

# Kojonup



**SHIRE OF KOJONUP**

# **MINUTES**

**Ordinary Council Meeting**

***19 June 2018***

**MINUTES FOR THE COUNCIL MEETING HELD ON 19 JUNE 2018**

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## MINUTES

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

The Shire President declared the meeting open at 3.05pm and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points and drew 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.*

### 2 **ATTENDANCE & APOLOGIES**

Cr Ronnie Fleay	President
Cr Ned Radford	Deputy President
Cr John Benn	
Cr Graeme Hobbs	
Cr Jill Mathwin	
Cr Ian Pedler	
Cr Sandra Pedler	
Cr Judith Warland	

#### **STAFF**

Rick Mitchell-Collins	Chief Executive Officer
Craig McVee	Manager Works and Services
Zahra Shirazee	Manager Community Development and Tourism
Anthony Middleton	Manager of Corporate Services
Heather Marland	Senior Finance Officer
Pam Chambers	Senior Administration Officer
Claire Servaas	Records Officer
Phil Shephard	Planner
Michelle Dennis	Development Services Coordinator
Lorraine Wyatt	Executive Assistant

#### **APOLOGIES AND LEAVE OF ABSENCE**

Nil

#### **MEMBERS OF THE PUBLIC**

One.

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

Nil

**4 PUBLIC QUESTION TIME**

Parminder Singh advised Council that he was interested in building a Medical Centre (the Centre) and that he was prepared to invest his own funds into the project. Mr Singh requested that Council make an in kind contribution of land and that a condition of the project would be that the medical professionals who practiced at the Centre should also be given exclusive rights to undertake medical provisions at Springhaven and the Hospital.

In addition, Mr Singh reiterated a discussion held 18 months previously with the Shire CEO regarding Council gifting the land where the Men's Shed is currently located. He would like to build a Café, Bakery & Sports Bar which would face Apex Park enabling parents the benefit of being able to watch their children while having a coffee, therefore connecting the two locations as a hub.

Mr Singh felt the two developments would be of benefit to Kojonup as they will generate employment and the flow on effect would be that Kojonup has the opportunity to grow. As a current business owner, Mr Singh believes it is important to participate in the local community and support local businesses and organisations.

The Shire President took the question on notice and the Shire will respond to Mr Singh.

**5 PETITIONS, DEPUTATIONS & PRESENTATIONS**

Nil

**6 APPLICATIONS FOR LEAVE OF ABSENCE**

Cr Ned Radford noted that he will be an apology for the 24 July 2018 Ordinary Council meeting. Decision 42/18 from the Ordinary Council meeting held 15 May 2018 refers:

*42 /18 Moved Cr Benn, seconded Cr Warland that Cr Radford be granted a leave of absence for the Briefing Session and Ordinary Council meetings to be held 24 July 2018.*  
**CARRIED 8/0**

**7 CONFIRMATION OF MINUTES**

**7.1 ORDINARY MEETING 15 MAY 2018**

Minutes of the previous Ordinary Council Meeting which was held on 15 May 2018 were previously circulated under separate cover and are at **Attachment 7.1.1**

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**61 /18 Moved Cr J Mathwin, seconded Cr J Benn that the Minutes of the Ordinary Meeting of Council held on 15 May 2018 be confirmed as a true record.**

**CARRIED 8/0**

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

Congratulations to Robbie Miniter from the Wirrpanda Foundation on making the Queen's Birthday honours list for his service to the Indigenous Community of Western Australia

**9 DECLARATIONS OF INTEREST**

**Item 10.1: The Kodja Place Rammed Earth Walls**

- Cr Radford declared a Financial Interest (Direct) in item 10.1, as the joint owner of a local Bed and Breakfast that does received occasional bookings from the Kojonup Visitors Centre.
- Cr Hobbs declared a financial interest in item 10.1 as spouse consults (paid) and volunteers at The Kodja Place.

**Item 17.1: Kodja Place Budget Review**

- Cr Radford declared a Financial Interest (Direct) in item 17.1, as the joint owner of a local Bed and Breakfast that does receive occasional bookings from the Kojonup Visitor Centre.
- Cr Benn declared a financial interest in item 17.1 as spouse sells goods through the Kojonup Visitors Centre.
- Cr Hobbs declared a financial interest in item 17.1 as spouse consults (paid) and volunteers at The Kodja Place.
- Cr Ian Pedler declared a financial interest in item 17.1 as goods sold through the Kojonup Visitors Centre.
- Cr Sandra Pedler declared a financial interest in item 17.1 as goods sold through the Kojonup Visitors Centre.

Permission for disclosing members to participate in item 17.1 Kodja Place Budget Review, was sought from the Department of Local Government; Sport & Cultural Industries. Approval was subsequently granted as follows: *“Councillors Ian and Sandra Pedler and Cr Benn to fully participate and vote on the item at the Shire’s Ordinary Council Meeting of 19 June 2018 and vote on all matters relating to this item for the next 12 months, provided their interests do not change”.*

## 10 KEY PILLAR 1 – ‘PLACE’ REPORTS

### 10.1 THE KODJA PLACE RAMMED EARTH WALLS

<b>AUTHOR</b>	Michelle Dennis – Development Services Coordinator
<b>DATE</b>	Thursday, 7 June 2018
<b>FILE NO</b>	CP.MTC.21
<b>ATTACHMENT(S)</b>	10.1.1 – Quantity Surveyors Cost Estimate 10.1.2 – Floor Plan excerpt, The Kodja Place Master Plan 10.1.3 – Floor Plan illustrating priority repair areas

#### STRATEGIC/CORPORATE IMPLICATIONS

“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP – 1 Place	1.1 – Have maximised our “One Community” program through specific events, celebration of built form and enhancement of our environment.	1.1.2 – Celebrate the significance of cultural, social and built heritage including local indigenous and multicultural groups. 1.1.3 – Grow The Kodja Place to become an iconic WA attraction. 1.2.3 – Provide community infrastructure that attracts outsourced or privately run facilities and programs.
KP – 2 Connected	2.1 – Be growing our state-wide and local tourism and shopping capabilities through regional alliances.	2.1.4 – Reach out to investors for management of amenities and future industry growth. 2.1.10 – Kodja Place Building Improvements: Repair/replace defective walls and wall cladding; CCTV and security upgrade; Solar Array
KP – 3 Performance	3.1 – Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group 3.3 – Use a Building Assessment Framework and control our investment in building maintenance. 3.4 – Be organised and transparent with our financial management	3.1.1 Build partnerships with WA recreation, business and tourism 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.

#### DECLARATION OF INTEREST

Nil

## SUMMARY

To seek Council's consideration of options for remediating defective rammed earth walls at The Kodja Place.

## BACKGROUND

At its Ordinary February 2004 meeting Council considered "the need to undertake remedial action to repair the rammed earth walls at Kodja Place". This report included the following statements by the reporting officer, Chief Executive Officer:

*"Ever since the rammed earth wall was completed at Kodja Place there has been an ongoing problem with water infiltration of the walls causing odour problems and potential degradation of the stability of the walls. This is despite various treatments having been applied.*

*It has not been possible to have any party admit that the defect is their responsibility.*

*The Architect denies any liability as they withdrew from the project prior to the walls being constructed.*

*The builder denies any liability as he claims the walls were constructed in accordance with the architect's specifications.*

*The manufacturer of the walls claims that the mix used to construct the walls were in accordance with the architects specifications.*

*The Company that applied the sealant to the walls claim that sealant was in accordance with the architect's specifications".*

The outcome of the 2004 report was the installation of the awning/covered way on the western walls (i.e. Albany Highway elevation).

In response to evidence of further wall failures, in September 2013 the Shire arranged for Engineering firm Brown Consulting (WA) Pty Ltd to undertake an inspection of the building to observe and report on its structural condition. This was followed by a remedial advice report in April 2014 and then a further site visit by a specialist rammed earth contractor and subsequent Remedial Works Report in September 2014. This report identified the following:

- Spalling and delamination of rammed earth walls along flashing.
- Erosion, spalling and flaking of rammed earth walls along footings.
- Vertical and horizontal cracks in rammed earth walls.
- General deterioration and spalling and eroding of feature wall at entry porch
- Organic growth and damp at base of wall on external face at eastern end of southern elevation.
- Loose material and hollow section of lintel to all windows on northern and western elevation of toilet/Aboriginal Office/Future Office.
- Deterioration of surface coating.
- Areas of water ingress into toilets through ceiling.
- Feature stone wall cracking.

The report concluded that the damage observed is "...primarily cosmetic and are not a risk to the structural integrity of the walls or structure. The damage and deterioration noted are considered to be manageable and can be satisfactorily addressed and repaired. A suitable routine and ongoing maintenance program will also assist in the longevity and durability of the building".

The Remedial Works Report identified significant earth works that would be required and ongoing maintenance to ensure that the integrity of the walls are maintained. While the report suggested the option of patching the spalling/eroded walls it did highlight that the finish and texture of the wall would vary, that repairs would be noticeable which may result in the final wall aesthetics not being satisfactory.

In March 2015 remedial works were undertaken by BGC Contracting to repair the crack in the feature stone wall and remove/replace the lintels (including rammed earth wall sections above the lintel) to all windows on the northern and western elevation of the toilet/Aboriginal Office/Future Office. Further repairs were placed on hold pending the outcome of the Curatorial Audit (completed November 2015) and The Kodja Place Master Plan (completed March 2017). Neither of these documents identify the rammed earth walls as a significant feature; however the stone wall at the front of the building has been highlighted as having “local, cultural and aesthetic significance” requiring retention.

Within the Remedial Works Report, the consultant suggested a repair option of waterproofing within the wall via direct injection. The garden wall at the front of the entry and one of the entry walls were identified as requiring removal due to their degraded state. Prior to its removal BGC Contracting trialled the suggested waterproofing method in the garden wall as a test case for the other rammed earth walls around the precinct. Various products were trialled, however proved unsuccessful. The entry and garden walls were subsequently removed as part of the works carried out in March 2015.

A separate audit by a professional Stonemason was undertaken in January 2018. Their considered opinion was that the composition of the walls is contributing to their failure, that they would continue to degrade and that the only feasible avenue was for the walls to be replaced.

