on board and questions will be taken on notice.

4.6 Lynn Boys - Price of Council Agenda

Lynn Boys stated that when she went to the Shire Admin Office she was advised that she needed to pay for a printed copy of the Council Agenda and questioned why are they expected to pay now?

Response by Shire President

Electronic copies of an Agenda are free however if printed and posted there is a cost.

4.7 Statement by Ian Pedler - Town Planning Scheme number 3.

“The current town planning scheme was gazetted in 1998. It changed the zoning of the residential properties on both sides of Albany Highway from Katanning Road to the southern town boundary from ‘Residential’ to ‘Commercial’.

The change in zoning had several consequences. Apart from lots specifically zoned for uses such as service stations, parks or public buildings, the plan sets aside virtually the whole length of the highway within the townsite for commercial development. Given the decline in bricks and mortar commerce across the entire country, Kojonup is hardly likely to buck the trend and need such a lot of property for future commercial development. Given the traffic problems associated with the highway and vehicle access limitations imposed by Main Roads, any new commercial construction in town would be better located either east or west of the highway (e.g. western side of Bagg St).

Using a ‘commercial’ zoned property as a residence is a ‘non-conforming’ use of the property. If the ‘non-conforming’ use is discontinued for 6 months, it reverts to commercial use – in other words, if you leave your home vacant for 6 months, you can no longer use it as a residence. If there is damage (e.g. Earthquake, fire or storm) to 75% of the value, it cannot be rebuilt, repaired or replaced but must be demolished and the land reverts to commercial use.

The council can permit a residence to be built on a ‘commercial’ property at its discretion after navigating the development approval process, however the plan ‘provides for residential uses only where the uses are combined with a commercial use’.

Another consequence of the change is that a prospective purchaser cannot obtain a home loan secured by the property. To sell a ‘commercial’ property, one needs a purchaser who is a cash buyer, or, who has other collateral available to secure the loan, or, a buyer who is in business and able to obtain a business loan which would require 33% deposit, a higher rate of interest and a term of 15 years maximum. This means that the majority of normal homebuyers are precluded from purchasing the property.

The town plan is available in ‘useful documents’ and sections 3.2.3, 4.4 and 4.5 are the sections which give effect to these contentions.

I purchased one of the properties affected by this zoning in 2006. I have been on council for a decade since and during that time the subject of town planning and the need for a review has

been discussed numerous times. From my understanding of council's intention, a review of the town plan has been intended for all of that time but the priority has not been high as council has always been waiting for the town planner for one reason or another. In February 2018, the review was to have been completed 'in about 5 months' and earlier this year it was around the end of this year. I raised the matter again at the last briefing session I attended and in the minutes you have for that session, you will see stated that there has been no budget provision for a review which tells me that there has been no intention on the part of council staff to facilitate a review.

This is not a problem that only affects me. This problem affects around 25 residences and there may well be other anomalies in the plan that need to be corrected. It is a problem for the whole town. We have plans for main street improvements and so on but this problem is only contributing to the gradual deterioration of the amenity of the main street because there is no point spending money on the appearance of a property if there is little or no prospect of selling it in the future. The residents of some of these properties are ageing and want to move on but can't sell and can't maintain the property.

The provisions of the town plan in relation to use of commercially zoned property are not being enforced. A number of houses have been vacant for years and then reinstated as residences with no commercial connection. To all intents and purposes, it would appear that the provisions of the town plan mean nothing locally but to lenders, they prove fatal to any loan application. Whilst the plan may be similar to others and possibly a perfect textbook example of a plan, for Kojonup it is inappropriate and needs to be changed. Ladies and gentlemen, that is your problem and I look forward to seeing some progress in the very near future."

Response by Shire President

The Shire Planner is attending the next council meeting and the problem will be taken up with him.

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Peta Zadow, President of the Kojonup P&A Society

Queried item from Special Meeting of Council held 5 November 2019 – why was the matter to be discussed by Council at 19 November 2019 Briefing Session?

Response by Shire President

Awaiting information from Local Government Insurance Scheme (LGIS) and proposed a meeting for the P&A Society to meet with the Council on Tuesday, 26 November 2019 at 5:30pm in the Reception Lounge.

Response by Peta Zadow

1. Agreed to the meeting proposal
2. The P&A Society will proceed with small grant offer for horse shed, floor coverings, exhibition halls upgrade, staging, tiered seating and also a grass area.

3. Would like to put in for a large grant for a universal access toilet near the bar area being more central. Can be plumbed into the existing system they hope. Wants to have the application completed by end of November to meet the deadline.

6 **APPLICATIONS FOR LEAVE OF ABSENCE**

Cr Singh requested via email to the CEO a leave of absence from the November and December 2019 Council meetings.

Council Decision

131/19 Moved Cr Gale, seconded Cr Radford

“That Cr Singh be granted Leave of Absence for the November and December 2019 Council meetings.”

CARRIED 7/0

7 **CONFIRMATION OF MINUTES**

7.1 COUNCIL MEETING 17 SEPTEMBER 2019

Minutes of the Council Meeting which was held on 17 September 2019 were previously circulated under separate cover and are at [Attachment 7.1.1](#)

OFFICER RECOMMENDATION

132/19 Moved Cr Fleay, seconded Cr Radford

“That the Minutes of the Council Meeting held on 17 September 2019 be confirmed as a true record.”

CARRIED 7/0

7.2 COUNCIL MEETING 22 OCTOBER 2019

Minutes of the Council Meeting which was held on 22 October 2019 were previously circulated under separate cover and are at [Attachment 7.2.1](#)

OFFICER RECOMMENDATION

133/19 Moved Cr Radford, seconded Cr Fleay

“That the minutes of the Council Meeting held 22 October 2019 be confirmed as a true record.”

CARRIED 7/0

7.3 SPECIAL COUNCIL MEETING 5 NOVEMBER 2019

Minutes of the Special Council Meeting which was held on 5 November 2019 were previously circulated under separate cover and are at [Attachment 7.3.1](#)

OFFICER RECOMMENDATION

134/19 Moved Cr Radford, seconded Cr Webb

“That the minutes of the Special Council Meeting held 5 November 2019 be confirmed as a true record.”

LOST 2/5

COUNCIL DECISION

135/19 Moved Cr Gale, seconded Cr Webb

“That the minutes of the Special Council Meeting held 5 November 2019 be confirmed as a true record, subject to the following amendments to motion 122/19:

- *Delete point 1(b);*
- *Delete point 2; and*
- *Delete point 3.”*

CARRIED 5/2

8 **ANNOUNCEMENTS** by the Presiding Member without discussion

Attended two (2) meetings:

- Marribank Aboriginal Corporation yesterday in Katanning; and
- Southern Link VROC meeting held last week with the Chief Executive Officer.

9 **DECLARATIONS OF INTEREST**

Item 12.13 - Westcourt Road Re-Alignment (Closure and Dedication) Proposal through Reserve 16076, Blackwood Road Recreation Precinct, Kojonup.

The Chief Executive Officer declared an impartiality interest as Secretary of the Kojonup Golf Club (Club); the Club being the Lessee of Reserve 16076 through which Westcourt Road Reserve runs and golf fairways and improvements are located.

**From Special Council Meeting held 5 November 2019,
Item 11.2 lot 2 Spring Street, Kojonup - disposal to the George Church Community Medical Centre Inc. Lot 2 and 3 Spring Street**

Cr Gale requested it be noted in the minutes that he lives in Spring Street.

10 **KEY PILLAR 1 – ‘PLACE’ REPORTS**

10.1 **NATURAL RESOURCE MANAGEMENT COMMITTEE MINUTES**

AUTHOR	Jane Kowald, NRM/Landcare Officer
DATE	Tuesday, 5 November 2019
FILE NO	GS.PRG.7
ATTACHMENT	10.1.1 – Unconfirmed minutes for the Natural Resource Management Committee meeting 16 June 2019. 10.1.2 – Unconfirmed minutes for the Natural Resource Management Committee meeting 15 August 2019.

STRATEGIC/CORPORATE IMPLICATIONS		
Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”		Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP1 – Place	1.2 Be happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs.	1.2.6 Develop environmental management plans for significant Shire Reserves (N1.2.2)

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to receive the unconfirmed minutes of the Natural Resource Management Advisory Committee held on the 16 June and 15 August 2019.

BACKGROUND

The Natural Resource Management Committee Meeting held 16 June and 15 August 2019 presents its minutes to the Council.

COMMENT

Nil

CONSULTATION

Members of the Natural Resource Management Committee

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

136/19 Moved Cr Radford, seconded Cr Fleay

“That Council receive the Natural Resource Management Committee unconfirmed minutes for the meetings held 16 June and 15 August 2019.”

CARRIED 7/0

10.2 REVIEW OF VOLUNTEER HANDBOOK

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Wednesday, 9 October 2019
FILE NO	CM.POL.1
ATTACHMENT(S)	10.2.1 - Volunteer Handbook – November 2018 showing changes 10.2.2 - Volunteer Handbook – October 2019 clean copy

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP1 - Place	1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs.	1.1.3 – Grow the Kodja Place to become an iconic WA attraction.
KP3 – Performance	3.1 – Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group.	3.1.3 – Encourage interaction and input to the Shire of Kojonup, particularly through contemporary working party teams.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to review the Shire of Kojonup’s Volunteer Handbook.

BACKGROUND

Council’s Volunteer Management Handbook (Handbook) was originally produced in 2016 in line with Council’s adoption of its Volunteer Management Policy (Policy 2.3.8). Significant changes were made in November 2018 to form a less cumbersome and more user friendly Handbook. The Handbook represents a detailed point of reference that recognises volunteers as an integral part of our organisation and provides guidance to managers overseeing volunteer programmes. The provision of such a Handbook for volunteers is also in keeping with Occupational Safety and Health best practice principles, working to protect the employer and the volunteer.

The Shire of Kojonup has many different activities that volunteers engage in (mainly at the Kodja Place precinct, Springhaven Frail Aged Lodge and the Kojonup Library) working alongside staff to deliver and enhance services and initiatives offered by the Shire. Without the support and contribution provided by volunteers, some of these services and initiatives would be difficult to sustain into the future.

Bush Fire Brigade Volunteers are not covered by this Handbook as they are covered under other legislation.

COMMENT

The main amendment to the Volunteer Handbook recommends removing the wording relating to performance appraisals and replacing it with a more 'volunteer friendly' annual feedback concept (page 9 of attachments 2 and 3).

CONSULTATION

Administration staff

STATUTORY REQUIREMENTS

Section 5.40 of the *Occupational Safety and Health Act 1984* – Principles affecting employment by local governments

Section 19 (Duties of employers) and s. 20 (Duties of employees) of the *Local Government Act 1995* – General Workplace Duties

POLICY IMPLICATIONS

Policy 2.3.8 – Volunteer Management

FINANCIAL IMPLICATIONS

In addition to the social and community benefits associated with volunteering, the value adding that occurs without incurring wage expenses, contributes to the ongoing provision of services and initiatives that otherwise may not happen.

RISK MANAGEMENT IMPLICATIONS

A Volunteer Handbook ensures that the Shire's volunteers, and the managers of volunteers, are provided with the necessary information to ensure volunteering duties are undertaken in a safe manner and volunteers are informed as to their rights and obligations.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

137/19 Moved Cr Fleay, seconded Cr Pedler

“That the revised Volunteer Handbook 2019, as presented, be adopted.”

CARRIED 7/0

11 **KEY PILLAR 2 – ‘CONNECTED’ REPORTS**

11.1 **LOCAL LAW REVIEW**

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Thursday, 7 November 2019
FILE NO	LE.LCL.1
ATTACHMENT(S)	<p>11.1.1 – VROC Local Law Review</p> <p>11.1.2 – Comparison Comments</p> <p>11.1.3 – Existing Local Laws</p> <p>11.1.4 – Model Local Laws showing changes</p> <p>11.1.5 – Model Local Laws clean</p>

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
2. 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 (N2.4.2).

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is for the Council to consider endorsing replacement of four of its existing local laws with Western Australian Local Government Association (WALGA) model local laws (where possible) in addition to the creation of three, new local laws also based on WALGA model local laws.

BACKGROUND

At its meeting held on 17 March 2015, the Council resolved:

‘That Council endorse a collaborative approach to a review of Local Laws of each Southern Link Voluntary Regional Organisation of Councils (VROC) member Council.’

Local Laws are required to be reviewed every 8 years; most of the Shire of Kojonup’s local laws have not been reviewed within this timeframe as is the case with a number of other VROC members’ local laws.

Following the 2015 decision to endorse a collaborative approach to the review of the VROC members’ local laws, the Shire of Broomehill-Tambellup Chief Executive Officer (CEO), Keith

Williams, compiled a Local Law Review report. This report included a brief description of each member Council's local laws, a comparison of each member's local laws with the other members' local laws (and, in some instances, those of other local governments), and made recommendations based on those findings.

In April 2018 Council, after receiving the Shire of Broomehill-Tambellup Chief Executive Officer's Local Law Review report, resolved at its Ordinary Meeting, as follows:

'That the Chief Executive Officer be requested to review, via further detailed agenda items to the Council, the Shire of Kojonup Local Laws as follows:

1. *Update existing local laws in accordance with the Model Local Law:*
 - *Activities in Thoroughfares and Trading in Thoroughfares and Public Places;*
 - *Cemeteries;*
 - *Health;*
 - *Local Government Property; and*
 - *Standing Orders.*
2. *Adopt new local laws in accordance with the Model Local Law:*
 - *Bushfire Brigades Local Law*
 - *Dogs Local Law*
 - *Fencing Local Law*
 - *Urban Environment and Nuisance Local Law*
3. *Not pursue the following proposed local laws as identified in the Southern Link VROC Local Law Review:*
 - *Landfill and Transfer Station Local Law*
 - *Parking and Parking Facilities Local Law*
 - *Pest Plants Local Law*
 - *Waste Services Local Law*
 - *Cats Local Law*
4. *Further investigation into the pros and cons around having an Extractive Industries Local Law.'*

An Extractive Industries Local Law was researched further and, in April 2019, the Council resolved as follow:

'That the Shire of Kojonup does not form an Extractive Industries Local Law.'

COMMENT

Using model local laws where possible not only brings all VROC members into line with current statutory requirements but has the added benefit of more consistency for local and regional staff, contractors, consultants and business operators working throughout the VROC member council areas.

During 2018 the author took over the VROC Local Law Review process and compared the WALGA model local laws with each VROC member shire's existing local laws. The differences, in addition to the earlier recommendations from Keith Williams' Local Law Review report, were provided to each member local government CEO and/or their staff for further comment and recommendation to accept or remove differences identified during the comparison.

A commentary of model local law differences (compared to existing local laws) and member shire staff choices around those differences is included at attachment 11.1.2 (Comparison Comments). Existing local laws, model local laws with staff recommended differences shown, and 'clean' model local laws (the latter showing changes incorporated into a final recommended copy) are shown at attachments 11.1.3, 11.1.4 and 11.1.5.

More extensive detail regarding the updating of the Health Local Law to possibly become a Health, Animals, Environment and Nuisance Local Law (encompassing the content of an Urban Environment and Nuisance Local Law originally requested by Council) is contained at the end of the Comparison Comments (11.1.2). A local law/s will be presented to Council *at a later date* when it has been established that such a local law can be made as one (or the matters need to be addressed in two local laws) and if it/they can or cannot be made with the *Local Government Act 1995* as the head of power. There are also a number of clauses requiring further investigation/clarification within this proposed local law/s.

When gazettal dates were researched for the local laws that are being repealed as model local laws replace them, there were a number of local law related listings identified on the Department of Local Government, Sport and Cultural Industries' (Department) website (dating back to 1936) that, although they may have since been superseded by legislation, still appear (on the website) as being 'on the books'. The Department is further investigating these listings and, if found to be requiring repeal, will be the subject of a Repeal Local Laws Local Law at a future date.

The attached and *updated* (to the model local law version) Local Laws that are the subject of this report include:

- Activities in Thoroughfares and Public Places and Trading;
- Cemeteries;
- Local Government (Council Meetings) (previously Standing Orders); and
- Local Government Property.

The attached *new* local laws, that are also the subject of this report and based on model Local Laws, include:

- Bush Fire Brigades;
- Dogs; and
- Fencing.

Once Council has endorsed the *proposed* local laws, advertising will occur where the public is invited to make submissions regarding each amended or proposed local law. Any submissions will be brought back to Council for consideration and amending, if applicable, prior to adoption and publishing in the Western Australian Government Gazette, in accordance with s. 3.12 (5) of the *Local Government Act 1995*.