At its Ordinary February 2018 meeting Council resolved via Decision 4/18 that:

*Council’s priorities for The Kodja Place Precinct for the balance of the 2017/2018 financial year and the 2018/19 financial year are:*

- 1. Immediately address defective rammed earth walls to protect asset from further deterioration.*
- 2. Ensure carparking, pedestrian and entry points are compliant with Disability and Inclusive Standards especially gravel areas and uneven surfaces.*
- 3. Ensure staff working conditions, amenities and equipment meet minimum requirements of industrial law, Safe Work Australia Standards and the Shire of Kojonup’s “Duty of Care” legal obligations.*
- 4. Identify, list and prioritise any public liability issues (including costs)*

#### **COMMENT**

The rammed earth walls at The Kodja Place are non-loadbearing i.e. the roof and ceiling are supported by a steel frame with the rammed earth walls built around the steel posts. Water is seeping through the walls in a number of areas and causing the inside of the wall to flake and drop off. This is primarily within public areas, but all offices are becoming affected. In addition, no sound proofing appears to have been provided between the toilet facilities and the adjoining office, creating unsatisfactory work conditions for the officers involved. Externally the walls are eroding, particularly in areas where pathways and garden beds have been installed at levels higher than the footing.



Item 1 of Council Decision 4/18 requires the Shire to “*Immediately address defective rammed earth walls to protect asset from further deterioration*”. All advice received to date has indicated that there is no suitable maintenance option other than to replace the defective walls.

The Shire engaged Quantity Surveyor Chris O’Keefe to attend the site and provide costs associated with three options. The existing rammed earth walls are 300mm thick. The quantity surveyor has suggested that the original thickness be maintained so as to minimise the repairs/patching/alterations etc. required at new floor/wall junctions and new wall/ceiling junctions. Plywood has been suggested as a possible internal lining to provide opportunities for additional wall fixings within the exhibition spaces in particular.

In preparing the report, a “worst case scenario” was adopted with all three options allowing for the following:

- New windows and doors
- New flashing, gutters and downpipes in areas where walls removed
- Touching up at ceiling junctions
- Installation of skirting at floor junctions

The options are summarised below, with trade breakups and the indicative cost estimate attached. Three additional options are included for consideration.

- Option 1 – Cost Estimate \$497,000 (excluding GST)

Cavity wall comprising 120mm stud framed wall lined externally with colorbond profiled metal deck sheeting and internally with 90mm stud framed wall lined with plasterboard/plywood sheeting

- Option 2 – Cost Estimate \$520,000 (excluding GST)

Cavity wall comprising face brick external leaf and internal 90mm stud framed wall lined with plasterboard/plywood sheeting (i.e. brick veneer)

- Option 3 – Cost Estimate \$289,000 (including GST)

Seal existing stabilised earth wall and line externally with colorbond profiled metal deck sheeting and internally with plasterboard/plywood sheeting

Due to the degraded nature of the walls, option 3 is not recommended as there is little substance to the wall to enable a cost effective adequate fixing method of additional products. Without undergoing ground improvements, the wall could potentially continue to “wick” water from the ground and mask the problem. It is considered that this would not be value for money as it would require ongoing monitoring.

- Option 4 – Extend the Tourism and Management Office as part of the works

The Manager Community Development and Tourism has raised concerns about the space available in the existing Tourism and Management office and have suggested that if works were to occur, that the Shire take the opportunity to extend that space to the size shown as “Community Room” in attachment 17.1.3. This represents an additional area and estimated costing, based on The Kodja Place Master Plan, of 54m<sup>2</sup> and \$197,580 respectively.

Any works associated with Option 4 will require a building permit to be obtained. It is not clear from The Kodja Place Master Plan if building considerations such as fire isolation, separation and energy efficiency have been incorporated into the overall project costings. While the building currently has fire hose reels, it is likely, with the change in water delivery

by the Water Corporation, that the pressure available to the site will be less than the required standard. For most commercial developments in Regional Western Australia, where the floor area/fire compartment is more than 500m<sup>2</sup> in area, tanks and pumps are required to be installed for firefighting purposes; which can add considerably to the overall costs.

Given the information available, this option is considered premature at this stage and is therefore not recommended.

- Option 5 – Do nothing (defer decision)

As Council is currently awaiting the outcome of a pending expression of interest under the Commonwealth's Regional Growth Fund that considers extensive refurbishment works at The Kodja Place (outcome due September 2018) Council may consider deferring their decision. As outlined in the Financial Implications section of this report, any works proposed to this building will necessitate a loan to be obtained. The works identified will not improve the financial operating position of the facility and Council may wish to consider deferring a decision pending the outcome of the grant application.

- Option 6 – Prioritise areas of replacement

As The Kodja Place Master Plan includes a concept plan identifying future building works, it is considered that a combination of Option 1 and Option 2 may be beneficial i.e. consider the use of brick veneer in areas not identified for future works and utilise light frame/clad construction in areas where works are proposed (to enable easier removal/modification at a later stage). Prior to proceeding with any works detailed designs would need to be obtained and a cladding method determined that will be considered aesthetically appropriate for the precinct.

While it is considered that all of the rammed earth walls (88m; various heights) will eventually require replacement, the areas considered a priority for repair with regard to Council decision items 3 and 4 outlined from the February decision above are:

1. Tourism and Management Office (22m)
2. Toilets/Aboriginal Office/Future Office (19.2m)
3. Tourist Area (8m)

These areas total 49.2 linear metres and are highlighted on the attached floor plan.

Within The Kodja Place Master Plan, the Tourism and Management Office is earmarked for redevelopment into a community room and incorporated into a unified entrance. The building footprint of the Toilets/Aboriginal Office/Future Office and Tourist Area wall have not been identified as requiring change. If Council were willing to prioritise areas of repair, it is recommended that the Tourism and Management Office be rebuilt (but not extended as proposed in Option 4) using Option 1 (22m) and that the remaining two priority areas be rebuilt using Option 2 (27.2m). Based on the cost estimates provided a budget allocation of \$285,000 will be required for the three prioritised areas.

While staff will need to be relocated from their offices, these prioritised work areas should minimise the disruption to the Tourism operations of The Kodja Place and shouldn't require the complete removal of the exhibits (which would be required prior to the replacement of the wall adjacent to the Exhibition Gallery and which has not been included in the costings provided).

## **CONSULTATION**

Manager Corporate Services (for Financial Implications)

Manager Regulatory Services

## **STATUTORY REQUIREMENTS**

In Western Australia, the *Building Act 2011* stipulates the minimum construction standards applicable to building works, including the adoption of the National Construction Code. As the walls are non-structural a building permit would not be required.

Where a building permit is not required a building owner is required to ensure that a building meets the applicable building standards. The applicable building standards for this structure are the standards relevant at the time the building was initially built. This would have been before the introduction of the energy efficiency provisions of the National Construction Code. While it is advantageous to include insulation within any cavity walls while remedial works are occurring, a full energy efficiency compliance assessment will not necessarily be required.

## **POLICY IMPLICATIONS**

Council Policy 2.3.4 “Asset Management” incorporates a Building Assessment Framework when considering new infrastructure or renewal and maintenance of existing infrastructure. This is a qualitative assessment that considers how a building meets the Community Strategic Plan commitments, level of efficiency with regards to operational and maintenance costs, how fit for purpose the building is and its historical and cultural value; applying a weighting and a score out of 100. In July 2017 The Kodja Place was assessed and achieved a score of 75 out of 100 – the fifth highest score of all Shire buildings.

## **FINANCIAL IMPLICATIONS**

At Council’s mid-year budget review, \$35,000 was allocated towards remediation works. It is recommended that any remaining funds from this allocation at the end of the 2017/2018 financial year be transferred to The Kodja Place Tourist Precinct Reserve.

The April financial statement identifies an operating deficit of \$515,000; with a budget projection of an operating deficit of \$728,000. Any remedial works to the walls will not improve the profitability of the precinct.

## **RISK MANAGEMENT IMPLICATIONS**

This facility is a public building and while there is no structural risk to the building, any eroding material, if it were to fail, could potentially injure staff or the public, damage exhibits or retail items.

## **ASSET MANAGEMENT IMPLICATIONS**

The walls have been identified, since 2004, as requiring attention. Various reports have indicated that replacing the walls is the only cost effective option. Consideration for replacement in a manner that reduces ongoing maintenance is recommended.

The Shire of Kojonup has care control and responsibility for over **\$215.8m** of assets, with **\$142.3m** of depreciable assets.

	All Buildings	Municipal Buildings
<b>Strategic Level of Service</b>	To provide a range of community buildings that are fit for purpose, appropriately designed, well maintained, safe and functional	To provide a range of municipal buildings that are fit for purpose, appropriately designed, well maintained, safe and functional.
<b>Service Standards</b>	<b>Customer</b>	<b>Technical</b>
<b>Design</b>		
Building Design	Buildings will be designed to: - Meet appropriate standards for safety and environmental efficiency - Be fit for purpose - Ensure the 'whole of life' cost is considered for all elements of the asset when determining design	Buildings are designed and constructed in accordance with the Building Code of Australia, Building Act 2011 and associated Regulations.
Planned Maintenance	Shire will implement a scheduled maintenance program for all building assets	Maintenance programs will be implemented based upon condition assessment, annual budgets and long term financial plan.
Reactive Maintenance	Emergencies will be responded to immediately (this may include relocation of staff or services and the area made safe until repairs can be effected). - All non-emergency related requests for maintenance will be assessed based on the Shires risk assessment process within 4 hrs of receiving the request - repairs will be effected as soon as possible on a prioritised basis subject to availability of resources	Maintenance (reactive) will be commissioned based upon customer requests and technical advice. Emergency maintenance will be addressed immediately, whilst non emergency maintenance will be addressed in accordance with scheduled maintenance, annual budgets and long term financial plans.