CONSULTATION

Local Law Review by Keith Williams, Chief Executive Officer, Shire of Broomehill-Tambellup
Rick Mitchell-Collins, Chief Executive Officer
Anthony Middleton, Manager Corporate and Community Services
Michelle Dennis, Development Services Coordinator
Paul Retallack, Senior Ranger/Building Services Coordinator

STATUTORY REQUIREMENTS

The specific head of power for making Local Laws is the *Local Government Act 1995* (s. 3.5 and s. 3.10 specifically):

3.5. *Legislative power of local governments*

(1) *A local government may make local laws under this Act prescribing all matters that are required or permitted to be prescribed by a local law, or are necessary or convenient to be so prescribed, for it to perform any of its functions under this Act.*

(3) *The power conferred on a local government by subsection (1) is in addition to any power to make local laws conferred on it by any other Act.*

3.10. *Creating offences and prescribing penalties*

(1) *A local law made under this Act may provide that contravention of a provision of the local law is an offence, and may provide for the offence to be punishable on conviction by a penalty not exceeding a fine of \$5 000.*

(2) *If the offence is of a continuing nature, the local law may make the person liable to a further penalty not exceeding a fine of \$500 in respect of each day or part of a day during which the offence has continued.*

(3) *The local law may provide for the imposition of a minimum penalty for the offence.*

(4) *The level of the penalty may be related to —*

- (a) *the circumstances or extent of the offence;*
- (b) *whether the offender has committed previous offences and, if so, the number of previous offences that the offender has committed.*

[(5) *deleted*]

(6) *A local law made under this Act may specify the method and the means by which any fines imposed are to be paid and collected, or recovered.*

[Section 3.10 amended: No. 1 of 1998 s. 7.]

Sections 3.12 to 3.16 of the *Local Government Act 1995* set out the procedures for making, advertising, changing, commencing, publishing and reviewing local laws.

A Council may determine (by absolute majority) whether or not it considers that a Local Law should be repealed or amended. All existing local laws being replaced will be repealed as the updated local law comes into effect; this is reflected in each replacement local law.

If a Council resolves to repeal and/or amend any Local Law outside the above process (that is, other than when an existing local law is being replaced or updated as above), then the process to do so must be undertaken in the same manner as adoption of a Local Law under s. 3.12. If a Council resolves not to repeal and/or amend any Local Law, no further action is required and the review process is finalised. Sections 3.12 to 3.16:

3.12. Procedure for making local laws

(1) *In making a local law a local government is to follow the procedure described in this section, in the sequence in which it is described.*

(2A) *Despite subsection (1), a failure to follow the procedure described in this section does not invalidate a local law if there has been substantial compliance with the procedure.*

(2) *At a council meeting the person presiding is to give notice to the meeting of the purpose and effect of the proposed local law in the prescribed manner.*

(3) *The local government is to —*

(a) *give local public notice stating that —*

(i) *the local government proposes to make a local law the purpose and effect of which is summarized in the notice; and*

(ii) *a copy of the proposed local law may be inspected or obtained at any place specified in the notice; and*

(iii) *submissions about the proposed local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*

and

(b) *as soon as the notice is given, give a copy of the proposed local law and a copy of the notice to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister; and*

(c) *provide a copy of the proposed local law, in accordance with the notice, to any person requesting it.*

[(3a) deleted]

(4) *After the last day for submissions, the local government is to consider any submissions made and may make the local law* as proposed or make a local law* that is not significantly different from what was proposed.*

** Absolute majority required.*

(5) *After making the local law, the local government is to publish it in the Gazette and give a copy of it to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister.*

(6) *After the local law has been published in the Gazette the local government is to give local public notice —*

(a) stating the title of the local law; and

(b) summarizing the purpose and effect of the local law (specifying the day on which it comes into operation); and

(c) advising that the local law is published on the local government's official website and that copies of the local law may be inspected at or obtained from the local government's office.

(7) *The Minister may give directions to local governments requiring them to provide to the Parliament copies of local laws they have made and any explanatory or other material relating to them.*

(8) *In this section —*

making *in relation to a local law, includes making a local law to amend the text of, or repeal, a local law.*

[Section 3.12 amended: No. 1 of 1998 s. 8; No. 64 of 1998 s. 6; No. 49 of 2004 s. 16(4) and 23; No. 26 of 2016 s. 5; No. 16 of 2019 s. 8.]

3.13. Procedure where significant change in proposal

If during the procedure for making a proposed local law the local government decides to make a local law that would be significantly different from what it first proposed, the local government is to recommence the procedure.

3.14. Commencement of local laws

(1) *Unless it is made under section 3.17, a local law comes into operation on the 14th day after the day on which it is published in the Gazette or on such later day as may be specified in the local law.*

(2) *A local law made under section 3.17 comes into operation on the day on which it is published in the Gazette or on such later day as may be specified in the local law.*

[Section 3.14 amended: No. 1 of 1998 s. 9.]

3.15. Local laws to be publicised

A local government is to take reasonable steps to ensure that the inhabitants of the district are informed of the purpose and effect of all of its local laws.

3.16. Periodic review of local laws

(1) *Within a period of 8 years from the day when a local law commenced or a report of a review of the local law was accepted under this section, as the case requires, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.*

- (2) *The local government is to give local public notice stating that —*
- (a) *the local government proposes to review the local law; and*
 - (b) *a copy of the local law may be inspected or obtained at any place specified in the notice; and*
 - (c) *submissions about the local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*

[(2a) deleted]

(3) *After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*

(4) *When its council has considered the report, the local government may determine* whether or not it considers that the local law should be repealed or amended.*

** Absolute majority required.*

[Section 3.16 amended: No. 64 of 1998 s. 7; No. 49 of 2004 s. 24; No. 16 of 2019 s. 9.]

Further, Council must give notice of the purpose and effect of a local law, as per r. 3 of the Local Government (Functions and General) Regulations:

3. *Prescribed manner of giving notice of purpose and effect of proposed local law (Act s. 3.12(2))*

For the purpose of section 3.12 of the Act, the person presiding at a council meeting is to give notice of the purpose and effect of a local law by ensuring that —

- (a) *the purpose and effect of the proposed local law is included in the agenda for that meeting; and*
- (b) *the minutes of the meeting of the council include the purpose and effect of the proposed local law.*

[Regulation 3 inserted: Gazette 31 Mar 2005 p. 1057; amended: Gazette 27 Sep 2011 p. 3846.]

The specific head of power for making Local Laws is the *Local Government Act 1995* (s. 3.5 and s. 3.10 specifically). The following Local Laws making up this report are made referencing this head of power:

- Activities in Thoroughfares and Public Places and Trading;
- Bush Fire Brigades;
- Cemeteries;
- Dog Act;
- Fencing;
- Local Government (Council Meetings); and
- Local Government Property.

Additionally, Local Laws may be made under a head of power provided for in specific Acts, for example:

- Bush Fire Brigades – s. 33(5a), s. 43 and s. 62 of the *Bush Fires Act 1954*;
- Cemeteries – s. 54 and s. 55 of the *Cemeteries Act 1986*;
- Dogs – s. 49, s. 49A and s. 51 of the *Dog Act 1976*;

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Costs associated with this review will include advertising and gazettal of the reviewed local laws. There is provision within the budget for advertising.

RISK MANAGEMENT IMPLICATIONS

Maximising compliance with legislation minimises the risks to the organisation of non-compliance and any associated penalties, damage to image or reputation that may occur.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

The Southern Link VROC Strategic Directions 2015-2020 identifies at Goal Four (Increase capacity through collaboration) the following strategy:

Strategy 1 – ‘Share systems and processes between member LGAs’.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

138/19 Moved Cr Radford, seconded Cr Wieringa

1. *“That the following replacement local laws be endorsed for proposal, as presented, and advertised for public comment in accordance with s. 3.12 (3) of the Local Government Act 1995:*

- *Activities in Thoroughfares and Public Places and Trading Local Law 2020*
Purpose: To stipulate activities that can or cannot occur in thoroughfares and public places within the Shire of Kojonup and to provide information on how activities are to take place.
Effect: To provide for orderly conduct in thoroughfares and public places in the local government district.

- *Cemeteries Local Law 2020*
Purpose: To provide administrative instruction on funeral matters, burials, memorials and placement of ashes, and general information related to conduct within cemeteries in the Shire of Kojonup.
Effect: To specify appropriate and respectful conduct by all persons involved in the administration of cemetery matters or use of the cemeteries within the district.

- *Local Government (Council Meetings) Local Law 2020*
Purpose: To provide rules and guidelines which apply to the conduct of meetings of the Shire of Kojonup Council and its committees and to meetings of electors, in accordance with legislative requirements.
Effect: To result in better decision making, orderly conduct of meetings dealing with Council business, a better understanding of the process of conducting meetings, and more efficient and effective use of time at meetings conducted by the Shire of Kojonup Council.

- *Local Government Property Local Law 2020*
Purpose: To provide for determination of the use of local government property by defining activities that may be pursued or prohibited thereon and to specify requirements of use and appropriate behaviour on local government property in the district.
Effect: To define allowable and disallowed local government property uses and the conditions of those uses within the Shire of Kojonup.”

And

2. *“That the following new local laws be endorsed for proposal, as presented, and advertised for public comment, in accordance with s. 3.12 (3) of the Local Government Act 1995:*

- *Bush Fire Brigades Local Law 2020*

Purpose: To provide administrative rules for establishment, organisation and maintenance of bush fire brigades, types of membership and management of members, provision of equipment, and rules governing brigade operations within the Shire of Kojonup.

Effect: The enabling of administrative consistency and effective governance within the Shire of Kojonup’s bush fire brigades.

- *Dogs Local Law 2020*

Purpose: To address the impounding of dogs, requirements and limitations on the keeping of dogs, and the requirements of approved kennel establishments within the district.

Effect: To provide for consistent and effective management of the dog population within the Shire of Kojonup.

- *Fencing Local Law 2020*

Purpose: To prescribe a sufficient fence and the standard for the construction of fences throughout the district.

Effect: To establish the minimum requirements for fencing within the district.

prior to them being brought back to Council for consideration of submissions or amendments, if any, and subsequent adoption.”

CARRIED 7/0

12 KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS

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

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Thursday, 7 November 2019
FILE NO	FM.FNR.2
ATTACHMENT(S)	12.1.1 – September 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 30 September 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 30 September 2019 represents three (3) months, or 25% of the year.

The following items are worthy of noting:

- Closing surplus position of \$3.32m;
- Operating results:
 - 44% of budgeted operating revenue has been received; and
 - 27% of budgeted operating expenditure spent;
- Capital expenditure achieved 4% of budgeted projects;
- The value of outstanding rates equates to 23.8% of 2019/2020 rates raised (includes instalment plans);

- Cash holdings of \$8.1m of which \$3.0m is held in cash backed reserve accounts and \$2.3m is a grant held for other parties; 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

139/19 Moved Cr Radford, seconded Cr Pedler

“That the monthly financial statements for the period 1 July 2019 to 30 September 2019, as attached, be noted.”

CARRIED 7/0

12.2 FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (OCTOBER 2019)

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Monday, 11 November 2019
FILE NO	FM.FNR.2
ATTACHMENT(S)	12.2.1 – October 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 October 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 October 2019 represents four (4) months, or 33% of the year.

The following items are worthy of noting:

- Closing surplus position of \$2.6m;
- Operating results:
 - 46% of budgeted operating revenue has been received; and
 - 33% of budgeted operating expenditure spent;

- Capital expenditure achieved 7% of budgeted projects;
- The value of outstanding rates equates to 18.9% of 2019/2020 rates raised (includes instalment plans);
- Cash holdings of \$7.9m of which \$3.3m is held in cash backed reserve accounts and \$2.3m is a grant held for other parties; 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

140/19 Moved Cr Radford, seconded Cr Gale

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

CARRIED 7/0

12.3 MONTHLY PAYMENTS LISTING – SEPTEMBER 2019

AUTHOR	Melissa Binning – Finance Officer
DATE	Monday, 11 November 2019
FILE NO	FM.AUT.1
ATTACHMENT	12.3.1 – Monthly Payment Listing 1/09/2019 to 30/09/2019

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 September 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

Refer to the VROC Strategic Plan

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

141/19 Moved Cr Radford, seconded Cr Webb

“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 September 2019</i>		<i>TO – 30 September 2019</i>
<i>Municipal Cheques</i>	<i>14157 – 14163</i>	<i>\$26,321.29</i>
<i>EFTs</i>	<i>24450 – 24631</i>	<i>\$350,757.55</i>
<i>Direct Debits</i>		<i>\$379,328.37</i>
<i>Total</i>		<i>\$756,407.21</i>

be received.”

CARRIED 7/0

12.4 MONTHLY PAYMENTS LISTING – OCTOBER 2019

AUTHOR	Melissa Binning – Finance Officer
DATE	Monday, 11 November 2019
FILE NO	FM.AUT.1
ATTACHMENT	12.4.1 – Monthly Payment Listing 1/10/2019 to 31/10/2019

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 October 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

Refer to the VROC Strategic Plan

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

142/19 Moved Cr Radford, seconded Cr Gale

“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 October 2019</i>		<i>TO – 31 October 2019</i>
<i>Municipal Cheques</i>	<i>14164 – 14169</i>	<i>\$25,947.25</i>
<i>EFTs</i>	<i>24632 – 24836</i>	<i>\$491,944.20</i>
<i>Direct Debits</i>		<i>\$637,867.18</i>
<i>Total</i>		<i>\$1,155,758.63</i>

be received.”

CARRIED 7/0

12.5 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD 5 NOVEMBER 2019

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Wednesday 13 November 2019
FILE NO	GO.CNM.96
ATTACHMENT(S)	12.5.1 – Unconfirmed Minutes from the Audit and Risk Committee Meeting held 5 November 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 minutes of the Audit and Risk Committee meeting held 5 November 2019 are presented for Council consideration.

BACKGROUND

The Audit and Risk Committee is established under Section 71A of the *Local Government Act 1995* ensuring transparency in Councils financial management and decision making process. In accordance with Section 71.A of the *Local Government Act 1995*, the Audit and Risk Committee was established with defined terms of reference and a membership consisting of six (6) committee members being, four (4) Councillors; and two (2) Community Members. A decision of the Audit and Risk Committee is to be made by a simple majority.

COMMENT

The Audit and Risk Committee typically meets at least quarterly, or as required, and has held four meetings since the commencement of the calendar year being 19 February 2019, 7 May 2019, 8 August 2019 and 5 November 2019.

CONSULTATION

Members of the Audit and Risk Committee.

STATUTORY REQUIREMENTS

Sections 7.1A to 7.1C of the *Local Government Act 1995*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Risk Profile 3 – Compliance

As per s.7.1A of *the Local Government Act 1995*, a local government is to establish an audit and risk committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/ COUNCIL DECISION

143/19 Moved Cr Webb, seconded Cr Wieringa

“That Council receive the minutes from the Audit and Risk Committee meeting held 5 November 2019.”

CARRIED 7/0

12.6 2020 COUNCIL MEETING DATES

AUTHOR	Lorraine Wyatt – Executive Assistant
DATE	Monday, 11 November 2019
FILE NO	GO.CNM.6
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - Performance	3.2 – Be exceptional in two-way communication within our community, and market our brand outside of our community.	3.2.2 - Engage with our residents and industry members through increased use of social media.

DECLARATION OF INTEREST

Nil.

SUMMARY

Council is being asked to adopt Council Meeting dates and times for the 2020 year.

BACKGROUND

In accordance with the Regulation 12 of the *Local Government (Administration) Regulation 1996*, Local Governments are required to give local public notice of the date, time and place with respect to ordinary council meetings and committee meetings which are proposed to be open to members of the public and shall be held within the proceeding 12 month period.

COMMENT

In October 2005 it was resolved that Council meetings will be held on the third Tuesday of each month commencing at 3:00pm except where dates clash with a public holiday or internal staffing management.

There is no Council meeting held during the month of January and the July meeting includes budget adoption. In order to ensure the end of financial year processes are completed, the July meeting has been held on the fourth Tuesday of the month rather than the third.

The December Council meeting has typically been held on the second Tuesday of December and it is recommended that this practice continue.

Regulation 12 of the *Local Government (Administration) Regulations 1996* requires that the scheduled Ordinary Council meetings which will be open to the public, are given local public

notice at least once per year and that the notice should include the date, time and location of the meetings.