		Degree to which provision of the building meets SCP commitments Level of efficiency with regards to operational and maintenance costs Fit for Purpose/ Adaptability for new purpose/ Risk and BCA Compliance (score to the highest possible use) Historical and cultural value				SUB TOTAL
		30	20	35	15	
Suburb	Primary Description					
Kojonup	Springhaven Frail Aged Lodge	5	4	5	3	90
Kojonup	Recreation Centre	5	3	4	3	79
Kojonup	Hall & Lesser Hall	5	2	4	4	78
Kojonup	Shire Office & Library	5	4	4	1	77
Kojonup	Kodja Cultural Centre	5	2	4	3	75
Kojonup	RSL Hall	4	3	3	4	69

The Kodja Place is rated as the shires 5<sup>th</sup> most important building and council is committed to improving the level of efficiency of operational and maintenance costs but it will require an allocation of funds both ratepayer and from external sources.

## **SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

The Southern Link VROC Strategic Plan includes a transformational project area of:

Destination of Natural Choice

Further develop the Great Southern's iconic tourism product and its marketing to prospective visitors; support the growth of a dynamic arts and creative sector with links to the tourism industry.

The Kodja Place is an attraction in its own right as well as providing a Tourist Information hub.

## **VOTING REQUIREMENTS**

Simple Majority

Cr Hobbs and Cr Radford declared an interest in item 10.1 and left the room at 3.13pm

### **OFFICER RECOMMENDATION (Note that Council is provided two options to choose from)**

#### **A.**

**That Council:**

- 1. Defer a decision addressing the defective rammed earth walls at The Kodja Place, pending the outcome of the expression of interest lodged under the Commonwealth's Regional Growth Fund.**
- 2. Transfer any remaining funds from account C177 at the end of the 2017/2018 financial year to the Kodja Place Tourist Precinct Reserve.**

**-OR-**

#### **B.**

**That Council:**

- 1. Prioritise the following rammed earth walls at The Kodja Place for replacement during the 2018/2019 financial year:**
  - a) Tourism and Management Office (22m)**
  - b) Toilets/Aboriginal Office/Future Office (19.2m)**
  - c) Tourist Area (8m)**
- 2. Authorise the Chief Executive Officer to obtain quotes for detailed design plans from suitably qualified consultants for the replacement of the rammed earth walls:**
  - a) In the Tourism and Management Office with cavity wall comprising 120mm stud framed wall lined externally with colorbond profiled metal deck sheeting and internally with 90mm stud framed wall lined with plasterboard/plywood sheeting**
  - b) In the Toilets/Aboriginal Office/Future Office and Tourist Area with Cavity wall comprising face brick external leaf and internal 90mm stud framed wall lined with plasterboard/plywood sheeting**
- 3. Refer \$285,000, to be funded by a loan, to Council's 2018/2019 draft budget for replacement of the rammed earth walls in the Tourism and Management Office, Toilets/Aboriginal Office/Future Office and Tourist Area at The Kodja Place.**
- 4. Transfer any remaining funds from account C177 at the end of the 2017/2018 financial year to the Kodja Place Tourist Precinct Reserve.**

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**62 /18        Moved Cr V Fleay, seconded Cr J Mathwin that Council,**

- 1. Defer a decision addressing the defective rammed earth walls at The Kodja Place, pending the outcome of the expression of interest lodged under the Commonwealth's Regional Growth Fund.**
- 2. Transfer any remaining funds from account C177 at the end of the 2017/2018 financial year to the Kodja Place Tourist Precinct Reserve.**

**CARRIED 6/0**

Cr Radford and Cr Hobbs returned to the meeting at 3.21pm

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

### 11.1 **AUSTRALIAN CHARITIES & NOT- FOR -PROFIT COMMISSION – LOCAL GOVERNMENT AND COMMUNITY FUND RESEARCH**

<b>AUTHOR</b>	Pam Chambers – Senior Administration Officer
<b>DATE</b>	Monday, 11 June 2018
<b>FILE NO</b>	CR.ENQ.1
<b>ATTACHMENT(S)</b>	Nil

<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
<b>Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”</b>		<b>Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”</b>
<b>Key Pillar</b>	<b>Community Outcomes</b>	<b>Corporate Actions</b>
<b>KP – 2 Connected</b>	2.2 Have enhanced our aged-care and health provisions by progressing our connections with regional and state-wide groups.	2.2.1 Work with regional, state and national health providers to develop innovative health services. 2.2.2 Enhance alliances with state and local health providers to grow a sustainable and modern health system. 2.2.3 Establish formal networks between all health service providers within Kojonup.

#### **DECLARATION OF INTEREST**

Nil

#### **SUMMARY**

To present to Council the research undertaken regarding:

1. Local Government eligibility to register with the Australian Charities and Not-for Profits Commission (ACNC);
2. Establishment of a Deductible Gift Recipient (DGR) status for the operation of a fund; and
3. Whether an incorporated body can change its Terms of Reference to include the use of its funds to construct and or manage a building.

#### **BACKGROUND**

Council at its Ordinary Council Meeting held 21 April 2015, (Decision 50/15) resolved not to “*progress the development of a new Medical Centre or alterations to the Bagg Street Building at this stage given the financial impacts on the Long Term Financial Plan and extent of other projects listed for consideration aligned with the Community Strategic Plan*” and to “*review Aged Care, Medical and Health Services and Infrastructure provision in the 2018/2019 Financial Year.*”

Following enquiries made by ratepayers at the Annual Electors Meeting held on 15 May 2018 regarding the construction of a medical centre and a request to “investigate a Building Fund, and/or establish a tax deductible/gift recipient fund to be managed by an independent

community body,” The Shire requested an officer investigate in the first instance the feasibility of a tax deductible, gift recipient/charitable status being established for the purposes of building and managing a medical centre.

## COMMENT

### 1. Local Government eligibility to register with the Australian Charities and Not-for-Profits Commission (ACNC)

In order to be eligible to register as a not for profit an organisation **must not** be a ‘government entity’.

The ACNC has published a Commissioners interpretation statement, the purpose of which is to provide guidance on the meaning of ‘government entity’

Annexure A of the statement states:

#### *“Reasoning behind Commissioner’s Interpretation Statement: Definition of ‘Government Entity’ in s 4(1)(b) of the Charities Act*

##### *1. ‘Government Entity’*

*1.1. Section 4(1) of the Charities Act 2013 (Cth) (the **Charities Act**) defines ‘government entity’ as:*

*(a) a government entity (within the meaning of the A New Tax System (Australian Business Number) Act 1999); or*

*(b) an entity:*

*(i) established under a law by a State or a Territory; and*

*(ii) of a kind prescribed under subsection (2); or*

*(c) a foreign government agency (within the meaning of the Income Tax Assessment Act 1997).*

*1.2. Section 3 of the Charities (Definition of Government Entity) Instrument 2013 (Cth) (the **Legislative Instrument**) prescribes four entities for the purposes of s 4(1)(b)(ii):*

*(a) a local governing body (within the meaning of the Income Tax Assessment Act 1997);*

*(b) an entity that has all the privileges and immunities of the Crown (in any of its capacities);*

*(c) an entity, where an individual who occupies a position within that entity holds an office of profit under the Crown (in any of its capacities);*

*(d) an entity that, in pursuing its objectives, is not independent of the Crown (in any of its capacities), having regard to:*

*(i) the degree of control the Crown can exercise over the entity’s governance and operations; and*

*(ii) whether the entity was established with the objective of fulfilling a function or responsibility of the Crown (in any of its capacities); and*

*(iii) any other relevant matter. “*

**Being a government entity is a disqualifying factor when it comes to registering a charity with the ACNC. Councils and Local Governments cannot register as a charity.**



**2. Establishment of a Deductible Gift Recipient (DGR) for the operation of a fund**  
The table in section 30-15 of the *Income Tax Assessment Act 1997* specifies the funds, authorities or institutions that may be DGR's and identifies them as:

**Item 1** *"A fund, authority or institution covered by an item in any of the tables in Subdivision 30-B"*

**Item 2** *"An ancillary fund established and maintained under a will or instrument of trust solely for:*

- a) the purpose of providing money, property or benefits:*
  - i. to a fund, authority or institution gifts to which are deductible under item 1 of this table; and*
  - ii. for any purposes set out in the item of the table in Subdivision 30-B that covers the fund, authority or institution; or*
- b) the establishment of such a fund, authority or institution"*

**Item 4** *"(a) the Australian Fund; or  
(b) a public library in Australia; or  
(c) a public museum in Australia; or  
(d) a public art gallery in Australia; or  
(e) an institution in Australia consisting of a public library, a public museum and a public art gallery or any 2 of them"*

Section 30-17 outlines the requirements for certain recipients:

***"30-17 Requirements for certain recipients***

*(1) This section sets out requirements to be met for you to be able to deduct a gift you make to a fund, authority or institution described in the column headed "Recipient" of item 1, 2 or 4 of the table in section 30-15. However, this section does not apply to:*

- (a) a fund, authority or institution that is mentioned by name in an item of a table in Subdivision 30-B; or*
- (c) the Australian Fund.*

*(2) The fund, authority or institution must:*

- (a) be an entity or \*government entity that is endorsed under Subdivision 30-BA as a \*deductible gift recipient; or*
- (b) in the case of a fund—either:*
  - (i) be owned legally by an entity that is endorsed under Subdivision 30-BA as a \*deductible gift recipient for the operation of the fund; or*
  - (ii) be under the control of one or more persons who constitute a \*government entity that is endorsed under Subdivision 30-BA as a \*deductible gift recipient for the operation of the fund; or*
- (c) in the case of an authority or institution—be part of an entity or \*government entity that is endorsed under Subdivision 30-BA as a \*deductible gift recipient for the operation of the authority or institution."*

Subdivision 30-B outlines the recipients for DGR.

***“Subdivision 30-B—Tables of recipients for deductible gifts***

***Table of sections***

***Health***

***30-20 Health”***

Table 30-20 sets out general categories of health recipients

***“Health***

***30-20 Health***

<b><i>Item</i></b>	<b><i>Fund, authority or institution</i></b>	<b><i>Special conditions—fund, authority or institution</i></b>	<b><i>Special conditions</i></b>
<i>1.1.1</i>	<i>a public hospital</i>	<i>the public hospital must be:</i> <i>(a) an Australian government agency; or</i> <i>(b) a *registered charity</i>	<i>none</i>
<i>1.1.2</i>	<i>a hospital carried on by a society or association</i>	<i>the society or association must be a *registered charity</i>	<i>none</i>
<i>1.1.3</i>	<i>a public fund maintained for:</i> <i>(a) the purpose of providing money for hospitals covered by item 1.1.1 or 1.1.2; or</i> <i>(b) the establishment of such hospitals</i>	<i>(a) the public fund must have been established before 23 October 1963; and</i> <i>(b) the public fund must:</i> <i>(i) be registered under the Australian Charities and Not-for-profits Commission Act 2012; or</i> <i>(ii) not be an *ACNC type of entity; and</i> <i>(c) the hospitals must satisfy the special conditions set out in item 1.1.1 or 1.1.2 (as applicable)</i>	<i>none</i>
<i>1.1.4</i>	<i>a public authority engaged in research into the causes, prevention or cure of disease in human beings, animals or plants</i>	<i>the public authority must be:</i> <i>(a) an *Australian government agency; or</i> <i>(b) a *registered charity</i>	<i>the gift must be made for such research</i>
<i>1.1.5</i>	<i>public institution engaged solely in research into the causes, prevention or cure of disease in human beings, animals or plant</i>	<i>the public institution must be:</i> <i>(a) an *Australian government agency; or</i> <i>(b) a *registered charity</i>	<i>none</i>
<i>1.1.6</i>	<i>a *registered health promotion charity</i>	<i>None</i>	<i>none</i>

In conclusion, unless the DGR fund is established for the purposes of a public hospital or is a charity or is establishing a research facility looking into the prevention or cure of disease the DGR will not be granted. **A medical centre/allied health building is not a public hospital in accordance with the above table.**

**3. Whether an incorporated body can change its Terms of Reference to include the use of its funds to construct and or manage a building.**

An incorporated body can change its Terms of Reference by special resolution at any time.

Part 3 Division 2 of the *Associations Incorporation Act 2015* states:

**30. Alteration of rules**

*(1) Subject to sections 31 and 33, an incorporated association may alter its rules by special resolution but not otherwise.*

*(2) In this section, a reference to rules includes a reference to information provided under section 7(3)(b)(ii) or 29(5).*

*(3) Within one month after the passing of a special resolution altering its rules, or such further time as the Commissioner may in a particular case allow, an incorporated association must lodge the required documents with the Commissioner. Penalty: a fine of \$1 000.*

*(4) The required documents are —*

- (a) a notice of the special resolution setting out particulars of the alterations; and*
- (b) a certificate in the approved form that the resolution was duly passed as a special resolution; and*
- (c) except where only the model rules will apply, a consolidated copy of the rules of the incorporated association, including all alterations to which the special resolution relates.*

*(5) The certificate under subsection (4)(b) must be signed by a member of the management committee of the incorporated association.*

*(6) An alteration of the rules of an incorporated association does not take effect until subsection (3) is complied with.*

*(7) The regulations may make provision for the circumstances and manner in which notice of any alteration of an incorporated association's rules must be given to members of the association.*

It would be up to a particular incorporated body to change or establish its rules in order to allow the use of its funds to build a medical center. However, it would be subject to the laws regarding DGR and charity status requiring ACNC approval which when considered in the table above would be extremely difficult.

**CONSULTATION**

Australian Tax Office

Australian Business Register

Australian Charities and Not-for Profits Commission (ACNC)

## **STATUTORY REQUIREMENTS**

*Income Tax Assessment Act 1997*

*Associations Incorporation Act 2015*

*Charities Act 2013*

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

The Shire has researched the financial implications of building a medical center extensively. It has limited resources and a large volume of assets.

Council needs to ensure that there are sufficient funds for whole of life costs for a medical center. In the past the decision was made not to build the center given the financial impacts.

## **RISK MANAGEMENT IMPLICATIONS**

Minimizing risk exposure to Council and Community in relation to financial costs, Internal fit out, compliance, future planning and public risk through a licence or lease agreement that reflects:

- 1) Lay solid foundations for management and oversight,
- 2) Structure Agreements to add value,
- 3) Act ethically and responsibly,
- 4) Safeguard integrity in reporting,
- 5) Make timely and balanced disclosure,
- 6) Respect the rights of stakeholders,
- 7) Recognise and manage risk, and
- 8) Adapts to the ever changing Health /Medical environment

## **ASSET MANAGEMENT IMPLICATIONS**

Council has buildings that require extensive maintenance, have structural issues, remain vacant/underutilised/no longer “fit for purpose”, or not on a separate title and therefore not capable of being sold to provide funds for new facilities.

Council needs to carefully consider its position with regards to adding to its already burdened Asset Management Plan.

The Shire of Kojonup has care control and responsibility for over **\$215.8m** of assets, with **\$142.3m** of depreciable assets.

	All Buildings	Municipal Buildings
<b>Strategic Level of Service</b>	To provide a range of community buildings that are fit for purpose, appropriately designed, well maintained, safe and functional	To provide a range of municipal buildings that are fit for purpose, appropriately designed, well maintained, safe and functional.
<b>Service Standards</b>	<b>Customer</b>	<b>Technical</b>
<b>Design</b>		
Building Design	Buildings will be designed to: - Meet appropriate standards for safety and environmental efficiency - Be fit for purpose - Ensure the 'whole of life' cost is considered for all elements of the asset when determining design	Buildings are designed and constructed in accordance with the Building Code of Australia, Building Act 2011 and associated Regulations.
Planned Maintenance	Shire will implement a scheduled maintenance program for all building assets	Maintenance programs will be implemented based upon condition assessment, annual budgets and long term financial plan.
Reactive Maintenance	Emergencies will be responded to immediately (this may include relocation of staff or services and the area made safe until repairs can be effected). - All non-emergency related requests for maintenance will be assessed based on the Shires risk assessment process within 4 hrs of receiving the request - repairs will be effected as soon as possible on a prioritised basis subject to availability of resources	Maintenance (reactive) will be commissioned based upon customer requests and technical advice. Emergency maintenance will be addressed immediately, whilst non emergency maintenance will be addressed in accordance with scheduled maintenance, annual budgets and long term financial plans.

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		Degree to which provision of the building meets SCP commitments					Level of efficiency with regards to operational and maintenance costs		Fit for Purpose/ Adaptability for new purpose/ Risk and BCA Compliance (score to the highest possible use)		Historical and cultural value		SUB TOTAL	
		30	20	35	15			100						
Suburb	Primary Description													
Kojonup	Springhaven Frail Aged Lodge	5	4	5	3			90						
Kojonup	Recreation Centre	5	3	4	3			79						
Kojonup	Hall & Lesser Hall	5	2	4	4			78						
Kojonup	Shire Office & Library	5	4	4	1			77						
Kojonup	Kodja Cultural Centre	5	2	4	3			75						
Kojonup	RSL Hall	4	3	3	4			69						

The Kodja Place is rated as the shires 5<sup>th</sup> most important building and council is committed to improving the level of efficiency of operational and maintenance costs but it will require an allocation of funds both ratepayer and from external sources.

## **SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

The VROC Strategic Plan lists “Provision of facilities for medical and other professional health services as well as modern and efficient Ambulance facilities” as one of its projects.

### **VOTING REQUIREMENTS**

Simple Majority.

### **OFFICER RECOMMENDATION**

**That Council request the Chief Executive Officer to inform the community that:**

- 1. Local Governments are not eligible to register with the Australian Charities and Not-for Profits Commission (ACNC);**
- 2. The establishment of a Deductible Gift Recipient (DGR) for the operation of a medical center/allied health building is not permissible; and**
- 3. An incorporated body can change its Terms of Reference to include the use of its funds to construct and or manage a building at any time subject to the laws regarding DGR and ACNC approval.**

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

**63 /18 Moved Cr I Pedler, seconded Cr J Warland that Council request the Chief Executive Officer inform the community of advice received that:**

- 1. Local Governments are not eligible to register with the Australian Charities and Not-for Profits Commission (ACNC);**
- 2. The establishment of a Deductible Gift Recipient (DGR) for the operation of a medical center/allied health building is not permissible; and**
- 3. An incorporated body can change its Terms of Reference to include the use of its funds to construct and or manage a building at any time subject to the laws regarding DGR and ACNC approval.**

**CARRIED 8/0**

*Reason for Change: Council agree that the Chief Executive Officer should inform the community of ACNC, ATO advice received and subsequently reworded the first sentence.*

## 12 **KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS**

### 12.1 **FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (MAY 2018)**

<b>AUTHOR</b>	Anthony Middleton – Manager Corporate Services
<b>DATE</b>	Monday, 11 June 2018
<b>FILE NO</b>	FM.FNR.2
<b>ATTACHMENT(S)</b>	12.1.1 – May 2018 Monthly Financial Statements

<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
<b>Key Pillar</b>	<b>Community Outcomes</b>	<b>Corporate Actions</b>
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 May 2018.

#### **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 2017 to 31 May 2018 represents eleven (11) months, or 92% of the year. The following items are worthy of noting:

- Surplus position of only \$278,389.
- Operating results:
  - 94% of budgeted operating revenue has been received; and
  - 95% of budgeted operating expenditure spent;
- Capital expenditure achieved 70% of budgeted projects;
- The value of outstanding rates equates to 7.0% of 2017/2018 rates raised, which includes previous years arrears and instalment options but excludes deferred rates;
- Cash holdings of \$3.36m of which \$3.13m is held in cash backed reserve accounts;
- Page 10 & 11 of the statements detail major variations from year to date (amended) budgets in accordance with Council Policy 2.1.6. Particular attention should be given to expenditure in the Recreation & Culture program.

## **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**

**64 /18 Moved Cr J Mathwin, seconded Cr J Benn that the monthly financial statements for the period 1 July 2017 to 31 May 2018, as attached, be noted.**

**CARRIED 8/0**



## 12.2 MONTHLY PAYMENTS LISTING

<b>AUTHOR</b>	Melissa Binning – Finance Officer
<b>DATE</b>	Monday, 7 June 2018
<b>FILE NO</b>	FM.AUT.1
<b>ATTACHMENT</b>	12.2.1 – Monthly Payment Listing 01/05/2018 to 31/05/2018

<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
“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 May 2018.

### 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 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.

**RISK MANAGEMENT IMPLICATIONS**

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

**ASSET MANAGEMENT PLAN IMPLICATIONS**

There are no asset management implications for this report.