Given all of the above, the proposed meeting schedule for 2020 is as follows:

18 February 2020

17 March 2020

21 April 2020

19 May 2020

16 June 2020

28 July 2020

18 August 2020

15 September 2020

20 October 2020

17 November 2020

8 December 2020

CONSULTATION

Nil

STATUTORY REQUIREMENTS

Local Government Act 1995 - Section 5.25(1)(g). Regulations about council and committee meetings.

Local Government (Administration) Regulations 1996 - Section 12. Meetings, public notice of

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

144/19 Moved Cr Gale, seconded Cr Fleay

“That:

1. *Ordinary Council Meetings be scheduled for the third Tuesday of each month for 2020 commencing at 3:00pm with the following exceptions:*
 - *No scheduled meeting to be held in January;*
 - *The July meeting be held on the fourth Tuesday to make allowance for the Annual Budget adoption; and*
 - *The December meeting be held on the second Tuesday given timing to Christmas break period.*
2. *The following dates be approved for the 2020 year for Council Meetings:*
 - *18 February 2020*
 - *17 March 2020*
 - *21 April 2020*
 - *19 May 2020*
 - *16 June 2020*
 - *28 July 2020*
 - *18 August 2020*
 - *15 September 2020*
 - *20 October 2020*
 - *17 November 2020*
 - *8 December 2020*
2. *Local public notice be given of the approved Council meeting dates for the 2020 year.”*

CARRIED 7/0

12.7 ADMINISTRATION OFFICE AND LIBRARY CLOSURE DURING THE 2019/2020 CHRISTMAS AND NEW YEAR PERIOD

AUTHOR	Lorraine Wyatt – Executive Assistant
DATE	Monday, 11 November 2019
FILE NO	CM.PRO.1
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - Performance	3.2 – Be exceptional in two-way communication within our community, and market our brand outside of our community.	3.2.2 - Engage with our residents and industry members through increased use of social media.

DECLARATION OF INTEREST

Nil.

SUMMARY

To approve the Administration Office and Library closure during the 2019/2020 Christmas and New Year period.

BACKGROUND

The temporary closure of the Administration Office and Library during the Christmas and New Year holiday period has occurred for several years and it is suggested that the same arrangements take place during the 2019/2020 Christmas and New Year period.

COMMENT

It is proposed that the Administration Office and Library be closed from 2.00pm Tuesday 24 December 2019 until Thursday 2 January 2020 as follows:

Tuesday 24 December 2019 – Normal work day closing at 2.00pm

Thursday 2 January 2020 – Administration Office and Library reopens at 8.30am

Staff will be required to utilise leave accruals which can include:

- annual leave
- rostered days off
- time in lieu; or
- leave without pay (only by prior arrangement with the CEO)

Staff who are planning to work throughout this period can only do so with the approval of the CEO.

CONSULTATION

Senior Management, 8 November 2019

STATUTORY REQUIREMENTS

Nil.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

There are no financial implications as staff will be required to utilise leave accruals which are accounted for in the 2019/2020 Annual Budget.

RISK MANAGEMENT IMPLICATIONS

Staff will use accrued leave therefore reducing leave liability to the Shire and enabling staff to have a stress free break knowing the office is closed during this time.

ASSET MANAGEMENT IMPLICATIONS

Nil.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/ COUNCIL DECISION

145/19 Moved Cr Webb, seconded Cr Gale

“That approval be granted for:

- 1. The closure of the Administration Office and Library during the Christmas and New Year period from 2.00pm Tuesday 24 December 2019 to 8.30am Thursday 2 January 2020; and*
- 2. That local public notice of the closure be advertised.”*

CARRIED 7/0

12.8 GREAT SOUTHERN DEVELOPMENT COMMISSION BOARD NOMINATIONS

AUTHOR	Lorraine Wyatt – Executive Assistant
DATE	Friday, 8 November 2019
FILE NO	GR.FDL.1
ATTACHMENT(S)	12.8.1 - Great Southern Development Commission Board Nominations

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP 3 – Performance	3.1 Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group.	3.1 Build partnerships with WA recreation, business and tourism.

DECLARATION OF INTEREST

Nil.

SUMMARY

The Great Southern Development Commission is seeking nominations for two Local Government Representatives for a term of up to 3 years. Councillor Ronnie Fleay is currently the Deputy Chair.

BACKGROUND

The role of the Great Southern Development Commission (GSDC) is to coordinate and support endeavours that build the economy and promote growth in the Great Southern region of Western Australia. The GSDC works with the public, private and not-for-profit sectors.

Strategic planning undertaken by the GSDC sits under the strategies of the Western Australian State Government, including as expressed by the Department of Primary Industries and Regional Development.

The GSDC’s strategic planning activities seek to keep on growing the regional economy by making sure there is an integrated set of planning resources that lead to good decisions about practical matters. The GSDC integrates government planning and provides a valuable resource for government, industry and not-for-profit organisations.

The core functions as identified by the Board include undertaking regional planning and appropriate projects, advising the State Government and providing a link to the Government on key issues and policies that impact the region.

Four goal areas encompass the work of the Commission:

1. Economic growth and diversification
2. Essential infrastructure and services
3. Community and environment
4. Knowledge and innovation.

COMMENT

The Great Southern Development Commission is seeking nominations for two local government representative vacancies on its Board of Management. In accordance with the *Regional Development Commissions Act 1993*, nominees for the vacancies must be members of the Council of a local government in the region and are to be nominated by local governments in the region.

All local governments in the Great Southern region are invited to nominate up to four Councillors, who are willing and able to be candidates, for appointments. The Commission is seeking nominations of highly motivated and enthusiastic people, who can help drive economic opportunities in the region and demonstrate the following:

- Experience of decision making and planning at local government level;
- Active involvement in, and awareness of economic and social development issues within the region;
- Experience and/or knowledge of public sector governance, finances and risk management;
- Willingness and capacity to devote time and energy to the role.

Terms of appointment will be for up to three years. The Minister for Regional Development, Hon Alannah MacTiernan MLC will make appointments to the Board after consultation with Cabinet.

CONSULTATION

Nil

STATUTORY REQUIREMENTS

Regional Development Commissions Act 1993

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Nil

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

The item is not covered in the Southern Link VROC Strategic Directions 2015-2020 however Councillors who wish to nominate will be representing the Great Southern Region, not only the Shire of Kojonup.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

146/19 Moved Cr Radford, seconded Cr Pedler

“That Council nominates Cr Ronnie Fleay to the role of Board member for the Great Southern Development Commission for a period of up to 3 years for the Minister’s approval.”

CARRIED 7/0

12.9 USEFUL LIFE OF ASSETS REVIEW

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Wednesday, November 13, 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

The purpose of this item is to consider the recommendation from the Audit and Risk Committee that the review of the useful life prediction used to calculate depreciation rates as identified in the December 2018 Financial Management Review is not required

BACKGROUND

The independent four (4) yearly Financial Management Review undertaken in December 2018 by McLeod Corporation Pty Ltd provided six (6) recommendations for improvement. The only outstanding recommendation pertains to financial ratios and is as follows:

“The Shire has improved its financial operating ratios – which are reported on the My Council website.

Only own source revenue coverage ratio does not meet with expectations consistent with other regional Councils.

We recommend that the useful life prediction used to calculate depreciation rates be reviewed.

The operating financial ratios are analysed in detail following at section 6, page 17.”

COMMENT

Simply put, to improve our ratio it has been suggested that depreciation amounts be amended to reduce this expense and therefore improve the ratios. It is considered by the Manager Corporate & Community Services that this course of action is side stepping the whole process and would question the reason for calculating and reporting the ratios at all if the answer to a poor ratio is just to “change the figures”.

However, let’s have a quick ‘back of the envelope’ look at our depreciation rates to see if this idea has merit.

In the 2017/2018 Annual Financial Report, the Shire has approximately \$160m of ‘fixed’ assets. The majority of this (\$130m) is Infrastructure and the majority of Infrastructure is roads. Some components of roads (e.g. formation) don’t depreciate at all, whereas other components (e.g. seal) depreciates over 20 years. The average for all components is 50 years.

First calculation:

$$\frac{\$130m}{50 \text{ years}} = \$2.6m \text{ per year}$$

Actual Infrastructure depreciation in 2017/2018 = \$2.05m
Difference = (\$550,000)

Of the other assets (property, plant & equipment), the Shire has approximately \$30m. Depreciation rates for these assets are as follows:

Land	not depreciated
Buildings	30 to 50 years
Furniture & Equipment	4 to 10 years
Plant & Equipment	5 to 15 years

Applying current asset values to the middle of these ranges results in the following annual depreciation figures:

Second calculation:

<i>Land</i>	$\$2.2m \times 0\%$	=	$\$0$
<i>Buildings</i>	$\$25m \times 2.5\%$	=	$\$625,000$
<i>Furniture & Equipment</i>	$\$0.4m \times 15\%$	=	$\$60,000$
<i>Plant & Equipment</i>	$\$3.9m \times 10\%$	=	$\$390,000$
<i>TOTAL</i>		=	$\$1,075,000$

Actual Property, Plant & Equipment depreciation in 2017/2018 = \$913,000
Difference = (\$162,000)

To summarise, a quick and rough approximate calculation shows annual depreciation should be around \$3.67m, whereas actual depreciation figures are \$2.96m. Without going into

greater detail, decreasing depreciation figures does not seem like a wise idea. If anything, useful lives could be reviewed and depreciation increased.

This information was provided to the Committee to discuss at its meeting held 5 November 2019 in conjunction with the recommendation from the Financial Management Review and an appropriate course of action was suggested.

CONSULTATION

Audit & Risk Committee Meeting 5 November 2019

Chief Executive Officer

Senior Finance Officer

STATUTORY REQUIREMENTS

Section 5.2C of the *Local Government Financial Management Regulations 1996* states:

5. *CEO's duties as to financial management*

- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
- (a) *for the proper collection of all money owing to the local government; and*
 - (b) *for the safe custody and security of all money collected or held by the local government; and*
 - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
 - (d) *to ensure proper accounting for municipal or trust —*
 - (i) *revenue received or receivable; and*
 - (ii) *expenses paid or payable; and*
 - (iii) *assets and liabilities;*
- and*
- (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
 - (f) *for the maintenance of payroll, stock control and costing records; and*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to —*
- (a) *ensure that the resources of the local government are effectively and efficiently managed; and*
 - (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*

- (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews*

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

RISK MANAGEMENT FRAMEWORK <i>follow hyperlinks above (2nd hyperlink for Risk Profiles)</i>			
Risk Profile	Risk Description/Cause	Key Control	Current Action
<i>3 - Compliance</i>	<ul style="list-style-type: none"> • <i>Ineffective policies & processes</i> • <i>Impulsive decision making</i> • <i>Councillor turnover</i> 	<ul style="list-style-type: none"> • <i>Audit and Risk Committee</i> • <i>External Audits (compliance)</i> • <i>Financial management reviews</i> • <i>Industry Standards maintained (LIWA/Royal Life, AIBS)</i> 	<i>Nil.</i>
IMPLICATIONS			
<p><i>Indicators:</i> <i>Audit notifications</i> <i>Increased scrutiny from regulators or agencies</i> <i>Letters from the Department of Local Government</i></p> <p><i>Officer Comment:</i> <i>An independent audit process is a key risk management control mechanism and greatly assists in the identification of system, process or financial improvements.</i></p>			

ASSET MANAGEMENT IMPLICATIONS

Accepting the recommendation from McLeod Corporation would improve the ratios but have a negative effect and distort the future values of future depreciation and hence the value of assets. .

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS
Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommendation be accepted by council

COMMITTEE RECOMMENDATION/ COUNCIL DECISION

147/19 Moved Cr Gale, seconded Cr Fleay

"That the Council review of the useful life prediction used to calculate depreciation rates as identified in the December 2018 Financial Management Review not be required."

CARRIED 7/0

12.10 OPERATING SURPLUS RATIO – PROGRESS REPORT

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Wednesday, November 13, 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 an ongoing review of the Operating Surplus Ratio in accordance with the Audit and Risk Committee’s recommendation at its 5 November 2019 meeting.

BACKGROUND

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:

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

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.’

The historical results for the Shire of Kojonup for the Operating Surplus ratio are as follows:

Date	2012	2013	2014	2015	2016	2017	2018	2019 (Draft)
Operating Surplus Ratio	0.11	(0.11)	(0.15)	0.01	(0.28)	(0.41)	(0.30)	(0.40)

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

Following a recommendation from this Committee (at its meeting held 6 August 2019), the Council resolved on 20 August 2019 as follows:

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.'

There was further discussion regarding the Operating Surplus Ratios at the Audit and Risk Committee meeting held on 5 November 2019 with point 3 above being the main topic discussed and the reason for this agenda item. The Committee then moved the following motion:

'That the Council as a whole start thinking of ways to address the Operational Surplus Ratio with long and short term plans, to bring the ratios back into balance.'

COMMENT

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. As such, it is acceptable to expect these funding sources to exist into the future. Secondly, these grants fund new assets or asset renewal and upgrades 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.

What has Caused the Ratio to Decline?

During the eight 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 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, in the 2019/2020 budget:

- 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%. Rates are the primary ‘own income source’ available to the Council and represent the single biggest opportunity to increase revenue and therefore the operating surplus ratio.

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%.

Insurance levels have been presented to the Committee for the previous three (3) financial years and no savings have been identified. A risk versus cost approach needs to be taken with caution when reviewing insurances. The implementation of the Shire's Building Assessment Framework rationalisation process will assist with lowering insurance costs (less assets owned equals less insurance paid).

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 (EBA).

A new EBA is currently being negotiated between the CEO and staff which presents the opportunity to slow the rate of wage increases currently being experienced, which will in turn assist the ratio to improve.

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.

The Kodja Place represents the simplest way to instantly improve this ratio, either through increased revenue or a reduction in opening hours (and therefore operating expenses). The CEO is presenting an agenda item on operating hours for The Kodja Place at the December 2019 Council Meeting.

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%). Whilst efficiencies are always encouraged, road maintenance is the basic core function of any rural local government and it is not recommended to reduce expenditure in this area purely for the improvement of a ratio. Changes for example, to fuel prices has a 'flow on' effect to the Works Program and is a major expense item in the annual budget.

Springhaven Lodge:

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

The future operations of Springhaven Lodge is definitely an area that can be further investigated to improve this ratio. The presence of a 22 bed Aged Care Facility in Kojonup is exceptionally important to the community, however, the question of whether or not the Shire needs to be the owner and operator of such a facility should be looked into further.

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.

Suggestions have been made above under the headings of rates, insurance, wages and salaries, The Kodja Place and Springhaven Lodge to assist with future decisions that would improve the ratio. It should always be remembered that 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

It is very relevant that the importance of these ratios is put into perspective and be cognisant that over seventy (70) local governments in WA are in the same situation with this ratio. 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 Committee is encouraged to add its own recommendations or requests to the Author's comments as part of any motions passed for this agenda item.

CONSULTATION

Audit & Risk Committee Meeting – 6 August 2019.

Council – 20 August 2019

Audit & Risk Committee Meeting 5 November 2019

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

RISK MANAGEMENT FRAMEWORK <i>follow hyperlinks above (2nd hyperlink for Risk Profiles)</i>			
Risk Profile	Risk Description/Cause	Key Control	Current Action
<i>3 - Compliance</i>	<ul style="list-style-type: none"> • <i>Ineffective policies & processes</i> • <i>Impulsive decision making</i> • <i>Councillor turnover</i> 	<ul style="list-style-type: none"> • <i>Audit and Risk Committee</i> • <i>External Audits (compliance)</i> • <i>Financial management reviews</i> • <i>Industry Standards maintained (LIWA/Royal Life, AIBS)</i> 	<i>Nil.</i>
IMPLICATIONS			
<p><i>Indicators:</i> <i>Audit notifications</i> <i>Increased scrutiny from regulators or agencies</i> <i>Letters from the Department of Local Government</i></p> <p><i>Officer Comment:</i> <i>An independent audit process is a key risk management control mechanism and greatly assists in the identification of system, process or financial improvements.</i></p>			

ASSET MANAGEMENT IMPLICATIONS

Nil.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the information contained within this progress report relating to the Operating Surplus Ratio be received.

COMMITTEE RECOMMENDATION/ COUNCIL DECISION

148/19 Moved Cr Fleay, seconded Cr Radford

"That the Council as a whole start thinking of ways to address the Operational Surplus Ratio with long and short term plans, to bring the ratios back into balance."