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

Nil

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**65 /18 Moved Cr N Radford, seconded Cr J Warland 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:**

FROM – 1 May 2018		TO – 31 May 2018
Municipal Cheques	14016 – 14029	\$41,562.44
EFTs	21181 – 21447	\$651,835.24
Direct Debits		\$558,962.52
Total		\$1,252,360.20

be received.

**CARRIED 8/0**

## 12.3 DRAFT BUDGET – 2018/2019 LIST OF FEES AND CHARGES

<b>AUTHOR</b>	Heather Marland, Senior Finance Officer	
<b>DATE</b>	Thursday, June 7, 2018	
<b>FILE NO</b>	FM.FEE.1	
<b>ATTACHMENT(S)</b>	12.3.1 - List of Fees and Charges	
<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
<b>Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”</b>		<b>Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”</b>
<b>Key Pillar</b>	<b>Community Outcomes</b>	<b>Corporate Actions</b>
<b>KP3 – Performance</b>	3.4 Be Organised and transparent with our financial management.	3.4.2 Act with sound long-term and transparent financial management and deliver residents considered value for money.

### DECLARATION OF INTEREST

Nil.

### SUMMARY

The purpose of this report is to consider a draft list of fees and charges for the 2018/2019 financial year to give staff an indication of expected revenue levels to enable the draft budget to be compiled.

### BACKGROUND

The Council is required by the *Local Government Act 1995* to adopt a list of fees and charges annually. This agenda item does not adopt the list, but merely acts as a draft budget input.

### COMMENT

The draft list of fees and charges has undergone a review from all relevant staff and Elected Member briefing sessions.

Comparative figures are shown with the previous two financial years to enable changes to be easily highlighted and includes a contents page for ease of use.

### CONSULTATION

All relevant staff have been given the opportunity to provide input. A review was also conducted at the Council briefing session held 15 May 2018.

### STATUTORY REQUIREMENTS

Section 6.15 to 6.19 of the *Local Government Act 1995* legislates the imposition of fees and charges for a local government. Section 6.19 of this Act requires a local government to advertise the imposition of fees and charges that are not included in the annual budget.

Some fees are adopted under, or provided by, other legislation, such as:

- Dog Act 1976;
- Public Health Act 2016;
- Cemeteries Act 1986; and
- Waste Avoidance and Resources Recovery Act 2007

## **POLICY IMPLICATIONS**

There is no Council policy applicable to this item.

## **FINANCIAL IMPLICATIONS**

The list of fees and charges, when adopted at the July 2018 Council Meeting, sets the level of many revenue items contained within the budget. Significant consideration needs to be given when setting each fee and charge and the effect that it will have on the usage of that facility and therefore the total revenue level obtained. For example, simply doubling a fee may not double the revenue, as the number of 'sales' may be affected by increased prices.

## **RISK MANAGEMENT IMPLICATIONS**

A thorough and complete list of fees and charges assists with legislative compliance and ensures the generation of adequate revenue

## **ASSET MANAGEMENT IMPLICATIONS**

An appropriate list of fees and charges can assist to fund the required asset management activities.

## **SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

The Development Services Coordinator left the meeting at 3.24pm.

The Development Services Coordinator returned to the meeting at 3.25pm.

## **OFFICER RECOMMENDATION/COUNCIL DECISION**

**66 /18 Moved Cr S Pedler, seconded Cr G Hobbs that the list of fees and charges, as attached, be referred to the 2018/2019 draft budget process.**

**CARRIED 8/0**

## 12.4 DRAFT BUDGET – 2018/2019 PROPERTY RATES

<b>AUTHOR</b>	Heather Marland, Senior Finance Officer	
<b>DATE</b>	Thursday, June 7, 2018	
<b>FILE NO</b>	FM.FEE.1	
<b>ATTACHMENT(S)</b>	Nil	
<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
<b>Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”</b>		<b>Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”</b>
<b>Key Pillar</b>	<b>Community Outcomes</b>	<b>Corporate Actions</b>
<b>KP3 – Performance</b>	3.4 Be Organised and transparent with our financial management.	3.4.2 Act with sound long-term and transparent financial management and deliver residents considered value for money.

### DECLARATION OF INTEREST

Nil.

### SUMMARY

The purpose of this report is to consider the property rates and associated conditions for the 2018/2019 financial year to give staff an indication of expected revenue levels, or time to model alternatives, and enable the draft budget to be compiled.

### BACKGROUND

This agenda item does not adopt the rates or associated parameters, but merely acts as a draft budget input

### COMMENT

#### Level of Rates/Calculation

There are several different methods available for rating within local government in WA. These include:

- General – based on valuation type;
- Differential - based on different land uses or zoning;
- Specified Area rates – definable area for facilities such as sewerage rates;
- Service Charges – As defined by the Act; or
- Voluntary levies – such as a land care levy

The Shire of Kojonup rates are based on the first dot point, general rates, and a rate in the dollar is set for both valuation types. In the 2017/2018 financial year, 23% of rates raised were from properties on a gross rental valuation (GRV) (predominately within the townsite), and 77% unimproved valuation (UV) (rural).

The proposed rate increase in the 2018/2019 draft budget will be 4%. This will be 1% above the Council’s adopted Long Term Financial Plan, which is calculated using the Perth March Consumer Price Index *plus* an additional 2%. The Perth March Consumer Price Index for 2018 is 0.9%.

All Unimproved Values (rural properties) will be revalued by the Valuer Generals Office in accordance with relevant statutory legislation. As always, individual UV properties are likely to receive a greater variance (both increased and decreased) than the 4.0% proposed increase in actual rates levied for the year. Unfortunately, this is beyond the Shire's control and anyone in this situation should refer to the Valuer General's Office.

It is proposed that the minimum rate of \$675 from last year be increased to \$700, in line with a 4% rates increase.

#### Discount

Section 6.12 (1)(a) of the *Local Government Act 1995* permits a local government to grant a discount or incentive for the early payment of money which is owed to the Council. The Council has historically offered a discount and it is again proposed that a 2.5% discount on property rates paid within 14 days from the date of issue of the rate notice continue in 2018/2019.

\$56,766 was given in discount in 2017/2018, representing \$2.2m (or 62%) of rates accounts paid within the first 14 days.

#### Instalments

It is recommended that the Council continue to offer the following three (3) payment options as in previous years.

1. To pay the total rates and charges included on the rate notice in full by the 35th day after the date of issue of the rates notice. (Full payments received within 14 days are eligible for a discount of 2.5% on the amount of their current rate charge); or
2. To pay by two equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the second instalment four calendar months after this date; or
3. To pay by four equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the remainder at two calendar month intervals after this date.

#### Instalment Fee

It is recommended that an instalment fee of \$9.00 be charged for each instalment reminder issued after the first instalment is paid. This is the same as that charged in at least the three previous financial years.

#### Interest on Instalments

It is recommended that the maximum allowable interest rate of 5.5% per annum be applied to instalment payments. Again, this is consistent with the previous year's charges and statutory requirements.

#### Late Payment Penalty Interest

It is recommended that the Council adopt a late payment penalty interest of 11% per annum. It is proposed that the late payment penalty interest will apply to rates that remain unpaid where no election was made to pay the rate by instalments and on overdue instalment payments where an election was made to pay by instalments. Again, this is consistent with the previous year's charge and statutory requirements

## **CONSULTATION**

This agenda item acts only as an indication to staff in the preparation of the 2018/2019 draft budget and is therefore an initial consultation process for officially adopting the rating levels and associated parameters which will occur at the July 2018 Council meeting.

All rating parameters recommended are as per previous years.

## **STATUTORY REQUIREMENTS**

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

## **POLICY IMPLICATIONS**

There is no Council policy applicable to this item.

## **FINANCIAL IMPLICATIONS**

The property rating parameters proposed have evolved over previous financial years, have been established on the basis of delivering a balanced budget and are in accordance with the adopted long term financial plan of the Shire.

## **RISK MANAGEMENT IMPLICATIONS**

A control measure to raise rate revenue to offset budget expenditure as listed in the 2018/2019 budget.

## **ASSET MANAGEMENT IMPLICATIONS**

Rating revenue assists to fund the required asset management activities.

## **SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER RECOMMENDATION/COUNCIL DECISION**

**67/18 Moved Cr J Benn, seconded Cr N Radford that the 2018/2019 draft budget be prepared based on the following rating parameters:**

**1. Rating levels:**

- a) Total rates raised to be increased by 4.0% from the 2017/2018 financial year; and
- b) A minimum rate of \$700 to apply to both unimproved and gross rental values.

- 2. Where payments are received after the due date, penalty interest at a rate of eleven (11%) percent per annum, to be calculated on a daily basis will be imposed on all outstanding Rates and Service Charges. Pensioners who are registered in accordance with the Rates Rebates and Deferments Act 1993 are exempt from this provision.**

3. Those ratepayers who pay all of their rates, charges and arrears in full within 14 days of the date of rate notice issue be offered a discount of 2.5% on the amount of their 2018/2019 property rate charge.
4. The following rates instalment payment options be offered:
  - Option 1 - Payment in full  
Total amount of rates and charges included on the rate notice to be paid in full by 35 days from the date of issue of the rate notice. Full payments received on or before 14 days from the date of issue of the rate notice are eligible for a discount of 2.5% on the amount of their current rate charge for the 2018/2019 year.
  - Option 2 - Payments to be made by two (2) equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the second instalment four calendar months after this date.
  - Option 3 - Payments to be made by four (4) equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the remainder at two calendar month intervals after this date.
5. Where payments are made by instalment, an administration charge of \$9 for each instalment after the first instalment shall apply. Interest on instalments shall be 5.5% p.a. calculated daily from the date the first installment is due to the date each subsequent installment is due, in accordance with the *Local Government Act 1995*.

CARRIED 6/2

Cr I Pedler requested that his vote against the motion be recorded.



## 12.5 CORPORATE BUSINESS PLAN – 2018/2019 – 2022/2023

<b>AUTHOR</b>	Claire Servaas – Records Officer
<b>DATE</b>	Thursday, 7 June 2018
<b>FILE NO</b>	CM.CIR.1
<b>ATTACHMENT(S)</b>	12.5.1 - Corporate Business Plan 2018/2019 – 2022/2023

### STRATEGIC/CORPORATE IMPLICATIONS

This Corporate Business Plan is a primary component of the Shire's integrated planning and reporting 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 2018/2019 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 new Strategic Community Plan, titled Smart Possibilities, and was adopted on 25 July 2017.