CARRIED 7/0

12.11 MANAGEMENT OF COMMUNITY HALLS

AUTHOR	Judy Stewart – Senior Administration Officer Anthony Middleton – Manager Corporate and Community Services
DATE	Friday, 15 November 2019
FILE NO	RM.PRO.2
ATTACHMENT(S)	12.11.1 - Correspondence from Muradup Agricultural Hall Committee 12.11.2 - Correspondence from Qualeup Hall Committee x 2 12.11.3 - Correspondence from Boscabel Hall Committee

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.	3.1.3 - Encourage interaction and input to the Shire of Kojonup, particularly through contemporary working party teams.
	3.3 – Use a Building Assessment Framework and control our investment in building maintenance	3.3.1 - Implement an asset rationalisation process based on the Building Assessment Framework. 3.3.2 - Maximise usage of community facilities whilst reducing the financial obligation on the Shire and its people. 3.3.4 - Undertake an asset management planning process to review and rationalise Shire buildings to maximise their use and value to the community.
	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.

		3.4.4. - Design a program of activities to imbed sound asset management practice, its culture and activities at all levels of the organisation.
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DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to progress the addressing and mitigating of risk associated with a lack of written agreements between community groups and the Shire of Kojonup (Shire) for the management of community halls throughout the Shire.

BACKGROUND

In July 2017, the Council adopted its Building Assessment Framework (BAF), a comprehensive asset management process that assessed all of the Shire’s 91 (at the time) buildings and prioritised them against established criteria. The BAF gave all buildings a score out of 100 and the Council requested an assessment be completed on all buildings with a score of less than 30. Twenty-five (25) buildings scored 30 or less and included four community halls being Changerup, Qualeup (and toilets), Boscabel (and toilets), and the Old Scout Hall (to the south side of the Toy Library and Playgroup).

As per a report to Council in July 2019, research had established that the Reserve that the Changerup Hall is located on is managed by the Changerup District Recreation Centre Incorporated and, therefore, the Shire has no responsibilities in relation to its maintenance or management. Whilst not included in the 25 buildings that scored 30 or less in the BAF assessment process, the Muradup Agricultural Hall is managed, as are the Qualeup and Boscabel Halls, by a community committee and without a written agreement in place between the committees and the Shire.

Earlier this year Shire staff and elected members were involved in a major review of the Shire’s Risk Management system, culminating in the adoption of a new Risk Management Framework at Council’s May 2019 Ordinary Meeting. Shire staff and a number of Councillors were engaged in Risk Management workshops conducted by Local Government Insurance Services (LGIS) resulting in staff updating practices and documentation in line with current best practice principles.

Community groups were also invited to attend an Event Risk Management workshop outlining their responsibilities in managing risk from a community group committee perspective; that is, their responsibilities to their members and to the general public and also the reasoning behind community groups having public liability insurance. Following on from the community workshop, community groups were forwarded a copy of the slideshow presented at the

workshop and other relevant information to assist them in meeting their risk management obligations.

For some years community groups/members in localities of the Shire have informally managed their local community halls with the Shire contributing financially towards major maintenance items in some instances. In other instances, there has been little or nil Shire maintenance especially in the less utilised community halls.

Council, at its July 2019 Ordinary Meeting, resolved as follows:

Decision 76/19

“That:

- 1. The Council note the advice received in regards to the ownership of the Changerup Hall by the Changerup District Recreation Centre Inc. and, as such, the Shire has no responsibilities in relation to its ownership, maintenance or management;*
- 2. The Community representatives currently managing the Qualeup, Boscabel and Muradup Halls be formally contacted to ascertain:
 - a. If the local community wish for their hall to be retained for use; and*
 - b. Their willingness to enter into a formalised written agreement (Memorandum of Understanding) that would include as a minimum:
 - i. The responsibilities of each party;*
 - ii. The requirement to hold insurances applicable to each party’s needs;*
 - iii. A clause that indemnifies each party against any negligence of the other;*
 - iv. The preparation by the community group of a risk management plan for its management of the community hall; and*
 - v. Recognition that there may be a time when a hall is deemed unfit for public use and is required to close until it is made fit for purpose or another option is determined;***
- 3. The Old Scout Hall is considered surplus to both Shire and Community requirements and be offered for sale (building only) and removal by public tender.”*

Reserve 24632 – Qualeup



Qualeup Hall



Reserve 15186 - Boscabel



Boscabel Hall



Reserve 11487 – Muradup



Muradup Hall



As the community management committees have all expressed a desire to continue with the management of their respective community halls, a draft Memorandum of Understanding (MOU) will be drawn up for negotiation with clauses including, but not limited to, those that address points 3 (i) to (xi) of the officer recommendation, unless Council resolves otherwise. It is anticipated that an MOU would commence on 01 July 2020.

CONSULTATION

Management committees of the Qualeup, Boscabel and Muradup Halls

STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Policy 2.3.4 – Asset Management

Policy 2.3.5 – Risk Management

FINANCIAL IMPLICATIONS

- If Council adopts the officer recommendation, a cost of \$1,500 x 3 Halls (total \$4,500) per year would be incurred.
- It is anticipated, as per advice to the community hall management committees, that a clause will be included in the MOU that will recognise that, if a Hall becomes unfit for public use, it may be closed until it is made fit for purpose; such a decision is likely to be finance and risk based.

RISK MANAGEMENT IMPLICATIONS

Risk Profile 10 – Management of Facilities, Venues and Events: Key Control - Lease agreements for all Shire facilities

The BAF and sound asset management practices are primary tools to minimise risks across all areas of the Shire. Public access to facilities, buildings or infrastructure that is not maintained, is beyond the intervention levels for asset management, and does not meet basic legal compliance represents an unacceptable risk to the organisation. This process is an important step to address such issues.

This agenda item seeks to address an identified high risk area, being third party management and occupation of a public building without written agreement and minimum conditions.

ASSET MANAGEMENT IMPLICATIONS

As part of the *Asset Management Plan 2017* review process, modelling was undertaken to demonstrate the impact of rationalising the 25 lowest scoring buildings, of which three of these halls form a part. Hypothetically, if it is assumed that the Council disposed of these 25 buildings immediately, the results would be as follows:

	Currently	After Disposal of All Buildings with a Score < 30	Difference (Savings)
ASSET VALUE			
Depreciable Assets	\$142.33m	\$136.83m	\$5.51m
Building Assets	\$46.26m	\$40.75m	\$5.51m or 11.9%.
MAINTENANCE			
Underspend on Buildings Maintenance	\$6,390 per year for the next 20 years	\$6,034 per year for the next 20 years	\$356 per year for the next 20 years
Total Maintenance Gap	\$127,802 after 20 years	\$120,680 after 20 years	\$7,122 after 20 years
RENEWAL			
Underspend on Buildings Renewal (Renewal Gap)	\$791,852 per year	\$581,497 per year	\$210,355 per year
Total Renewal Funding Gap	\$15.84m after 20 years	\$11.63m after 20 years	\$4.21m over 20 years

The renewal gap figures shown in the above table clearly demonstrate how important this process is for the future financial management of the Shire. Determining the management (or otherwise) of the Shire’s community halls will assist with determining asset management requirements into the future.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS
Nil

VOTING REQUIREMENTS
Simple Majority

OFFICER RECOMMENDATION

That:

1. Correspondence from the Muradup Agricultural Hall Committee, Qualeup Hall Committee and Boscabel Hall Committee regarding their wishes to continue management of their respective community halls, as presented, be received.
2. Council acknowledges, by entering into a Memorandum of Understanding (MOU) with the Qualeup and Boscabel Hall Committees, it is choosing not to dispose of these Halls as identified in Council's Building Assessment Framework.
3. The Chief Executive Officer be authorised to negotiate an MOU between the Shire of Kojonup (Shire) and each of the aforementioned Hall Committees for the management of their respective community Halls and that such an MOU will include, but is not limited to, the following:
 - i. The responsibilities of each party;
 - ii. The Hall Management Committee must be an incorporated organisation under the Associations Incorporation Act 2015;
 - iii. The Shire will make an annual financial contribution to the running of the Hall of \$1,500 per year;
 - iv. Each party to the MOU is required to hold the following insurances:
 - o Shire – building and contents insurance, public liability
 - o Hall Committee – public liability, volunteers insurance (and any other as applicable to activities undertaken) - copies of Certificates of Currency to be provided by both parties each year;
 - v. All building maintenance to be completed by the Hall Committee (requests for financial assistance on major items will be considered by the Shire on a case by case basis);
 - vi. The Hall must meet applicable public building standards prior to any use;
 - vii. Clauses that indemnify each party against any negligence of the other;
 - viii. Recognition that there may be a time when the community Hall is deemed unfit for public use and is required to close until it is made fit for purpose or another option is determined;
 - ix. Provision by each Committee to the Shire of a risk management plan for the management of the community hall in their community;
 - x. Each Hall Management Committee is to provide the Shire with financial statements, Hall usage figures and a copy of its fees and charges, annually; and
 - xi. The MOU is to be reviewed every three years.

COUNCIL DECISION

149/19 Moved Cr Webb, seconded Cr Fleay

“That the matter lay on the table”

CARRIED 7/0

Reason for change: Councillors felt they did not have enough background and needed more time to discuss this matter.

12.12 ORCHID VALLEY HALL CLOSURE

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Monday, 7 October 2019
FILE NO	RM.PRO.2
ATTACHMENT(S)	<p>12.12.1 - Photographs of the interior, exterior and surrounds of Orchid Valley Hall</p> <p>12.12.2 - Orchid Valley Hall Asbestos Report</p> <p>12.12.3 - Orchid Valley School History 1935-1943</p> <p>12.12.4 - Reserve 10346 – Management Order</p>

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP3 – Performance	<p>3.3 – Use a Building Assessment Framework and control our investment in building maintenance</p> <p>3.4 – Be organised and transparent with our financial management.</p>	<p>3.3.1 – Implement an asset rationalisation process based on the Building Assessment Framework.</p> <p>3.3.2 – Maximise usage of community facilities whilst reducing the financial obligation on the Shire and its people.</p> <p>3.3.4 – Undertake an asset management planning process to review and rationalise Shire buildings to maximise their use and value to the community.</p> <p>3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.</p>

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is for Council to consider formally closing the Orchid Valley Hall (Hall) and placing a commemorative plaque at the Hall site.

BACKGROUND

Since March 2019 Shire staff and elected members have been involved in a major review of the Shire's Risk Management system, culminating in the adoption of a new Risk Management Framework at Council's May 2019 Ordinary Meeting. A lack of formal agreements for the use of community halls was a risk identified from the above review which resulted in an agenda item being taken to Council in July 2019 to address community hall retention and management arrangements.

COMMENT

The Orchid Valley Hall is a community hall that has, since researching other community halls, been identified as requiring recognition within the Shire's Building Assessment Framework and action under its Risk Management Framework. The Shire's insurers have been asked to place the Hall on the Shire's Property Register for insurance purposes (indemnity value and extinguishment cost only).

The Orchid Valley Hall (originally the Orchid Valley School from 1935 to 1943) is located on Reserve 10346 for which the Shire has a Management Order and the power to lease for 21 years; the Purpose of the Reserve is 'Recreation'. There is currently no agreement in place with the Shire for the use of this Hall and local knowledge has suggested it has not been used or managed for over twenty years. The Hall has also had nil maintenance or improvements applied by the Shire for many years and the Shire does not pay utility costs. Photographs of the interior, exterior and surrounds of the Hall form attachments to this report.

Due to the state of disrepair that the Orchid Valley Hall and its surrounds are currently in (including the presence of asbestos containing materials) and its long term lack of use, it is recommended that Council formally closes the Hall.

Reserve 10346



Orchid Valley Hall (August 2019)



CONSULTATION

John Andrioff and Lynda Martin - Department of Lands, Planning and Heritage
Manager Corporate and Community Services
Building Maintenance Coordinator

STATUTORY REQUIREMENTS

Section 46 of the *Lands Administration Act 1997* - Care, control and management of reserves states:

- (1) *The Minister may by order place with any one person or jointly with any 2 or more persons the care, control and management of a reserve for the same purpose as that for which the relevant Crown land is reserved under section 41 and for purposes ancillary or beneficial to that purpose and may in that order subject that care, control and management to such conditions as the Minister specifies.*
- (2) *The Minister may, with the consent of the management body of a reserve and of the holders of any interests within the reserve, by order vary any condition to which the care, control and management of the reserve is subject.*

POLICY IMPLICATIONS

Policy 2.3.4 – Asset Management
Policy 2.3.5 – Risk Management

FINANCIAL IMPLICATIONS

It is estimated that the Hall and surrounds may require up to \$500.00 to make it secure.

If Council resolves to place a commemorative plaque at the Hall site, there would be a cost associated with such an action. This could be considered in the 2020/2021 budget process.

RISK MANAGEMENT IMPLICATIONS

The Building Assessment and Risk Management Frameworks are primary tools to minimise risk across all areas of the Shire. Public access to facilities, buildings or infrastructure that is not maintained is beyond the intervention levels for asset management and does not meet basic legal compliance, representing an unacceptable risk to the organisation.

ASSET MANAGEMENT IMPLICATIONS

	Currently	After Disposal of All Buildings with a Score < 30	Difference (Savings)
ASSET VALUE			
Depreciable Assets	\$142.33m	\$136.83m	\$5.51m
Building Assets	\$46.26m	\$40.75m	\$5.51m or 11.9%.
MAINTENANCE			
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RENEWAL			
Underspend on Buildings Renewal (Renewal Gap)	\$791,852 per year	\$581,497 per year	\$210,355 per year
Total Renewal Funding Gap	\$15.84m after 20 years	\$11.63m after 20 years	\$4.21m over 20 years

The renewal gap figures shown in the above table clearly demonstrate how important this process is for the future financial management of the Shire.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That Council:

- 1) Closes the Orchid Valley Hall (Hall) due to its state of disrepair, makes the Hall secure and tidies its surrounds (recognising the cost as unbudgeted expenditure), and advertises accordingly; and
- 2) Considers the cost of placing a commemorative plaque, at the Orchid Valley Hall site, in its 2020/2021 budget process.

COUNCIL DECISION

150/19 Moved Cr Webb, seconded Cr Gale

“That the matter lay on the table”

CARRIED 5/2

Reason for change: Councillors felt they did not have enough background and needed more time to discuss this matter.

12.13 WESTCOURT ROAD RE-ALIGNMENT (CLOSURE AND DEDICATION) PROPOSAL THROUGH RESERVE 16076, BLACKWOOD ROAD RECREATION PRECINCT, KOJONUP

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Thursday, 10 October 2019
FILE NO	PR.RES.16076; RO.ROA.133
ATTACHMENT(S)	<p>12.13.1 - Licensed surveyor drawing showing Westcourt Road (actual placement) and Westcourt Road Reserve</p> <p>12.13.2 - Landgate maps showing:</p> <ul style="list-style-type: none"> a) Westcourt Road within and outside of the dedicated Westcourt Road Reserve b) Tennis court encroachment on Westcourt Road Reserve <p>12.13.3 - Reserve 16076 Management Order</p> <p>12.13.4 - South West Native Title Settlement Noongar Land Estate Factsheet</p> <p>12.13.5 - Utility and Service Provider Comment:</p> <ul style="list-style-type: none"> a) Department of Mines, Industry Regulation and Safety b) Western Power c) Main Roads Western Australia d) Department for Planning, Lands and Heritage

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.	3.1.7 – Determine responsibilities for all assets and review and update lease conditions where other entities have partial or full responsibility for assets on Council managed land.

DECLARATION OF INTEREST

The Chief Executive Officer declares an impartiality interest as Secretary of the Kojonup Golf Club (Club); the Club being the Lessee of Reserve 16076 through which Westcourt Road Reserve runs and golf fairways and improvements are located.

SUMMARY

To purpose of this report is to seek Council endorsement to request that the Minister for Lands consider the closing of the existing Westcourt Road Reserve and dedication of the existing Westcourt Road formation as road.

BACKGROUND

Council, at its July 2019 Ordinary Meeting, resolved as follows:

Decision 75/19

“That Council;

1. In accordance with sections 56 and 58 of the Land Administration Act 1997 (Act), gives local public notice of a proposal to:

- a) dedicate the existing road formation known as Westcourt Road as road;*
- b) close the Westcourt Road Reserve in its current location;*

recognising that sections of existing Westcourt Road formation currently located on Reserve 10676 will be excised from Reserve 16076 and become part of the new road reserve and sections of existing road reserve not containing any of the existing Westcourt Road formation will be amalgamated into Reserve 16076 as per the attached licensed surveyor’s drawing; and

2. Acknowledges that, following conclusion of the local public notice period and seeking of any submissions from utility providers and government agencies on the afore-mentioned proposal, a further report will be prepared for the Council that will recommend that the Minister for Lands be requested to consider the closing of the existing Westcourt Road Reserve and dedication of the existing Westcourt Road formation as a road, as above, subject to any submissions not giving cause to do otherwise.”

Council, at its May 2019 Ordinary Meeting, resolved to re-lease Reserve 16076 (Reserve) to the Club for a further 21 years from 1 August 2019 to 31 July 2040. All parties to the afore-mentioned Lease are aware that the placement of Westcourt Road is not entirely within the Westcourt Road Reserve and that a portion of the tennis courts on Reserve 16076 encroaches on the Westcourt Road Reserve.

The new lease document for Reserve 16076 (as of 1 August 2019) reflected the possibility that re-alignment of the Westcourt Road Reserve and the boundary shared by Reserves 16076 and 13697 may occur during the term of the Lease. Approval of the new lease by the Minister for Lands has been obtained in accordance with s.18 of the *Land Administration Act 1997 (Act)*.

COMMENT

Progressing the re-alignment of the Westcourt Road Reserve is part of a longer term intention to correct this and other boundary issues throughout the Blackwood Road Recreation Precinct.

Advice from the Department of Planning, Lands and Heritage (Department) in late 2018 was that the rectification of reserve boundary anomalies throughout the Blackwood Road Recreation Precinct, other than the Westcourt Road Reserve, should be delayed until the South West Native Title Settlement (SWNTS) Claim has been completed. The Department of

the Premier and Cabinet SWNTS Noongar Land Estate Factsheet (attached) explains SWNTS in more detail. Crown Land that is currently leased to a third party is not included; hence, the anomalies relating to the Westcourt Road Reserve (that runs through Reserve 16076) can be progressed.

The required public advertising and correspondence with utility providers, other government agencies and an adjoining landowner, advising of Council's intention to close the existing road reserve and dedicate the existing road formation, has occurred in accordance with s. 58 (3) of the *Act*. Four responses were received and are attached ([Attachments 5 (a), (b) and (c)]). Given that there were nil objections to Council's proposal, Council can now proceed with forwarding a request to the Minister of Lands to approve the changes.

CONSULTATION

John Andrioff, Project Officer/Lynda Martin, Senior State Land Officer - Department of Planning, Lands, and Heritage

Mark Anderson, Licensed Surveyor – 35 Degrees South

STATUTORY REQUIREMENTS

Land Administration Act 1997 and Land Administration Regulations 1998:

s. 56 - Dedication of land as road;

s. 58 - Closing roads; and

r. 9 – Local government request to close road permanently [*Act* s.58 (2)], requirements for

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

- Estimated \$8,200 + GST (to survey the new road reserve boundary of Westcourt Road [including field works, survey posts etc., travel and accommodation, and drafting of at least one new Deposited Plan] and to survey existing road reserve requiring closure due to it not forming part of the actual road) if the Department issues a Crown Survey instruction to survey the road re-alignment.
- There is a \$9,700 budget provision in the 2019/2020 budget for the survey.
- \$2,190 + GST has been spent to date to obtain the licensed surveyor's report (desktop exercise) required to commence the process.

RISK MANAGEMENT IMPLICATIONS

Risk Profile 1: Asset Sustainability – Key Control: Asset Register (roads, buildings, playgrounds etc.) – the current dedicated road reserve does not accurately reflect Westcourt Road placement.

Risk Profile 3: Failure to Fulfill Compliance Requirements (Statutory, Regulatory) – Nil specific current controls or key actions. This matter stems from when the road was originally formed many years ago and represents part of a long term intention to correct boundary anomalies

throughout the Blackwood Road Recreation Precinct as it becomes possible to do so in line with the SWNTS Claim.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

The Chief Executive Officer declared an impartiality interest as Secretary of the Kojonup Golf Club and left the meeting at 4.15pm.

OFFICER RECOMMENDATION/ COUNCIL DECISION

151/19 Moved Cr Radford, seconded Cr Fleay

“That Council, after giving local public notice in accordance with sections 56 and 58 of the Land Administration Act 1997 (Act):

- 1. Acknowledges comment from Main Roads Western Australia, Western Power, the Department of Mines, Industry Regulation and Safety, and the Department for Planning, Lands and Heritage not objecting to its proposal to:
 - a) dedicate the existing road formation known as Westcourt Road as road;*
 - b) close the Westcourt Road Reserve in its current location.**

and, having received no objection from the public to the above dedication and closure:

- c) Requests that the Minister for Lands (Minister) dedicates the existing road formation known as Westcourt Road and closes the Westcourt Road Reserve in its current location, as per the presented licensed surveyor’s drawing,*
 - d) Engages 35 Degrees South (licensed surveyors) to survey the proposed new reserve boundaries of Westcourt Road if the Department for Planning, Lands and Heritage issues a Crown Survey Instruction to do so.*
- 2. Indemnifies the Minister, if the Minister grants the above request, against any claim for compensation, in accordance with s. 56 (4) of the Land Administration Act 1997.”*

CARRIED 7/0

The Chief Executive Officer returned to the meeting at 4.17pm.

12.14 DRAFT POLICY – FRAUD, CORRUPTION AND MISCONDUCT PREVENTION

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Wednesday, 30 October 2019
FILE NO	CM.POL.2
ATTACHMENT(S)	12.14.1 - Draft Fraud, Corruption and Misconduct Prevention Policy 12.14.2 - Draft Fraud, Corruption and Misconduct Prevention Plan

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - 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

It is noted that all Elected Members, Committee Members and Council Employees are bound by Council Policy 3.1 – Code of Conduct.

SUMMARY

The purpose of this report is to consider the addition of a Fraud, Corruption and Misconduct Prevention Policy to its suite of policies that will act in synergy with Council’s Code of Conduct.

BACKGROUND

Council’s Policy 3.1 – Code of Conduct represents a framework for behaviour expected of its Elected Members, Committee Members and Employees during the course of conducting local government activities; it is a statutory requirement for a Council to have a Code of Conduct.

Many local governments also have a policy that deals with fraud, corruption, misconduct and related issues. Whilst Codes of Conduct focus heavily on acceptable behaviour standards, a policy addressing fraud, corruption, misconduct etc. provides guidance on the implementation of strategies to prevent, detect and respond to such matters.

Council’s Audit and Risk Committee considered this draft Fraud, Corruption and Misconduct Prevention Policy at its 5 November 2019 meeting and recommends same for Council adoption.

COMMENT

With the coming to light of instances of fraud, corruption and misconduct within the local government sector in recent years, the need for policies and strategies that assist with the mitigation of these risks has been well demonstrated. It is generally recognised that commitment is required from all levels of the organisation to work towards prevention of such activity.

A Fraud, Corruption and Misconduct Prevention Policy communicates a zero tolerance approach to inappropriate behaviour within the performance of a local government's functions, its interactions with others, and its commitment to dealing with all such behaviour including allegations and suspected instances of same. As with a Code of Conduct, it applies to Elected Members, Committee Members, Employees and all other workers (whether by way of appointment, secondment, contract, agency staff, temporary arrangement or volunteering) and external parties involved in providing goods and services to a local government such as contractors, consultants and other outsourced service providers.

The objective of a Fraud, Corruption and Misconduct Prevention Policy is to:

- Define fraud, corruption and misconduct;
- Provide assurance that allegations and their investigation will be handled confidentially; and
- Provide direction on how allegations and occurrences of fraud, corruption or misconduct are to be managed.

It is envisaged that the outcomes of having a Fraud, Corruption and Misconduct Policy will include:

- A clear understanding of fraud, corruption and misconduct and mitigation of their likelihood;
- Reinforcement of the Council's Code of Conduct and a commitment to maintaining high ethical standards and integrity;
- Clearly outlining the responsibilities of all parties in relation to prevention, detection and responses taken towards allegations or incidents of fraud, misconduct, corruption or related activities; and
- The re-iteration throughout all levels of the organisation that such conduct is inappropriate and will not be tolerated.

CONSULTATION

Chief Executive Officer

References: Northern Midlands Council – Fraud & Corruption Control Policy

City of Wanneroo – Fraud, Corruption, Bribery and Misconduct Policy

City of Joondalup – Fraud, Corruption and Misconduct Control Policy

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

Whilst policies have no legal status, they provide guidance and direction for staff and assist them to act with consistency on various matters. A Fraud, Corruption and Misconduct Prevention Policy such as the one referred to in (and attached to) this report, demonstrates zero tolerance to these and related, inappropriate activities.

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risks Description/Cause	Key Controls	Current Action
5 – Employment Practices	Failure to effectively manage and lead human resources; Ineffective performance management programmes or procedures	Human Resource Management (Policies and Procedures); Formal disciplinary process	
9 – External Theft and Fraud	Loss of funds, assets, data or unauthorised access (whether attempted or successful) by external parties, through any	Building security access controls; CCTV for key buildings; Record of assets (minor and attractive items/fixed assets); Cash handling	Depot – reinforcement of doors and windows; Updating of fixed assets record

<p>12 – Misconduct</p>	<p><i>means (including electronic), for the purposes of;</i> <i>-Fraud: benefit or gain by deceit</i> <i>-Malicious</i> <i>Damage: hacking, deleting, breaking or reducing the integrity or performance of systems</i> <i>-Theft: stealing of data, assets or information</i></p> <p><i>Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority including:</i> - <i>Relevant authorisations not obtained;</i> <i>-Distributing confidential information;</i> <i>-Accessing systems and/or applications without correct authority to do so;</i> <i>-Misrepresenting data in reports;</i> <i>-Theft by an employee;</i> <i>-Inappropriate use of plant,</i></p>	<p><i>processes; Depot security access controls; IT firewall systems; Processes for IT passwords; Supplier details verification process</i></p> <p><i>Induction process (Code of Conduct); Formal disciplinary process; IT security access framework; Segregation of duties; Budget monitoring; Cash handling procedures; Credit card management (policies); Delegation Register; Elected Member training; External audits; Fuel card management; Minor and attractive assets stocktake; Police clearances; Social media policy; Stock control and reconciliation; Strong management culture (low</i></p>	
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	<i>equipment or machinery;</i> <i>-Inappropriate use of social media;</i> <i>-Inappropriate behaviour at work; and</i> <i>-Purposeful sabotage.</i>	<i>tolerance of misconduct);</i> <i>Working with Children Checks</i>	
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IMPLICATIONS

In addition to existing Risk Management practices that identify risk and put preventative measures in place (as above) to lessen the likelihood of fraud, corruption and misconduct, a policy provides formal guidance and instruction on implementing strategies that prevent, detect and respond to fraud, misconduct and related inappropriate activity. Without such risk management controls being in place, the Council and Shire would be unnecessarily exposed, at varying levels, across several risk consequence areas; particularly, financial impact, service disruption, compliance and reputational risk.

Having such a policy not only demonstrates a zero tolerance of fraudulent and other inappropriate activities, it also directs the strategies to be implemented to minimise the likelihood of those activities' occurrence.

ASSET MANAGEMENT IMPLICATIONS

A Fraud, Corruption and Misconduct Prevention Policy works to protect a local government's assets by providing direction on the mitigating of fraudulent activity such as the un-authorized use of, or substantial mismanagement of, public resources that in turn impacts on a local government's ability to manage its assets.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

152/19 Moved Cr Gale, seconded Cr Fleay

"That the Draft Policy 3.24 – Fraud, Corruption and Misconduct Prevention, as presented, be adopted."

CARRIED 7/0

12.15 RESERVE ACCOUNT APPROPRIATENESS REVIEW – 2019/2020

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Tuesday, 12 November 2019
FILE NO	FM.FNR.2
ATTACHMENT(S)	Nil.

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 undertake a review of appropriateness of each reserve account in accordance with Council Policy.

BACKGROUND

Council Policy 2.1.8 – ‘Financial Governance’ states that

‘The Manager of Corporate and Community Services will conduct an annual review for the Council addressing the appropriateness of each reserve account purpose, suitability of current balances, and deficiencies for the funding of future projects as identified in adopted forward plans.’

This agenda item undertakes the fourth such review since this policy was adopted in November 2015.

COMMENT

Reserve Account Purpose:

The purpose for which each reserve account has been established are as follows:

Employee Leave Reserve

- To be used to fund annual and long service leave requirements.

Bushfire Communications Reserve

- To construct and maintain critical bushfire communication infrastructure.

Community Grant Scheme

- To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.

Day Care Building Maintenance

- For the expenditure of major building maintenance items on the Kojonup Day Care Centre building, corner of Elverd and Honner Streets, Kojonup. Annual rent paid by the tenant is deposited into this account.

Youth

- To fund new opportunities for the youth of Kojonup, specifically outcome 1.3 from 'Smart Possibilities', the Kojonup Community Strategic Plan.

Springhaven Lodge Bonds

- To cash back refundable bonds paid by residents of the facility.

Springhaven Building Upgrade & Renewal Reserve

- To be used for major upgrade and capital renewal of Springhaven facility buildings

Springhaven Equipment

- To fund the replacement of major equipment and appliances at Springhaven Frail Aged Lodge.

Low Income Housing Reserve

- To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement

Independent Living Units

- To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.

Benn Parade Multi-Facility

- To fund the co-location of Historical Society, Men's Shed and Kojonup Tourist Railway facilities to the Benn Parade Railway Precinct.

Townscape

- To fund major townscape improvements to the Kojonup Town Centre.

Landfill Waste Management Reserve

- To be used for future upkeep, maintenance, expansion, post closure activities and or reclamation of the Shire's waste management facilities. 10% of rubbish bin charges are to be allocated to this reserve annually.

Kodja Place Tourist Precinct Reserve

- To be used for future upkeep, maintenance, renewal and enhancement of IT equipment, communications and interactive and static displays at The Kodja Place. Expenditure from this reserve is to consider advice from the 'Storyplace/Gallery Work Group'.

G&P Church Medical Centre Reserve

- Established for the purpose of constructing a medical centre as defined within the existing Shire of Kojonup Town Planning Scheme No.3.

Energy Efficiency Reserve

- Established to fund energy efficiency initiatives within the Shire's operations. 50% of any savings resulting from expenditure of this reserve account is to be transferred back into the reserve.

Building Upgrade & Renewal Reserve

- To be used for major maintenance, upgrades and renewal of Council owned buildings.

Historical Buildings Reserve

- To be used for the purpose of maintaining Historical Buildings and maintaining the Municipal Heritage Inventory.

Natural Resource Management

- For the Shire of Kojonup to progress the following projects:-

1. Bridal Creeper and tagasaste Eradication program.
2. Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer.
3. Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within identified Reserves such as:
 - a) Myrtle Benn, Farrar and Quin Quin;
 - b) Showground's area; and
 - c) Blackwood Road arboretum.

To improve bio diversity, fauna habitat and natural resource management outcomes.

RSL Hall Building Renewal

- To fund major refurbishment and/or re-purposing of the Kojonup RSL Hall.

Sporting Facility Reserve

- To fund Council contribution to CSRFF Funding grants or to fund construction or renewal of Shire sporting facilities.

Swimming Pool

- To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool.

Economic Development Reserve

- To be used for the advancement of economic development within the Shire of Kojonup, specifically to fund outcomes within Key Pillar 4 - 'Prosperity' and Key Pillar 5 - 'Digital' within 'Smart Possibilities' the Kojonup Community Strategic Plan.

Land Acquisition & Development

- To fund the purchase of land, sub-division expenses and receipt sub-division sales revenue.

Saleyards

- The profit or loss from annual operations to be transferred to this account to fund major refurbishment and/or asset renewal of the Kojonup Saleyards.

Plant Replacement Reserve

- To smooth funding allocations over financial years for the purchase of major plant items.

Gravel Pits Reserve

- To be used for the purchase and provision of gravel stocks.

Reserve Account Purpose - Summary:

No changes were made to reserve account definitions (purposes) in last year's review, however, in the adoption of the 2019/2020 Annual Budget, minor changes were made to the following reserve account definitions:

- G&P Church Medical Centre (Donation) reserve.

Considering the amendment above and the fact that these definitions have been constantly reviewed over the past five financial years, the existing reserve account definitions are all considered appropriate and relevant and therefore no changes are recommended.