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. These two plans lead the integrated planning and reporting process in local government in WA as follows:



Elements of Integrated Planning and Reporting Framework

## COMMENT

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

- Minor updates to register of Integrated Planning Documents, Strategies and Master Plans – by responsibility area
- Traffic Light System - the Traffic light system 2017/2018 included to report on achievement progress as follows:

- ✓ Red – Not Started
- ✓ Amber – In Progress
- ✓ Green – Completed



- Financial Summary has been updated.
- Link to Workforce Plan has been updated.
- Implementation Milestones
- A fifth year added with the first (previous) year showing progress achieved to-date.

*Smart Possibilities* sets the strategic direction for the organisation for the next 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 an improvement on previous plans and enhances its importance as a vital document. This plan sets the Annual Budget and delivers the goals of *Smart Possibilities*. *Smart Implementation* requires regular reference on a day-to-day basis by both staff and elected members.

## CONSULTATION

Senior Management Team.

## STATUTORY REQUIREMENTS

*Local Government Act 1995*

*Local Government (Administration) Regulations (1996)*

## POLICY IMPLICATIONS

Nil

## **FINANCIAL IMPLICATIONS**

Nil

## **RISK MANAGEMENT IMPLICATIONS**

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

## **ASSET MANAGEMENT IMPLICATIONS**

This plan includes the twelve (12) key recommendation 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

## **OFFICER RECOMMENDATION/COUNCIL DECISION**

**68 /18 Moved Cr J Mathwin, seconded Cr J Warland that Council adopt the Corporate Business Plan for 2018/2019 to 2022/2023, titled *Smart Implementation*, as attached.**

**CARRIED 8/0**

## 12.6 WORKS AND SERVICES POLICIES: STREET TREES, VEHICULAR POLICY, NO SPRAY REGISTER, PRIVATE USE OF COUNCIL PLANT AND EQUIPMENT POLICY

<b>AUTHOR</b>	Craig McVee, Manager Works and Services
<b>DATE</b>	7 June 2018
<b>FILE NO</b>	CM.POL.2
<b>ATTACHMENT(S)</b>	12.6.1 New and Updated Policies

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
<b>KP – 3 Performance</b>	3.1 Be continually engaged and strategic community which leads and organises throughout the entire stakeholder group.	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 consider the review of Vehicular Crossover policy, Street Trees policy and two new policies, 4.8 No Spray Register and 4.9 Private Use of Council Plant and Equipment.

### BACKGROUND

Following a review of the Works and Services policies, officers have identified the need to update and expand the current Policy 4.1 and 4.2 to achieve a clearer more comprehensive policy.

The new 4.8 No Spray Register policy has been submitted to reflect the current practices and to enforce the application request made by residents.

The new 4.9 Private Use of Council Plant and Equipment Policy has been submitted to clarify the fees and charges in the Budget and reflect current practices.

### COMMENT

The need for these policies to be reviewed, amended or created was identified as part of the organisational ‘Continuous Improvement Program’.

### CONSULTATION

Review of neighboring shire’s policies; Shire of Serpentine Jarrahdale, Shire of Denmark, Shire of Plantagenet, Shire of Donnybrook Balingup

WALGA Crossover Guidelines

Senior Management Team.

Public Sector Commission - confirmed new policy 4.9 does not fall under their jurisdiction.

## **STATUTORY REQUIREMENTS**

Policies have no legal status but are guidelines for staff to act on various matters without the need for continual referral to the Council. The Council may adopt, amend or waive policies under section 2.7(2) (b) of the *Local Government Act 1995*.

## **POLICY IMPLICATIONS**

Council policies are made to facilitate:

- Consistency and equity in decision making;
- Promptness in responding to customer needs; and
- Operational efficiency.

## **FINANCIAL IMPLICATIONS**

- 4.1 Vehicular Crossover Policy – upon application from property owner, Council will bear one half of a standard crossover, subject to the crossover being the first constructed to that lot. Annual cost of \$3,000 per year (CJ174 - Footpath replacement)
- 4.2 Street Trees Policy – Annual budgeted cost \$38,500 for 18/19 (RM17 – Townsite Trees, General Maintenance, RM19 – Townsite Trees, Pruning, RM22 – Removal of Street Trees)
- 4.8 No Spray Register Policy – reduction in costs associated with spraying road reserves where residents will maintain verge.
- 4.9 Private Use of Council Plant and Equipment Policy – adopted budget fees & charges.

## **RISK MANAGEMENT IMPLICATIONS**

- 4.1 Vehicular Crossover Policy – Nil
- 4.2 Street Trees Policy – Obvious risks and their control methods have been addressed in the policy.
- 4.8 No Spray Register Policy – The policy mitigates risks of declared weeds and other priority pests not being controlled as well as a possible fire and drainage hazard to verges left untreated where an applicant does not comply with their responsibilities by addressing a failure to comply with Council's standards.
- 4.9 Private use of Council Plant and Equipment Policy – Risk mitigation strategies include plant and equipment repairs to be at the cost of the user and only duly trained personnel in appropriate personal protective equipment to operate the plant and equipment.

## **ASSET MANAGEMENT IMPLICATIONS**

Trees are considered a part of the Shire's Street Tree Master Plan. The implications are that this Policy sets out how and in what locations trees are pruned or removed and where new trees are planted.

## **SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER RECOMMENDATION**

**That the reviewed Policies;**

- **4.1 Vehicular Crossover;**
- **4.2 Street Trees; and new Policies;**
- **4.8 No Spray Register; and**
- **4.9 Private Use of Council Plant and Equipment Policy, as attached be adopted.**

The Manager of Works advised the Council of a typographical error in the attached Policy 4.1 Vehicular Crossover – “50m2” should read “15m2”

## **COUNCIL DECISION**

**69 /18 Moved Cr N Radford, seconded Cr G Hobbs that the reviewed Policies;**

- **4.1 Vehicular Crossover (subject to “50m2” being amended to “15m2”**
- **4.8 No Spray Register; and**
- **4.9 Private Use of Council Plant and Equipment Policy,**  
**as attached be adopted.**

**CARRIED 8/0**

*Reason for Change: The Council agreed that Policy 4.2 Street Trees, required more clarity and subsequently returned the policy to the officer for further investigation.*

## 12.7 MINUTES FROM THE AUDIT COMMITTEE MEETING HELD 15 MAY 2018

<b>AUTHOR</b>	Lorraine Wyatt – Executive Assistant
<b>DATE</b>	Tuesday, 12 June 2018
<b>FILE NO</b>	GO.CNM.96
<b>ATTACHMENT</b>	12.7.1 – Unconfirmed minutes from the Audit Committee Meeting held 15 May 2018 12.7.2 – Office of Auditor General Management Letter

STRATEGIC/CORPORATE IMPLICATIONS		
Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”		Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”
<b>Key Pillar</b>	<b>Community Outcomes</b>	<b>Corporate Actions</b>
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 unconfirmed minutes of the Audit Committee meeting held 15 May 2018 is presented with subsequent recommendations arising, for Council consideration (refer attachment 12.7.1).

### BACKGROUND

In accordance with Section 71.A of the Local Government Act 1995, the Audit 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 Committee is to be made by a simple majority.

### COMMENT

The Audit Committee typically meets approximately 4 times per year (at least quarterly, or as required), and has held three meetings since the commencement of the calendar year being 20 February 2018, 20 March 2018 and 15 May 2018.

Recommendations from the unconfirmed minutes of 15 May 2018 are now presented for review.

### Item 9.2 Focus Audit - Timely Payment of Suppliers

*Moved Cr Judith Warland, seconded Mr Roger House*

- 1. The Office of the Auditor General’s management letter regarding the timely payment of suppliers be noted and recommended to the Council for consideration; and*
- 2. Items 2 & 3 in the management letter be included in the Committee Status Report of future Audit Committee agendas.*

*CARRIED 6/0*

A copy of the management letter can be found at attachment 12.7.2.

## **CONSULTATION**

Members of the Audit Committee.

## **STATUTORY REQUIREMENTS**

Sections 71.A to 7.1C of the *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**

Nil

## **VOTING REQUIREMENTS**

Simple majority

## **OFFICER RECOMMENDATION/COUNCIL DECISION**

**70 /18 Moved Cr J Mathwin, seconded Cr J Warland that Council receive the unconfirmed minutes from the Audit Committee meeting held 15 May 2018 and the Committees recommendation that:**

- 1. The Office of the Auditor General's management letter regarding the timely payment of suppliers be noted and recommended to the Council for consideration; and**
  - 2. Items 2 & 3 in the management letter be included in the Committee Status Report of future Audit Committee agendas.**
- be adopted.**

**CARRIED 8/0**



## 12.8 REQUEST FROM KOJONUP PASTORAL & AGRICULTURAL SOCIETY TO WAIVE DEVELOPMENT APPLICATION FEE.

<b>AUTHOR</b>	Anthony Middleton – Manager Corporate Services
<b>DATE</b>	Tuesday, 12 June 2018
<b>FILE NO</b>	CP.MTC.23
<b>ATTACHMENT(S)</b>	<b>Nil.</b>

<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP3 - 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

To consider the request from the Kojonup Pastoral & Agricultural Society (P&A Society) to waive and deduct the development application fee of \$147 for the recently approved 42m<sup>2</sup> steel framed shed to be used as a horse office/shelter during the annual show event and other horse events undertaken by the Kojonup Equestrian Club from the shires Showgrounds Building - Maintenance account.

### BACKGROUND

The Council approved the P&A Society application for development approval to erect the horse office/shelter at its 17 April 2018 meeting (Resolution 40/18).

The Chief Executive Officer has the delegated authority to approve such requests in accordance with Council Policy 1.3 and Delegation ADMIN 018, however, as the Council has already resolved to the contrary on 17 April 2018, this request must come before the Council.