Reserve Account Balances:

The following table shows reserve account balances as at 30 June 2019 and 30 June 2020 (budgeted) and a commentary on the appropriateness of these balances in conjunction with major projects planned in *Smart Implementation*. Recommendations within the table are made based on the following key:

- ↑ - More funds required
- ✓ - Currents funds are appropriate; and
- ↓ - Funds are surplus to needs of the account.
- ? – More information required

Recommendations have also been colour coded using a traffic light system.

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Name Of Reserve	Actual Balance 30 June 2019	2018 Rec.	Budgeted Balance 30 June 2020	Officers Comment	2019 Rec.
Employee Leave	\$183,200	↑	\$206,864	Policy 2.1.8 has set a plan to increase the level of this reserve in accordance with a set formula of minimum balance. The last analysis showed a growing gap between the level of reserve and the leave liability.	↑
Building Upgrade & Renewal	\$55,212	✓	\$1,316	Current purpose not specific. Note Asset Management Plan requires a quantum shift in funding of building asset renewals and/or disposal of significant existing building assets. It is planned to close this reserve and transfer the funds into newly created specific building renewal reserve accounts, such as the Memorial Hall and The Kodja Place.	↓
Energy Efficiency	\$39,911	✓	\$40,709	A start to invest in energy efficiency measures (such as solar panels) that will ultimately save money by reducing power bills, which in turn can then be reinvested. Springhaven Lodge and the Shire Office has been completed and The Kodja Place is being investigated. Savings from these three installations will fund installs at the Sporting Complex and other Shire facilities.	✓
Land Acquisition and Development	\$46,627	✓	\$7,560	Given the shortage in available residential and industrial land, and the opportunities to develop land in John Street, Soldier Road and Thornbury Close, substantially more funds are required in this area. However, it is noted that developments could be funded by loans and this reserve utilized to deposit sale proceeds and meet loan repayments.	↑
Bushfire Communications	\$110,473	✓	\$12,682	The requirement for a new bush fire communications tower is currently being planned and the project scoped in accordance with the Council resolution from 5 November 2019. The provision of a sum for asset management of this critical infrastructure is sound management and desired outcomes of Key Pillar 5 (Digital) neatly fit within this project. The Council resolution from 5 November 2019 included funding any shortfall through loan funds.	✓

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Name Of Reserve	Actual Balance 30 June 2019	2018 Rec.	Budgeted Balance 30 June 2020	Officers Comment	2019 Rec.
G & P Church Medical Centre (Donation)	\$555,833	?	\$0	This reserve account has been closed in accordance with the 2019/2020 adopted budget.	✓
Day Care Building Maintenance	\$7,701	✓	\$10,505	This newly created reserve sets aside annual rental income for future major maintenance requirements. (Rent reviewed annually)	✓
Youth	\$11,115	✓	\$11,337	The youth component of <i>Smart Possibilities</i> will not require vast expenditure of funds, apart from staff and elected member time. (Dependent on whether Council financially supports Wirrapanda / Stephen Michaels Foundations.)	✓
Springhaven Lodge	\$1,625,533	✓	\$1,625,533	This reserves operates as a trust fund for resident bonds held.	✓
Springhaven Building Upgrade & Renewal	\$63,057	✓	\$4,422	This reserve receives interest earned from the 'Springhaven Lodge' reserve and is used to fund major building items at Springhaven. While it is has been nearly fully drawn down in recent years, vast improvements have been made at Springhaven and the reserve will rebuild adequately in the coming years.	✓
Springhaven Equipment	\$16,315	✓	\$6,641	This newly created reserve will fund urgent laundry or kitchen equipment at Springhaven Lodge. A capital budget has been provided in 2019/2020 for major kitchen and laundry upgrade and therefore this reserve should not be called upon in the near future.	✓
Independent Living Units	\$146,855	✓	\$99,282	This reserve was nearly fully withdrawn with the construction of new and upgrade of existing ILU's in Loton Close. Rental returns will improve the reserve over time, importantly from an asset replacement perspective in the long term.	✓
Low Income Housing	\$27,071	✓	\$34,612	This reserve 'operates' the Jean Sullivan joint venture, i.e. profit from rent transferred to reserve to fund major maintenance. Rental amounts are set by the State.	✓
Benn Parade Multi-Facility	\$10,167	↑	\$10,370	A new reserve created last financial year. The scope of any future works in this precinct still needs to be defined, however, this seed funding will not achieve what is envisaged in collocating the Men's Shed, Kojonup Tourist Railway and Kojonup Historical Society.	↑

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Name Of Reserve	Actual Balance 30 June 2019	2018 Rec.	Budgeted Balance 30 June 2020	Officers Comment	2019 Rec.
Townscape	\$10,197	↑	\$10,401	A new reserve created last financial year. The scope of future works is currently being defined, however, this seed funding will not achieve what is envisaged. The 2019/2020 budget includes \$22,000 for a Townscape Plan and \$30,000 for Town Furniture purchases. Need reserve funds to leverage grant\external funding.	↑
Natural Resource Management	\$98,226	✓	\$38,898	This reserve account has enabled the employment of a NRM Officer and leveraged approx. 100% additional grant funding.	✓
Historical Buildings	\$12,379	✓	\$7,627	Current amount adequate, in conjunction with planned annual budgeted maintenance and prioritisation under the asset management plan 2017. Future ownership and responsibility of assets such as Old Barracks and Elverd Cottage needs strategic direction.	✓
Landfill Waste Management	\$36,788	✓	\$45,909	Continual improvements that are required in waste management practices highlights that this will be an area of future expenditure needs. Post closure management expenses need to be saved for the duration of the operation of a facility to ensure appropriate funding of required works following closure. From 1 July 2018, the reserve definition was updated to include 10% of rubbish bin charges being allocated to this account.	✓
Community Grant Scheme	\$6,634	✓	\$6,767	This reserve account is currently holding funds set aside for the Kojonup Theatrical Society (\$6,000) and will be used for future community projects that span multiple financial years.	✓
RSL Hall Building Renewal	\$10,170	↑	\$10,373	A new reserve created last financial year. The scope of any future works in this precinct needs to be defined, or indeed if this building is to be retained (Part of Townscape Strategy).	?

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Name Of Reserve	Actual Balance 30 June 2019	2018 Rec.	Budgeted Balance 30 June 2020	Officers Comment	2019 Rec.
Sporting Facility	\$19,776	↑	\$50,172	Major future expenditure required. Having a relatively new master plan with major facility upgrades required and a newly established Sports Precinct Advisory Committee, this area will be a major focus in the coming years. The construction of the ramp and retaining walls has utilised funds saved in recent years. \$3.5m grant applications pending which will require considerable matching funds.	↑
Swimming Pool	\$5,360	↑	\$5,467	This asset will require upgraded drainage (wet decks) in the short term and possible full asset replacement in the medium to long term future and therefore major funds are required. \$40,000 was spent in 2018/2019 to repaint the pool as a vital maintenance item.	↑
Gravel Pits	\$31,971	?	\$32,610	Direction needed. With current definition no funds required, however more funds could purchase land containing gravel pits thus ensuring supply and providing a self-sustaining investment.	?
Economic Development	\$87,386	↑	\$69,134	Establishing a business hub, amending the town planning scheme and creating a state tech-farming epicentre will require an increase in funds - A future 'investment' area of the Council.	↑
Saleyards	\$46,547	✓	\$65,978	This newly created reserve will set aside annual operating profits from the saleyards for future major maintenance and upgrade requirements. LGIS risk plan identifies a worrying amount of work required to the facility. Council needs to determine if User Pays approach to build up funds to address a non-core facility is sustainable.	✓
Kodja Place Tourist Precinct	\$941	✓	\$960	It is envisaged that this reserve account can be used as a holding point for community donations to leverage further funding. It is important that donations can be separated from general funds and set aside for a specific purpose. Promotion of this concept is required yet has never occurred and therefore it is recommended that this reserve be closed.	↓

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Name Of Reserve	Actual Balance 30 June 2019	2018 Rec.	Budgeted Balance 30 June 2020	Officers Comment	2019 Rec.
Plant Replacement	\$480,346	✓	\$230,433	Considerable work has been undertaken for this reserve with regards to passenger vehicles. It is important that the full 12 year cycle of this plant is considered and funds not claimed for other purposes during low expenditure years.	✓

Based on the commentary above, it is recommended that the 2020/2021 draft budget include transfers to the following reserve accounts (in priority order) to increase their balances:

1. Sporting Facility
2. Townscape
3. Benn Parade Multi-Facility
4. Employee Leave
5. Swimming Pool
6. Economic Development
7. Land Acquisition & Development

Closure of Reserve Accounts:

It is recommended that the 2020/2021 draft budget include the closure of the following reserve accounts:

- Building Upgrade & Renewal
- The Kodja Place Tourist Precinct

In addition, strategic direction is needed for the following reserves to determine their long term future:

- RSL Hall Building Renewal; and
- Gravel Pits.

The future direction of gravel pits requires further research and reporting back to the Council. If current management practices continue, no reserve account is required. If the Council wanted to pursue the purchase of land for gravel reserves then additional reserve funds will be required.

The RSL hall requires a large expenditure to bring this facility to public building standards, especially in the kitchen and bathrooms. An assessment needs to be undertaken to ascertain if this expenditure is warranted and if “another hall” is required considering the availability of the Memorial & Lesser Halls, the Sporting Complex, The Kodja Place meeting rooms and community facilities such as Boniface House.

Additional / New Reserve Accounts:

If the Building Upgrade and Renewal reserve account is to be closed, it is recommended that the following reserve accounts be created with a more specific purpose:

- Memorial & Lesser Hall Upgrade & Renewal; and
- The Kodja Place Building Upgrade & Renewal.

Other major Shire owned buildings are covered through existing reserves such as the Sporting Facility or Springhaven Building Upgrade & Renewal reserves.

An analysis of the appropriateness of current reserve accounts does not give consideration to any areas of major future expenditure whereby a reserve account currently does not exist. Consideration has been given to this issue at a senior management team level, especially considering an asset management focus, and the major funding requirements in the long term. A brainstorming session held in 2017 of the major priorities over the longer term identified the projects as listed in the table below:

PROJECT	APPROX PROJECT FUNDING	COMMENTS – EARLY FUNDING STRATEGY
Sports Precinct	\$4-5 million	CSRFF Grant Funding and big increases in the Sporting Facilities Reserve
RSL Precinct/Apex Park/Library/CRC	\$2-3 million	Current Building Upgrade and Renewal reserve or RSL Hall reserve account, in conjunction with grant funding.
The Kodja Place Master Plan	\$9 million (building component - \$2-3 million)	Heavily dependent on grant funding and donations possibly channelled through the Kodja Place Tourist Precinct Reserve Account
Memorial Hall/ Harrison Place	\$2 million	Grant funding and loan funds. Maybe a contribution from the Building Upgrade and Renewal Reserve
Benn Parade / Tourist Railway Precinct	\$2 million	Grant funding, loan funds and the Benn Parade Multi-facility reserve account.
Townscape	\$2 million	Grant funding, loan funds and the Townscape reserve.
Great Southern Housing Initiative	\$2.2 million from Building Better Regions Fund	Grant Funded. Loans if required
Water – Quin Quin Reserve / Showground	\$500,000	Grant funding and annual operating budgets
Spring / Springhaven Precinct	\$500,000	Grant funding and annual operating budgets

Based on the commentary above, it is evident that the required reserve accounts are already in existence, albeit with an increase in their current balances.

CONSULTATION

Senior Management Team.

STATUTORY REQUIREMENTS

Section 6.11 of the *Local Government Act 1995* legislates reserve accounts and states:

- (1) Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.
- (2) Subject to subsection (3), before a local government —
 - (a) changes* the purpose of a reserve account; or
 - (b) uses* the money in a reserve account for another purpose,
 it must give one month's local public notice of the proposed change of purpose or proposed use.
 * *Absolute majority required.*
- (3) A local government is not required to give local public notice under subsection (2) —
 - (a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or

- (b) in such other circumstances as are prescribed.
- (4) A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.

POLICY IMPLICATIONS

This report has been completed in accordance with Council Policy 2.1.8 – ‘Financial Governance’ as outlined in the background of this report.

FINANCIAL IMPLICATIONS

While the report does not in itself have a financial implication on the ‘bottom line’ of this years’ finances, reserve accounts are one of the major funding sources for major projects and a very important financial tool in managing the finances of the Shire day-to-day.

Cash reserves are established in accordance with the *Local Government Act 1995* and maintained to accumulate funds for the following purposes:

- To smooth funding allocations over future years.
- To offset liabilities in respect of previously earned employee entitlements to the extent they require an outflow of funds not allocated in the annual budget.
- To meet statutory obligations.
- To fund renewal of existing physical/built assets.
- To fund future strategic initiatives and the provision of new services and facilities to future residents.
- To buffer against unpredictable events.
- To hold unspent grants and contributions.
- Other purposes as determined by the Council from time to time.

RISK MANAGEMENT IMPLICATIONS

Maintaining a suitable forward planning process that is intrinsically linked to long term financial planning minimizes many risks, including those associated with the funding of major projects or the provision of essential equipment and infrastructure.

ASSET MANAGEMENT IMPLICATIONS

Reserve accounts are one of the major funding sources for major projects and a very important financial tool in managing the finances of the Shire day-to-day, and therefore this review to ensure they remain focussed and appropriate is essential. As such, this item is central to good asset management, and the ability to fund identified major upgrades, renewal and replacement of assets as identified in the asset management plan.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/ COUNCIL DECISION

153/19 Moved Cr Fleay, seconded Cr Radford

“That:

- 1) The annual review undertaken addressing the appropriateness of each reserve account purpose, suitability of current balances, and deficiencies for the funding of future projects as identified in adopted forward plans be received;*
- 2) The 2020/2021 draft budget include transfers to the following reserve accounts (in priority order) to increase their balances:*
 - a. Sporting Facility*
 - b. Townscape*
 - c. Benn Parade Multi-Facility*
 - d. Employee Leave*
 - e. Swimming Pool*
 - f. Economic Development*
 - g. Land Acquisition and Development*
- 3) The 2020/2021 draft budget include the closure of the following reserve accounts:*
 - a. Building Upgrade and Renewal*
 - b. The Kodja Place Tourist Precinct*
- 4) The following new reserve accounts be created:*
 - a. Memorial and Lesser Hall Upgrade and Renewal*
- to be used for major upgrade and capital renewal of the Memorial and Lesser Hall buildings; and
 - b. The Kodja Place Building Upgrade and Renewal*
- to be used for major upgrade and capital renewal of The Kodja Place buildings; and
- 5) The Manager Works & Services prepare a report for the Council on the future direction of sourcing gravel resources for road construction and the financial resources required.*
- 6) The Manager Corporate & Community Services prepare a report for the Council on the future asset management of the RSL Hall and the financial resources required.”*

CARRIED 7/0

12.16 KOJONUP TELECENTRE, KOJONUP NEWS AND SOUTHERN DIRT

AUTHOR	Rick Mitchell-Collins (Chief Executive Officer)
DATE	Monday, 11 November 2019
FILE NO	CS.SVP.5
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.3 Use a Building Assessment Framework and control our investment in building maintenance. 4.3 Be attracting support industries and diverse and new business sectors to the region.	3.3.2 Maximise usage of community facilities whilst reducing the financial obligation on the Shire and its people. 4.3.2 Establish a noteworthy Kojonup Business Hub for the provision of shared facilities and services.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of the report is to determine the present suitability of the CWA and Telecentre Buildings for existing tenants and future use as requested by Council following the meeting with CRC Representatives on 8 October 2019.

BACKGROUND

The CRC building (109 Albany Highway) was purchased by the Shire of Kojonup two decades ago specifically to accommodate the Kojonup CRC and Kojonup News given synergies that existed at the time between the two organisations and State funding for the provision of various services under the banner of ‘Community Resource Centre’.

History now shows that State Funding of the Kojonup CRC ceased in 2014 due to non-compliance and the Telecentre has been relying predominantly on printing and publication revenue and community donations over the past 2 -3 years.

Council previously discussed the financial and operational aspects of the Kojonup CRC at the 21 February 2017 Ordinary Council Meeting and resolved as per Decision 14/17:

“ . . that Council:

- 1. Investigates the CRC Building as part of the Asset Management Review presently being undertaken to determine options available for the future provision of a “Community Hub” which includes consideration of existing and future needs at the Council Administration Building, CWA Building, RSL Hall and Kodja Place including cost/benefit analysis.*

2. Outcomes of the Asset Management Review be considered in framing the 2017/2018 Budget, and

3. Advise Kojonup CRC that Council is prepared to relocate the ATO and Centrelink portals within the Council Library from April 2017. “

Southern Dirt Inc. is a member-based grower group founded in 2010. Southern Dirt Inc., “aims to create and sustain vibrant, healthy, prosperous farms and communities” which closely aligns with the Community Strategic Plan Smart Possibilities Key Pillars 4 and 5.

Extract from website:

“Southern Dirt is one of Western Australia’s leading grower groups, encompassing some of WA’s most productive land and representing some of the states’ most innovative farmers. Our region extends from Boddington to Frankland and everywhere in between from the coast to the Wheatbelt. An area that encompasses over 2600 mixed farming enterprises. If you farm, live and/or run a business within this area, Southern DIRT can have direct relevance to you.

Supported by a dedicated committee of farmers and industry specialists our aim is to create and sustain vibrant, healthy, prosperous farms and communities through:

The delivery of innovative research and development activities that have high value impact on farmers in our region and throughout Australia

Introduction, information and showcasing of innovative technologies and systems

Interactive collaborations with Government – local, state and federal, Leading R and D companies, Industry bodies, other Grower Groups, Agricultural R and D funding bodies, education institutions and local community organisations and businesses within the region.

Alliances and amalgamations with smaller grower and NRM groups in the region.

Development of a highly interactive hub model to manage local engagement

Social and community events and workshops

We also have a young farmers network that aims to support, coach and inspire our young and developing farmers to grow a sustainable agribusiness and cultivate personal and professional relationships across WA’s Southwest and beyond.”

A Memorandum of Understanding (MOU) presently exists for 129 Albany Highway (CWA Building) between the Shire and Southern Dirt Inc.

COMMENT

The uncertain future of the Kojonup Telecentre (also known as Kojonup CRC), has prompted business owners and Southern Dirt to approach Council regarding the possibility of the CRC building becoming available for rent/purchase given its location in the Main Street.

Council have indicated via internal workshops that the Kojonup News and Kojonup Telecentre could be relocated to the CWA building and Southern Dirt Inc., accommodated in the Old Bank Building especially as Farmgate Advisory Services have become established in the old Stihl Building previously occupied by Mr G Pember.

Relocation complements the aims of Southern Dirt Inc., as well as progressing Key Pillar 2 – Connected and Key Pillar 4 – Prosperity of the Community Strategic Plan 2017 -2027+ by driving economic growth in the agricultural sector and advancement through connections, partnerships and alliances.

A formal decision by Council is required for this 'swap' to occur including formal notifications in accordance with Section 3.58 of the *Local Government Act 1995* and new tenancy agreements for a 1 July 2020 changeover.

CONSULTATION

Briefing Session – 8 October 2019

STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government (Administration) Regulations (1996)

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council has provided the old Bank Building to the Kojonup Telehealth and Kojonup News since purchase, rent free with the tenants responsible for service charges such as power and water charges. As Shire buildings, Council has insured the buildings as part of its assets.

The CWA building is subject to an annual rental in accordance with the MOU.

It is anticipated that similar arrangements would be honoured should tenancy be swapped and building maintenance undertaken in accordance with the adopted budget for each financial year.

RISK MANAGEMENT IMPLICATIONS

Management of Shire Facilities:

Management of Council Assets is an integral component of the Integrated Planning and Reporting Framework established by the State Government. A Key Risk Management Control is ensuring a Lease Agreement Register is established and annual inspections undertaken for shire facilities.

Asset Sustainability Practices:

Failure or reduction in service of infrastructure assets, plant, equipment or machinery.

These include fleet, buildings, roads, playgrounds, boat ramps and all other assets during their lifecycle from procurement to disposal.

Areas included in the scope are:

- Inadequate design (not fit for purpose);
- Ineffective usage (down time);
- Outputs not meeting expectations;
- Inadequate maintenance activities;
- Inadequate financial management and planning (capital renewal plan); and
- Buildings not being used to potential.

ASSET MANAGEMENT IMPLICATIONS

The International Infrastructure Management Manual (IIMM) (2006, section 5) discusses 'Optimised Decision Making' (ODM). The IMM describes that:

“In making any decision we have to weigh up the pros and cons and make trade-offs.... ODM provides a process to ensure you make the best, or optimal decisions given those trade-offs and financial considerations.” (p 3.77).

The IIMM (2006) describes the use of a ‘Multi Criteria Analysis’ (MCA) as part of ODM. The MCA *“Takes into account range of criterion which are both qualitative and quantitative in nature and which reflect the cultural, social, economic or environmental characteristics of the project...” (p 3.81).*

The Buildings Assessment Framework is a process of qualitative assessment of all Shire building assets against an agreed set of criteria to identify which assets should remain on the Shires inventory and which assets should be considered for replacement rationalisation/ disposal.

The buildings assessment framework has been prepared taking into account relevant information and direction contained within the IIMM with the following building ratings.

Telecentre 47/100
CWA Building 20/100

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION

Moved Cr Radford,

That Council authorise the Chief Executive Officer to:

1. Publicly notify the leases (agreements) in accordance with Section 3.58 of the *Local Government Act 1995*
2. Notify tenants of the CWA Building and Telecentre Building that tenancy will be swapped effective 1 July 2020;
3. Progress new tenancy agreements along similar arrangements that presently exist;
4. Notify Kojonup News and Kojonup Telecentre that the term of tenancy will be on a yearly basis given the present uncertainty of the Telecentre's operational future;
5. Notify Southern Dirt Inc., that the term of tenancy will be five (5) years with an option to extend another five (5) years;

The motion lapsed for want of a seconder.

COUNCIL DECISION

154/19 Moved Cr Wieringa, seconded Cr Webb
"That the matter lay on the table"

CARRIED 6/1

Reason for change: Councillors felt they did not have enough background and needed more Information on this matter.

12.17 CORPORATE BUSINESS PLAN – KOJONUP 2023+ SMART IMPLEMENTATION

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Tuesday, 12 November 2019
FILE NO	CM.CIR.1
ATTACHMENT(S)	12.17.1 – Kojonup 2023+ ‘Smart Implementation’ - Corporate Business Plan

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
n/a	n/a	n/a

This Corporate Business Plan is a primary component of the Shire’s integrated planning process and sets the direction for all future decisions and allocation of resources.

DECLARATION OF INTEREST

Nil.

SUMMARY

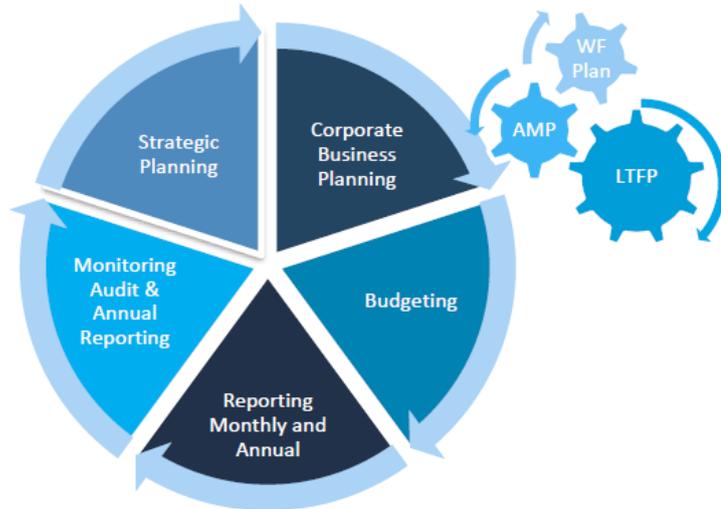
The purpose of this report is to consider the Corporate Business Plan for 2019/2020 to 2022/2023.

BACKGROUND

The *Local Government Act 1995* Section 5.56(1) and (2) requires that each Local Government is ‘to plan for the future of the district’, by developing plans in accordance with the regulations.

The Local Government (Administration) Regulations 1996 requires each Local Government to adopt a Strategic Community Plan and a Corporate Business Plan. In relation to the Corporate Business Plan, the plan is to be for a period of four (4) years and shall be reviewed each year. The Shire’s Strategic Community Plan, titled Smart Possibilities, was adopted on 25 July 2017 with a minor review (no changes made) occurring in 2019.

In relation to the Corporate Business Plan (Plan), the Plan is to be for a period of four (4) years and shall be reviewed each year. These two plans lead the integrated planning and reporting process in local government in WA as follows:



COMMENT

Smart Possibilities sets the strategic direction for the organisation for ten (10) years and beyond. It is the community's plan and is based primarily on the feedback obtained through surveys, workshops and interactive voting sessions.

The attached plan, *Smart Implementation*, demonstrates how and when the goals set in *Smart Possibilities* will be achieved. It also incorporates all other resourcing strategies and documents adopted by the Council, such as the Asset Management Plan 2017, Workforce Plan, Main Street Master Plan, etc.

The format of the attached plan reflects the five (5) 'key pillars' established in *Smart Possibilities* as follows:

1. **Place** (Kojonup celebrates its diversity for residents and visitors);
2. **Connected** (Kojonup advances through connections, partnerships and alliances);
3. **Performance** (Kojonup's people show commitment to strategy and operational excellence)
4. **Prosperity** (Kojonup invests in its own prosperity and drives economic growth); and
5. **Digital** (Kojonup is ambitious with technology, data and analytics).

The attached Corporate Business Plan represents a significant improvement on previous plans and is increasing in importance as a vital document. This plan is now equal in importance to the Annual Budget and *Smart Possibilities* and will require regular reference on a day-to-day basis by both staff and elected members. Year two of the plan will be the primary input tool for the content of the 2020/2021 Annual Budget.

A four year financial operating statement has been improved to give additional focus to the "Business as Usual" operations of the Shire, with reference to financial inputs from plans such as the 10 Year Road Program and 12 Year Plant Replacement Program, further integrating all of the Council's efforts into one cohesive direction.

The attached Corporate Business Plan has received amendments from the previous year's review including the following:

- Inclusion of research regarding the potential sale or lease of Springhaven
- Inclusion of individual recommendations from The Kodja Place Master Plan
- Updates to register of Integrated Planning Documents, Strategies and Master Plans by responsibility area
- A sixth year added with the 2018/2019 column showing progress achieved to-date.

CONSULTATION

Senior Management Team

STATUTORY REQUIREMENTS

Local Government Act 1995 Section 5.56

Local Government (Administration) Regulations (1996)

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

The adoption of this plan does not have a financial implications, although the plan balances all of the Shire's competing resources to establish a direction for the next four years.

RISK MANAGEMENT IMPLICATIONS

Compliance with Section 5.56 of the *Local Government Act 1995*.

ASSET MANAGEMENT IMPLICATIONS

This plan includes implementation of the twelve (12) key recommendations from the Asset Management Plan 2017, giving each an indicative timeline for completion.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/ COUNCIL DECISION

155/19 Moved Cr Fleay, seconded Cr Radford

"That Council adopt the Corporate Business Plan for 2019/2020 to 2022/2023, titled Kojonup 2023+ Smart Implementation, as attached."

CARRIED 7/0

12.18 POLICY MANUAL REVIEW

AUTHOR	Judy Stewart – Senior Administration Officer
DATE	Wednesday, 13 November 2019
FILE NO	CM.POL.2
ATTACHMENT(S)	12.18.1 – Existing Policy Manual showing proposed changes 12.18.2 – Policy Manual with proposed changes incorporated

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 conduct an annual review of Council’s Policy Manual.

BACKGROUND

Council’s Policy Manual is reviewed, in its entirety, on an annual basis and was last reviewed by Council in November 2018. Amendments to and formation of individual policies may be presented to Council for its consideration on an as needs basis in the interim, being incorporated into the Policy Manual at the time of amendment or formation.

COMMENT

The annual review of the Policy Manual has been undertaken by staff and proposed amendments are shown (tracked) in the first of the attachments to this item with the resultant document, inclusive of changes, being the second attachment. A summary of policies with recommended, consequential changes is as follows (other inconsequential changes include amendments relating to improved formatting and consistency throughout the document):

- 2.1.2 - Purchasing and Creditor Control
- 2.1.5 - Investments
- 2.1.6 - Monthly Financial Statements
- 2.1.7 - Major Grant Applications
- 2.1.8 - Financial Governance
- 2.1.10 - Corporate Credit Cards
- 2.2.1 - Staff Equal Opportunity
- 2.2.7 - Staff Housing
- 2.2.14 - Occupational Safety and Health
- 2.3.2 - Records Management

- 2.3.8 - Volunteer Management
- 2.3.9 - Closed Circuit Television (CCTV) Operations and Recording
- 3.9 - Flying Flags
- 3.16 - Community Consultation Charter
- 3.17 - Customer Service Charter
- 5.3 - Independent Living Units

CONSULTATION

Senior Management Team

Administration Staff via Administration Staff Meetings – review of one policy per fortnight to ensure relevance of content.

STATUTORY REQUIREMENTS

While policies have no legal status, it is considered best practice for local governments to have a set of policies that provide guidance to staff, effectively negating the need for staff to constantly refer to Council. Council may adopt, amend or waive policies under Section 2.7 (2) of the *Local Government Act 1995*.

POLICY IMPLICATIONS

This item recommends amendments to several existing Council policies, as outlined above.

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Risk Profile 3: Compliance - A lack of effective policies and processes can contribute to impulsive decision making (causes of compliance risk).

Risk Profile 8: Errors, Omissions and Delays – Key Control: Policies and Procedures

Robust systems and controls, including guidance documents such as Council’s Policy Manual, reduce inconsistencies and risks associated with Shire operations.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

156/19 Moved Cr Fleay, seconded Cr Pedler

“That the attached Shire of Kojonup Policy Manual, dated November 2019 and including amendments as presented, be adopted.”

CARRIED 7/0

13 KEY PILLAR 4 – ‘PROSPERITY’ REPORTS

13.1 DISPOSAL OF PORTION LOT 9999 THORNBURY CLOSE, KOJONUP TO SYD MATTHEWS & CO PTY LTD.

AUTHOR	Phil Shephard – Town Planner
DATE	Monday, 11 November 2019
FILE NO	A22323; LP.PLN.2
ATTACHMENT(S)	13.1.1 - Syd Matthews & Co Pty Ltd letter 13.1.2 - Proposed Subdivision plan 13.1.3 - LMW Valuation Report

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP4 - Prosperity	4.3 - Be attracting support industries and diverse and new business sectors to the region.	4.2.2 - Enable and advocate for new industry to set up in and around Kojonup 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

To consider the leasing of portion of Lot 9999 Thornbury Close, Kojonup to Syd Matthews and Co whilst the proposed subdivision of the lot proceeds.

BACKGROUND

Following Council’s decision at its 21 May 2019 meeting agreeing to releasing part of the undeveloped industrial land, staff have met on-site with the proponent to define the area to be leased/subdivided and obtained a valuation to enable Council to now formally consider the disposal of the land.

COMMENT

The area to be initially leased to the proponents is shown in the attached Proposed Subdivision plan (Shown as A) and comprises 3.79 hectares of land zoned Industrial under Town Planning Scheme No. 3. The proponent’s request, set out in the attached letter, is for Council to lease them the land for a 2-year period whilst the subdivision of the land proceeds to create the lease area into a freehold lot.

The proponents have offered to lease the land for \$6,500 (plus GST) per year. **The market rental valuation completed on 29 October 2019 advises a value of \$9,500 per annum.**

The proponents have advised the land is to be used as a transport depot and grain cleaning/storage activities. Transport Depot is a 'P' permitted use and Rural Industry is an 'SA' advertised discretionary use in the Industrial zone under Town Planning Scheme No. 3.

The proposed area to be leased/subdivided is presently partly used by the Shire for storage of materials and this will be relocated within the industrial area as previously agreed with Council. The area previously leased to Great Southern Grains will need to be cleaned up with all their equipment/materials removed from the site in accordance with their lease conditions. Should this not occur within a reasonable timeframe, the Shire would clean up the site and recoup the costs from Great Southern Grains.

Staff are progressing the proposed subdivision of the land which will be the subject of a future report to Council once the final costs have been determined.

CONSULTATION

Chief Executive Officer

Manager Works and Services

Neville Matthews (Syd Matthews & Co - proponent)

John Kinnear (John Kinnear and Associates – Consulting Surveyor)

Greg Basden (Stantec/Wood and Grieve – Consulting Engineer)

Richard Graham (LMW South West – Valuer)

STATUTORY REQUIREMENTS

Local Government Act 1995 – The disposal of any land by Council must comply with s.3.58 of the Act as follows:

3.58 Disposing of property

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

Planning and Development Act 2005 and Planning and Development (Local Planning Schemes) Regulations 2015 - Town Planning Scheme No. 3 is an operative local planning scheme under the Act. The use/development of the land must comply with the Scheme requirements

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

The proposed leasing/subdivision of the land has required expenditure by Council including surveyor costs (\$1,500), engineer costs, valuation expenses, advertising charges and land administration costs including lease preparation, stamp duty etc.