### COMMENT

As stated in the April 2018 report to Council under ‘Financial Implications’:

*The applicant is required to pay the application fee of \$147 as set out in the adopted 2017/18 List of Fees and Charges.*

*As the Shire is the ‘owner’ of the property in this case, the Shire needs to engage the services of a Building Certifier, to complete the Building Permit documentation (i.e. Certificate of Design Compliance estimated cost \$350).*

The P&A Society were advised by letter from the Town Planner of the development application fee and subsequently the shire received the request to consider waiving and deducting the fee from its Showgrounds - Building Maintenance account.

As noted above in the April 2018 report to Council, as the Shire is the 'owner' of the showground property, the Shire needs to engage and pay for the services of a Building Certifier, to complete the Building Permit documentation with an estimated cost of \$350.00

Given the additional costs to the Shire of engaging an external Building Certifier for the Building Permit, and that the request goes directly against the Council resolution from 17 April 2018, the Officer is recommending that the request be denied.

The Council has several options available to it, which are discussed below:

*1 Not approve the request (Officer Recommendation)*

The Council can choose to refuse the request. If this option was chosen, the P&A Society would be required to pay the application fee.

*2 Approve the request*

The Council can choose to approve the request, in whole or part. If this option is chosen, the amount of the donation could be allocated to either the Showgrounds - Building Maintenance account (7106) or the 'Donations – Council decision' account (2008).

*3 Defer the proposal*

The Council can choose to defer the request and seek additional information, if deemed necessary, before proceeding to decide.

## **CONSULTATION**

Nil.

## **STATUTORY REQUIREMENTS**

*Local Government Act 1995 and Local Government (Financial Management) Regulations 1996* - The setting of fees and charges is required to comply with the requirements of the Act/Regulations.

## **POLICY IMPLICATIONS**

1.3 Community Organisation Exemptions from Fees & Charges - Building Licence, Health and Town Planning fees for community or sporting groups may be waived where the community will benefit from or have use of the facility at the discretion of the CEO.

## **FINANCIAL IMPLICATIONS**

The Shire's 2017/2018 adopted budget exceeds \$14m. This request totals \$147.

As the Shire is the 'owner' of the property in this case, the Shire needs to engage and pay for the services of a Building Certifier, to complete the Building Permit documentation (i.e. Certificate of Design Compliance estimated cost \$350).

Should the Council choose to make this donation to the Kojonup Pastoral & Agricultural Society (P&A Society), current budgets provisions include:

- Showgrounds - Building Maintenance account (7106) – Budget \$7,315, Actual \$5,973.
- 'Donations – Council decision' account (2008) – Budget \$1,000, Actual \$76.

## **RISK MANAGEMENT IMPLICATIONS**

With the P&A Society being a not for profit community group there is possibility of a reputational risk to the shire should Council decide not to waive the fee for the P&A Society.

**ASSET MANAGEMENT IMPLICATIONS**

The horse office/shelter building and other improvements on the Showground reserve are included on the Shire's Asset Management Strategy.

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

Nil.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**71 /18 Moved Cr Benn, seconded Cr S Pedler that the Kojonup Pastoral & Agricultural Society be advised, that as the Shire is required to incur additional costs of engaging an external Building Certifier for the Building Permit of the recently approved 42m<sup>2</sup> steel framed shed to be used as a horse office/shelter, the request for donation of the application fee of \$147 be denied, in accordance with the Council resolution 40/18 from 17 April 2018.**

**CARRIED 8/0**

### 13 **KEY PILLAR 4 – ‘PROSPERITY’ REPORTS**

#### 13.1 **APPLICATION FOR DEVELOPMENT APPROVAL - PROPOSED MOTEL UNITS No. 70 ALBANY HIGHWAY, KOJONUP.**

<b>AUTHOR</b>	Phil Shephard – Town Planner	
<b>DATE</b>	Tuesday, 12 June 2018	
<b>FILE NO</b>	A6411	
<b>ATTACHMENT(S)</b>	13.1.1 - Application plans, photos and letter	
<b>STRATEGIC/CORPORATE IMPLICATIONS</b>		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP4 – Prosperity	4.1 Be providing business assistance for growth in small local industry.	Amend TPS to encourage economic development and private investment.
	4.2 Be attracting support industries and diverse and new business sectors to the region.	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 a proposal for development approval to develop 8 motel-style units and an office for holiday accommodation on the above property.

#### **BACKGROUND**

Nil.

#### **COMMENT**

##### Proposal

The development includes 3 units of transportable 3-bedrooms (16m<sup>2</sup>) each equipped with en-suite bathroom, queen sized bed, tea/coffee making facilities as shown in the attached plans with 8 units to be used for short-term accommodation. One of the units would be converted to operate as an office and storeroom to service the motel units.

The proponent also intends to erect an internally-lit pylon advertising sign within the front gardens to be established adjacent to the proposed central driveway access onto Albany Highway (similar to other existing signs along the highway).



*Aerial image showing lot boundary in red and surrounding buildings (Source: Landgate Map Viewer Plus)*

The plans attached for the units show they are prefabricated and 14.4m long x 4.2m wide and single-storey with a front 1.2m-wide verandah to be added to the front of the units. The units will be repainted inside and out, with the applicant suggesting a pastel (non-white) colour. 1 on-site parking bay will be provided for each unit (9-bays).

The areas around the units alongside the boundaries and at the front and rear of the lots will be landscaped.

The property is 1,026m<sup>2</sup> in area and has frontage to Albany Highway. Adjoining land uses include residences (to the north, south and west) with the Kojonup Hotel opposite. The site is vacant.

The property is zoned Commercial under Town Planning Scheme No. 3 (TPS3) and has access to the water supply, sewer, electricity and telecommunications infrastructure.

#### *Town Planning Scheme No. 3 controls*

The proposal complies with the definition of Motel under TPS3 which is described as:

*Motel - means land and a building or buildings used or intended to be used to accommodate patrons, including holiday makers and travellers, for temporary periods in a manner similar to a hotel but with separate bathing and toilet facilities for each suite and in which special provision is made for the accommodation of patrons with motor vehicles and includes holiday flats and chalets;*

The Motel land use is an AA discretionary land use within the Commercial Zone under TPS3 which means the Council may, at its discretion, permit the use.

TPS3 requires that all development comply with the relevant development standards in Table II – Development Table unless a variation is approved by Council. The development standards that apply to a Motel development are shown in the table below:

<i>Minimum Boundary Setback (m)</i>			<i>Maximum Plot Ratio</i>	<i>Minimum Landscaped Area (%)</i>	<i>Minimum Number of Car Parking Bays</i>
<i>Front</i>	<i>Rear (Average )</i>	<i>Side</i>			
9	7.5	3 per storey	1.0	30	1 per unit, plus 1 space per 25m <sup>2</sup> of service area

#### Setbacks

The proposed units achieve all the minimum boundary setbacks.

#### Plot Ratio

The plot ratio of the units including the verandah areas will be approximately 0.24 or 24% which is much less than the maximum allowed.

#### Landscaping

The proponent has committed to landscaping around the units and within the front setback area to Albany Highway. The areas to be landscaped equate to 345m<sup>2</sup> which is approximately 34% of the site and exceeds the minimum landscaped area required.

#### Car Parking

The proposal shows 9 car parking bays for the units and 1 bay for visitors on-site which achieves the minimum number of car parking bays required.

As the property fronts Albany Highway which is partly controlled by Main Roads WA through the Kojonup townsite, their comments will be sought on any requirements for the new driveway and sign.

As the proposal adjoins land at the rear of the site along Pensioner Road that is zoned Residential, TPS3 requires the Council consider the following scheme provision in assessing the application:

#### 5.8 *DEVELOPMENT ON LAND ABUTTING A RESIDENTIAL ZONE*

*In determining an Application for Planning Consent relating to any non-residential development on land abutting a Residential Zone the Council may;*

- a) assess the proposed development for conformity with such standards as the Council considers necessary to address the potential nuisance of the proposed development on the residential areas; and,*
- b) impose such conditions considered by the Council to be necessary to ameliorate the impact of the proposed development on residential areas.*

The proponent has committed in the application letter to ensuring the development is functional and made attractive with boundary fencing, landscaping and on-site vehicle parking and will comply with all relevant standards.

#### Bushfire Planning

Part of the property is shown as bushfire prone by the Department of Fire and Emergency Services mapping and the proponent will have to address the bushfire risk including preparing a Bushfire Attack Level Assessment Report (BAL) under the WA Planning Commission's Policy SPP 3.7 Planning in Bushfire Prone Areas'. Should the proposal

proceed, a condition of development approval will require a Bushfire Management Plan and/or Evacuation Plan to be prepared and implemented to address the present risk.

### TPS3 Considerations

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

Matter to be Considered	Response
(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;	The proposal is considered consistent with the objectives for the TPS3 (c.1.6) and Commercial Zone (c.3.2.3).
(b) the requirements of orderly and proper planning including any proposed local planning scheme or amendment to this Scheme that has been advertised under the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> or any other proposed planning instrument that the local government is seriously considering adopting or approving;	The proposal is a discretionary land use within the Commercial Zone and achieves all the required development standards and is considered consistent with the orderly and proper planning of this area in Kojonup.
(c) any approved State planning policy;	The proposal to comply with: State Planning Policy 3.7 'Planning in Bushfire Prone Areas'.
(m) the compatibility of the development with its setting including the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;	The proposed accommodation units are 14.4m long x 4.2m wide and single-storey. The units would be constructed with a front 1.2m-wide verandah and repainted inside and out in a pastel (not white) colour and are considered compatible in height, bulk, scale and appearance with other similar structures in the residential areas in Kojonup. The new buildings will be required to be setback from the boundaries in accordance with the R-Codes requirements at a minimum of 1.5m. The proposal will incorporate on-site parking, screen fencing along the boundary and landscaping to reduce the impact of the development on surrounding properties.
(n) the amenity of the locality including the following- (i) environmental impacts of the development; (ii) the character of the locality; (iii) social impacts of the development;	The proposal is not expected to negatively impact on the environment, character or amenity of this residential locality.
(p) whether adequate provision has been made for the landscaping of the land to which the application relates and whether	The proponent has committed to providing landscaping within the site to



Matter to be Considered	Response
any trees or other vegetation on the land should be preserved;	soften the building surrounds and provide shade etc.
(q) the suitability of the land for the development taking into account the possible risk of flooding, tidal inundation, subsidence, landslip, bush fire, soil erosion, land degradation or any other risk;	The land is considered suitable for the proposed development and minor works are expected to be required to achieve an acceptable bushfire attack level rating (see other comments below).
(r) the suitability of the land for the development taking into account the possible risk to human health or safety;	The proposal is not considered to increase risk to human health or safety.
(s) the adequacy of - (i) the proposed means of access to and egress from the site; and (ii) arrangements for the loading, unloading, manoeuvring and parking of vehicles;	The proposal will incorporate a new central driveway onto Albany Highway. The proponent has committed to providing the necessary on-site car parking bays.
(t) the amount of traffic likely to be generated by the development, particularly in relation to the capacity of the road system in the locality and the probable effect on traffic flow and safety;	The proposal is not expected to generate any substantial increase in traffic to the site or adversely traffic safety in the area.
(u) the availability and adequacy for the development of the following - (i) public transport services; (ii) public utility services; (iii) storage, management and collection of waste; (iv) access for pedestrians and cyclists (including end of trip storage, toilet and shower facilities); (v) access by older people and people with disability;	The units will require connection to the Water Corporation deep sewer and water supply networks. Stormwater will need to be retained and/or disposed or reused on-site. Rubbish disposal service will need to be organised through the Shire. Access requirements for disabled persons to 1 unit will be required through the Building Permit process.
(x) the impact of the development on the community as a whole notwithstanding the impact of the development on particular individuals;	As commented recently, the proposal will increase the availability of holiday accommodation within Kojonup and this is expected to have a positive impact on the community with the future development of planned projects within the Shire including GD Pork, Moonies Hill Windfarm and Cheviot Hills Feedlot/Abattoir amongst others. It is important that there is a wide range of accommodation facilities including motels, caravan park, private rentals, b&b's etc. available within Kojonup and the district to capitalise on the opportunities these projects present.
<i>c.78E. (1) of the Planning and Development (Local Planning Schemes) Amendment Regulations 2015</i>	Part of the property is identified as bushfire prone and the proponent should also prepare a bushfire management plan



Matter to be Considered	Response
In considering an application for development approval for development to which this Part applies, the local government is to have regard to the bushfire resistant construction requirements of the Building Code.	and/or evacuation plan as a condition of approval to achieve compliance with the WA Planning Commission's State Planning Policy 3.7 'Planning in Bushfire Prone Areas'. The final details will be determined in consultation with the Department of Fire and Emergency Services.

### Conclusion

The proposal complies with all relevant development standards for a Motel development under of TPS3, and should be approved subject to conditions including setbacks, on-site parking, fencing and landscaping in accordance with scheme standards.

### Alternate Options

The Council has several options available to it, which are discussed below:

#### **1 Not support the proposal**

The Council can choose to not support the proposal. If refused, the Council need to provide grounds for not supporting the proposal.

#### **2 Support the proposal**

The Council can choose to support the proposal, in part or whole, and with or without conditions.

#### **3 Defer the proposal**

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

### **CONSULTATION**

Nil required.

### **STATUTORY REQUIREMENTS**

*Planning and Development Act 2005* - This application is required to be determined in accordance with the requirements of Town Planning Scheme No. 3 which is an operative local planning scheme under the Act.

### **POLICY IMPLICATIONS**

There are no Council planning policies relevant to this report.

### **FINANCIAL IMPLICATIONS**

The proponent must pay the development application fee of \$960 as set down in the adopted 2017/18 List of Fees and Charges.

## RISK MANAGEMENT IMPLICATIONS

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

## ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications relevant to this report.

## SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) STRATEGIC PLAN IMPLICATIONS

Southern Link VROC Strategic Directions 2015-2020

Nil.

## VOTING REQUIREMENTS

Simple Majority

## OFFICER RECOMMENDATION/COUNCIL DECISION

**72 /18 Moved Cr S Pedler, seconded Cr J Mathwin that development approval for the Motel use/development on No. 70 (Lot 12) Albany Highway, Kojonup be granted subject to the following conditions/advice:**

- a) The development to be generally consistent with the attached stamped approved plan and where marked in red, unless a variation has been approved in writing by the Chief Executive Officer.
- b) A maximum of eight (8) single-room accommodation units and one (1) office/storeroom is permitted.
- c) The buildings to be in a colour/tone to the satisfaction of the Chief Executive Officer.
- d) The buildings to be setback from the boundaries in accordance with the TPS3 requirements.
- e) The provision of 9 on-site parking bays (1 bay per unit/office) suitable for the patron's vehicles to the satisfaction of the Chief Executive Officer. No parking of patron's vehicles is permitted on the road verge or adjoining land.
- f) The new access/egress crossover point onto Albany Highway to be sited, designed and constructed to the satisfaction of the Shire of Kojonup in consultation with Main Roads WA.
- g) The accommodation units to be connected to the Water Corporation deep sewer and water supply networks.
- h) All stormwater to be retained and/or disposed of or reused on-site.
- i) The site to be landscaped including shade trees and vegetation between the buildings and boundaries in accordance with a Landscaping Plan to be submitted for approval by the Chief Executive Officer.

- j) **The provision of a 1.8m high screen fence along the side boundaries at the proponents cost.**
- k) **The proponent to prepare a bushfire management plan and/or evacuation plan to achieve compliance with the WA Planning Commission's State Planning Policy 3.7 'Planning in Bushfire Prone Areas' to the satisfaction of the Chief Executive Officer in consultation with the Department of Fire and Emergency Services.**

***Advice Notes:***

- a) *The placement of the units and construction of the verandah additions requires a separate Building Permit to be obtained prior to any works commencing.*
- b) *The provision of a rubbish service for the proposal will need to be negotiated through the Shire.*
- c) *It is important that the accommodation units and patrons are properly managed to ensure there is no disruption or adverse impacts on the surrounding properties.*

**CARRIED 8/0**

**14     KEY PILLAR 5 – ‘DIGITAL’ REPORTS**

Nil.

UNCONFIRMED

**15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**16 NEW BUSINESS**

Nil

**17 CONFIDENTIAL REPORTS**

**17.1 KODJA PLACE BUDGET REVIEW**

AUTHOR: Rick Mitchell-Collins, Chief Executive Officer  
DATE: Friday, 11 May 2018  
FILE NO: ED.IND.1

**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.

## VOTING REQUIREMENTS

Simple Majority

### OFFICER RECOMMENDATION/COUNCIL DECISION

**73 /18 Moved Cr Warland , seconded Cr Pedler that the meeting be closed to the public in accordance with Section 5.23 (2) of the *Local Government Act 1995* to discuss:**

**(a) a contract entered into, or which may be entered into, by the Local Government 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  
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.**

**CARRIED 8/0**

The Senior Finance Officer, Senior Administration Officer, Records Officer, Planner and Development Services Coordinator left the meeting at 3.49pm and did not return.

- Cr Radford declared a Financial Interest (Direct) in item 17.1, as the joint owner of a local Bed and Breakfast that does receive occasional bookings from the Kojonup Visitor Centre.
- Cr Benn declared a financial interest in item 17.1 as spouse sells goods through the Kojonup Visitors Centre.
- Cr Hobbs declared a financial interest in item 17.1 as spouse consults (paid) and volunteers at The Kodja Place.
- Cr Ian Pedler declared a financial interest in item 17.1 as goods sold through the Kojonup Visitors Centre.
- Cr Sandra Pedler declared a financial interest in item 17.1 as goods sold through the Kojonup Visitors Centre.

Permission for disclosing members to participate in item 17.1 Kodja Place Budget Review, was sought from the Department of Local Government; Sport & Cultural Industries. Approval was subsequently granted as follows: *“Councillors Ian and Sandra Pedler and Cr Benn to fully participate and vote on the item at the Shire’s Ordinary Council Meeting of 19 June 2018 and vote on all matters relating to this item for the next 12 months, provided their interests do not change”.*

Cr Radford & Cr Hobbs left the meeting at 3.49pm.

#### **OFFICER RECOMMENDATION/COUNCIL DECISION**

**74 / 18 Moved Cr I Pedler, seconded Cr J Mathwin that the Chief Executive Officer's Discussion Paper be received and the following actions undertaken:**

- 1. Council and Management continue to focus on ensuring the true costs associated with The Kodja Place Precinct are captured, reviewed and external funding to implement The Kodja Place Master Plan recommendations are progressed (as has occurred with the Regional Growth Fund Expression of Interest submission lodged on 27 April 2018).**
- 2. Request CEO to prepare a report and analysis on the value of Tourism to Kojonup (similar to the Bremer Bay study undertaken by Great Southern Consulting) including our parks and reserves together with a survey of businesses to ascertain customer base (local, regional, interstate, international), employment levels, operating hours, etc. and qualitative/quantitative data for consideration by Council in November 2018.**

**CARRIED 6/0**

#### **OFFICER RECOMMENDATION/COUNCIL DECISION**

**75 /18 Moved Cr I Pedler, seconded Cr J Warland that the meeting resume in open session and decision 74/18 be conveyed to the public as a matter of public record.**

**CARRIED 6/0**

Cr Radford and Cr Hobbs returned to the meeting at 4.13pm.

#### **18 NEXT MEETING**

Tuesday, 24 July 2018 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 4.14pm.

**ATTACHMENTS (SEPARATE)**

- Item 7            7.1.1 Minutes of the Ordinary Council Meeting held 17 April 2018
- Item 10          10.1.1 Quantity Surveyors Cost Estimate
- 10.1.2 Floor Plan excerpt, The Kodja Place Master Plan
- 10.1.3 Floor Plan illustrating priority repair areas
- Item 12.1       12.1.1 May 2018 Monthly Financial Statement.
- Item 12.2       12.2.1 Monthly Payments Listing 1/5/2018 to 31/5/2018
- Item 12.3       12.3.1 List of Fees and Charges
- Item 12.6       12.6.1 New and Updated Policies
- Item 12.7       12.7.1 Unconfirmed Minutes from the Audit Committee Meeting Held 15  
                    May 2018
- 12.7.2 Officer of Auditor General Management Letter
- Item 13.1       13.1.1 Application Plans, Photos and Letter