Council may seek to recoup from the proponents the costs associated with the lease preparation, stamp duty etc.

The income from the lease would be additional funds to Council's present budget.

RISK MANAGEMENT IMPLICATIONS

Subdivision of land falls within the Planning Department of Council's operations. Risk areas associated with Planning include:

3. Compliance – inadequate compliance framework; and
8. Errors, Omissions and Delays – complex legislation.

As subdivision falls within the Planning Department, Council has mitigated these risks by using Council's Town Planner to research the subject matter of this report.

ASSET MANAGEMENT IMPLICATIONS

The Shire currently maintains the land and disposing of the land will remove the asset management implications for the Shire.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority – under LG Act required.

OFFICER RECOMMENDATION/ COUNCIL DECISION

157/19 Moved Cr Fleay, seconded Cr Radford

"That Council in accordance with s.3.58 of the Local Government Act 1995, advertise the proposed lease of Portion Lot 9999 Thornbury Close, Kojonup (Shown as A on the Proposed Subdivision plan) for \$9,500 (plus GST) per annum for 2-years commencing on 1 January 2020."

CARRIED 7/0

13.2 R-CODE VARIATION FOR RETAINING WALL AND CARPORT LOT 950 (No. 11) GEORGE STREET, KOJONUP.

AUTHOR	Phil Shephard – Town Planner
DATE	Thursday, 14 November 2019
FILE NO	A23393
ATTACHMENT(S)	<p>13.2.1 - ModularWA letter</p> <p>13.2.2 - Site Plan and Elevations</p> <p>13.2.3 - Neighbours objection email</p>

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
<p>KP4 - Prosperity</p>	<p>4.3 Be attracting support industries and diverse and new business sectors to the region.</p>	<p>4.2.2 Enable and advocate for new industry to set up in and around Kojonup</p> <p>4.3.4 Drive population growth through the support of local industry, development of new industry and promotion of Kojonup’s point of difference</p>

DECLARATION OF INTEREST

Nil.

SUMMARY

To consider a proposed variation to the Residential Design Codes relating to a retaining wall and carport for a new dwelling on Lot 950 (No. 11) George Street, Kojonup. The affected neighbour has objected to the variation and the application is required to be submitted to Council for determination.

BACKGROUND

Nil.

COMMENT

The proposed new dwelling is single storey, using a modular design and will be 260m² in area including the living areas, verandah/carport and porch. The walls will be clad in weatherboards and the roof clad with zincalume metal sheeting (see attached Elevations) .

The development of the proposed new dwelling includes retaining walls around the sides and rear of the residence and a carport on the west-side of the residence that is setback 500mm from the adjoining boundary to Lot 2 (No. 13) George Street, Kojonup (see attached Site Plan).

The development of housing is required to comply with the ‘deemed-to-comply’ provisions of the Residential Design Codes (R-Codes), unless Council approves a variation against the ‘design principles’ provisions of the R-Codes.

In this proposal, whilst the new dwelling satisfies the majority of the ‘deemed-to-comply’ provisions, it does not meet these regarding:

- The retaining wall along the western side boundary; and
- The setback of the carport.

The proponents have requested Council approve the variations for the reasons outlined in the attached ModularWA letter advising that it will enable better design and use of the carport area.

In accordance with R-Codes requirements, the proposed variations were referred to the adjoining neighbours for comment. The landowner of adjoining Lot 951 (No. 9) George Street to the east did not object to the variations. The landowner of adjoining Lot 2 (No. 13) George Street to the west has objected to the variations for the reasons outlined in the attached Neighbours objection email.



Aerial image of Lot 950 (No. 11) George Street, Kojonup bordered in red (Image: Landgate Map Viewer Plus)

As stated above, where a residential development does not meet the ‘deemed-to-comply’ provisions of the R-Codes, it must be assessed against the ‘design principles’ and those relevant provisions relating to retaining walls and setback of carports are discussed below.

The ‘design principles’ relating to retaining walls is contained in 5.3.8 of the R-Codes and states:

5.3.8 Retaining walls

P8 Retaining walls that result in land which can be effectively used for the benefit of the residents, and do not detrimentally affect adjoining properties and are designed, engineered and landscaped having due regard to clauses 5.3.7 and 5.4.1.

The proposed retaining wall along the western side boundary will be 21m long and be between 300mm – 600mm in height. Any retaining wall up to 500mm is permitted to be located up to a lot boundary and in this case, a portion of the retaining wall will 600mm in height with the majority to be less than 500mm.

Whilst the neighbour's concerns regarding the disruptions to tenant's activities during the construction works is noted, this does not represent sufficient grounds for refusing the application. The use of the retaining walls will make for more effective use of the land by the residents and once the works are completed including the reinstatement of fencing along the common boundary, the wall will not adversely affect the adjoining property or its use and enjoyment by the tenant which achieves the 'design principles' provisions of the R-Codes.

It should also be noted that any encroachment or use of the adjoining properties for construction activities requires the landowner's consent under the *Building Act 2011* and they can refuse the request. The reinstatement of the existing dividing fence is controlled by the *Dividing Fences Act 1961* and is for the landowners to resolve, it is not a matter that involves Council.

The 'design principles' relating to setback of carports is contained in 5.2.1 of the R-Codes and states:

5.2.1 Setback of garages and carports

P1 The setting back of carports and garages to maintain clear sight lines along the street and not to detract from the streetscape or appearance of dwellings; or obstruct views of dwellings from the street or vice versa.

The proposed carport has an effective length of 16.5m including the portion of the rear verandah and includes 6 support columns on the boundary with roof sheeting to be setback 500mm from the boundary.

The neighbour's concerns relate to noise from vehicles and its potential use as a workshop or for parties and disruptions to the tenants and this also does not represent sufficient grounds for refusing the application. The proposed carport achieves the 'design principles' provisions of the R-Codes and will not affect sight lines along the street or detract from the existing streetscape or appearance of dwellings along the street. The setback of the roof sheeting will not adversely affect the amount of sunlight and/or ventilation to the neighbour's property.

The control of noise emissions from any premises must comply with the *Environmental Protection (Noise) Regulations 1997* and there is no reason to presume the approval of the carport will create the circumstances reflected in the objection. If there was excessive noise being generated from the property in the future, this would be dealt with under the Regulations.

As with the construction of the retaining wall, should the placement of the supporting posts require any encroachment or use of the adjoining properties for construction activities this requires the landowner's consent under the *Building Act 2011*, and they can refuse the request.

The carport will be constructed over a drainage easement and this is required to be upgraded accordingly. The Manager of Works and Services has advised on the upgrading requirements and these will be placed as a condition of development approval and will be completed at the landowners cost.

In determining the variation request, the Council has a number of options available to it, which are discussed below:

1 Not approve the request

The Council can choose to refuse to approve the request. If this option was chosen, the development would be required to be altered to achieve the 'deemed-to-comply' provisions of the R-Codes.

2 Approve the request

The Council can choose to approve the request, in part or whole and may place conditions on any approval.

3 Defer the request

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.

CONSULTATION

Development Services Coordinator
Manager of Works and Services
Adjoining landowners

STATUTORY REQUIREMENTS

Planning and Development Act 2005 and Planning and Development Regulations 2009 - The determination of any residential development is required to comply with the requirements of the Act and Regulations which includes the Residential Design Codes.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Nil.

RISK MANAGEMENT IMPLICATIONS

Risk Description	Risk Likelihood	Risk Consequence	Risk Classification	Risk Treatment
Council does not support the request and/or application	Unlikely (D)	Minor (2)	Low	Managed by routine procedures, unlikely to need specific application of resources

ASSET MANAGEMENT IMPLICATIONS

The upgrading of the drainage system within the easement will be paid for by the landowner. The Shire will retain its responsibility for the maintenance of the drainage system.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority – under LG Act required.

OFFICER RECOMMENDATION/ COUNCIL DECISION

158/19 Moved Cr Fleay, seconded Cr Radford

“That Council:

- 1) *Grant Development Approval for the new single house on Lot 950 (No. 11) George Street, Kojonup including the reduced setbacks for the retaining walls and carport subject to the following conditions:*
 - a) *The development to be carried out and fully implemented in accordance with the attached stamped approved plans and where marked in red unless a variation has been approved by the CEO in writing.*
 - b) *The existing stormwater drainage system within the easement to be upgraded at the landowners cost to specifications and satisfaction of the Shire of Kojonup.*
 - c) *All stormwater to be retained and/or disposed of or reused on-site. No stormwater is permitted to be discharged to any adjoining property. If connection to the Shire’s stormwater drainage system is required, any connection(s) shall be completed at the landowners cost to specifications and satisfaction of the Shire of Kojonup.*
 - d) *The dwelling to be connected to the Water Corporation deep sewer and water supply networks.*
 - e) *The new access/egress crossover point onto George Street to be sited, designed and constructed at the landowners cost to the satisfaction of the Shire of Kojonup.*

Advice Notes:

- i) The construction of the dwelling requires a separate Building Permit to be obtained prior to any works commencing.*
- ii) This development approval does not constitute approval for any encroachment or use or works on any adjoining land that is required to be approved under the Building Act 2011.*
- iii) Advise the landowner of Lot 2 (No. 13) George Street, Kojonup that their submission has been noted by Council and the application approved.”*

CARRIED 7/0

14 KEY PILLAR 5 – ‘DIGITAL’ REPORTS

Nil

15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

16 NEW BUSINESS

16.1 DEED OF AGREEMENT

Cr Gale requested to discuss an amendment to item “11.2 Lot 2 Spring Street, Kojonup – disposal to the George Church Medical Centre Inc.” and the Council Decision made at the Special Council Meeting held on Tuesday, 5 November 2019.

Cr Gale tabled a “Deed of Agreement” between the Shire of Kojonup and The George Church Community Medical Centre Committee Inc. as prepared by Michael Rogers & Associates.

COUNCIL DECISION

159/19 Moved Cr Fleay, Seconded Cr Gale

“That Council discuss Lot 2 Spring Street, Kojonup – disposal to the George Church Medical Centre Inc.”

CARRIED 7/0

COUNCIL DECISION

160/19 Moved Cr Gale, Seconded Cr Webb

“That Council consider adopting a deed of agreement between the Shire of Kojonup and the George Church Community Medical Centre Inc., as a licence document in respect to the use of the carpark on Lot2 and Lot 3 Spring Street.”

CARRIED 5/2

17 CONFIDENTIAL REPORTS

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

161/19 Moved Cr Gale, seconded Cr Fleay

“That the meeting proceed behind closed doors in accordance with Section 5.23(2)(c) and (e) of the Local Government Act 1995 at 4.40pm”

CARRIED 7/0

17.1 REQUEST FOR TENDER 10/2019/20 – RENOVATIONS & ALTERATIONS, SPRINGHAVEN FRAIL AGED LODGE, KOJONUP

AUTHOR	Michelle Dennis – Development Services Coordinator
DATE	Tuesday, 12 November 2019
FILE NO	FM.TND.3/CP.DAC.2
ATTACHMENT(S)	17.1.1 - Request for Tender – Renovations & Alterations 17.1.2 – Request for Tender – Addendum 1

OFFICER RECOMMENDATION/ COUNCIL DECISION

162/19 Moved Cr Fleay, seconded Cr Radford

“That:

- 1. No Tender be accepted for Request for Tender 10/2019/20 Renovations & Alterations, Springhaven Frail Aged Lodge, Kojonup; and*
- 2. Subject to the approval of the Department of Health to change the Grant Activity, the Chief Executive Officer be authorised to enter into negotiation with Coast Enterprises Pty Ltd (Trading As Challis Builders) for completion of modified works associated with renovations and alterations at Springhaven Frail Aged Lodge, Kojonup to commence in 2020.”*

CARRIED 7/0

17.2 QUOTATION FOR THE SUPPLY AND DELIVERY OF 1 (ONE) SKID STEER LOADER

AUTHOR	Craig McVee – Manager of Works and Services
DATE	14 November 2019
FILE NO	FM.FNR.2
ATTACHMENT(S)	17.2.1 - Evaluation Matrix

OFFICER RECOMMENDATION

163/19 Moved Cr Gale, seconded Cr Radford

“That the eQuote be awarded to Westrac for the supply of 1 (one) CAT Skid Steer Loader for the net changeover of \$67,430.”

CARRIED 7/0

PROCEDURAL MOTION

164/19 Moved Cr Fleay, seconded Cr Webb

“That the meeting be reopened to the public at 4.53pm”.

CARRIED 7/0

18 **NEXT MEETING**

Ordinary Council Meeting Tuesday, 10 December 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 4:54pm.

20 ATTACHMENTS (SEPARATE)

Item 7	7.1.1	Minutes of the Ordinary Council Meeting held 17 September 2019
	7.2.1	Minutes of the Ordinary Council Meeting held 22 October 2019
	7.3.1	Minutes of the Special Council Meeting held 5 November 2019
Item 10.1	10.1.1	Unconfirmed minutes for the Natural Resource Management Committee meeting 16 June 2019.
	10.1.2	Unconfirmed minutes for the Natural Resource Management Committee meeting 15 August 2019.
Item 10.2	10.2.1	Volunteer Handbook – November 2018 showing changes
	10.2.2	Volunteer Handbook – October 2019 clean copy
Item 11.1	11.1.1	VROC Local Law Review
	11.1.2	Comparison Comments
	11.1.3	Existing Local Laws
	11.1.4	Model Local Laws showing changes
	11.1.5	Model Local Laws clean
Item 12.1	12.1.1	September 2019 Monthly Financial Statements
Item 12.2	12.2.1	October 2019 Monthly Financial Statements
Item 12.3	12.3.1	Monthly Payment Listing 01/09/2019 to 30/09/2019
Item 12.4	12.4.1	Monthly Payment Listing 01/10/2019 to 31/10/2019
Item 12.5	12.5.1	Unconfirmed Minutes from the Audit and Risk Committee Meeting held 5 November 2019.
Item 12.8	12.8.1	Great Southern Development Commission Board Nominations
Item 12.10	12.11.1	Correspondence from Muradup Agricultural Hall Committee
	12.11.2	Correspondence from Qualeup Hall Committee x 2
	12.11.3	Correspondence from Boscabel Hall Committee
Item 12.11	12.12.1	Photographs of the interior, exterior and surrounds of Orchid Valley Hall
	12.12.2	Orchid Valley Hall Asbestos Report
	12.12.3	Orchid Valley School History 1935-1943
	12.12.4	Reserve 10346 – Management Order
Item 12.12	12.13.1	Licensed surveyor drawing showing Westcourt Road (actual placement) and Westcourt Road Reserve
	12.13.2	Landgate maps showing: a) Westcourt Road within and outside of the dedicated Westcourt Road Reserve b) Tennis court encroachment on Westcourt Road Reserve
	12.13.3	Reserve 16076 Management Order
	12.13.4	South West Native Title Settlement Noongar Land Estate Factsheet
	12.13.5	Utility and Service Provider Comment: a) Department of Mines, Industry Regulation and Safety b) Western Power c) Main Roads Western Australia d) Department for Planning, Lands and Heritage
Item 12.13	12.14.1	Draft Fraud, Corruption and Misconduct Prevention Policy
	12.14.2	Draft Fraud, Corruption and Misconduct Prevention Plan
Item 12.16	12.16.1	Kojonup 2023+ ‘Smart Implementation’ - Corporate Business Plan

Shire of Kojonup – Ordinary Council Meeting – Minutes – 19 November 2019

Item 12.17	12.17.1	Existing Policy Manual showing proposed changes
	12.17.2	Policy Manual with proposed changes incorporated
Item 13.1	13.1.1	Syd Matthews & Co Pty Ltd letter
	13.1.2	Proposed Subdivision plan
	13.1.3	LMW Valuation Report
Item 13.2	13.2.1	ModularWA letter
	13.2.2	Site Plan and Elevations
	13.2.3	Neighbours objection email

Confidential Attachments (Under Separate Cover)

Item 17.1	17.1.1	Request for Tender – Renovations & Alterations
	17.1.2	Request for Tender – Addendum 1
Item 17.2	17.2.1	Evaluation Matrix

Presiding Member

Date