

Kojonup



SHIRE OF KOJONUP

AGENDA

Ordinary Council Meeting

25 July 2017

TO: THE SHIRE PRESIDENT AND COUNCILLORS

NOTICE is hereby given that a meeting of the Council will be held in the Council Chambers, Administration Building, 93 Albany Highway, Kojonup on Tuesday, 25 July 2017 commencing at 3:00pm.

Qualified Persons Advice, etc.

I certify that with respect to all advice, information or recommendation provided to the Council in or with this Agenda:

- i. The advice, information or recommendation is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation; and
- ii. Where any advice is directly given by a person who does not have the required qualifications or experience, that person has obtained and taken into account in that person's general advice the advice from an appropriately qualified or experienced person.

Your attendance is respectfully requested.

RICK MITCHELL-COLLINS
CHIEF EXECUTIVE OFFICER

21 July 2017

AGENDA FOR THE COUNCIL MEETING TO BE HELD ON 25 JULY 2017**TABLE OF CONTENTS**

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A G E N D A

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

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

Disclaimer

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

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

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

2 **ATTENDANCE & APOLOGIES**

Cr Ronnie Fleay	Shire President
Cr Robert Sexton	Deputy Shire President
Cr Frank Pritchard	
Cr Graeme Hobbs	
Cr Ned Radford	
Cr Judith Warland	
Cr Jill Mathwin	
Cr Ian Pedler	
Mr Rick Mitchell-Collins	Chief Executive Officer
Mr Anthony Middleton	Manager Corporate Services
Mr Craig McVee	Manager Works & Services
Sue Northover	Manager Aged Care Services
Zahra Shirazee	Manager Community Development & Tourism
Miss Miranda Wallace	Executive Assistant
Mrs Heather Marland	Senior Finance Officer
Mrs Pam Chambers	Senior Administration Officer
Mrs Michelle Dennis	Development Services Coordinator

APOLOGIES

Mr Mort Wignall	Manager Regulatory Services
Miss Claire Servaas	Records Officer

3 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

5 PETITIONS, DEPUTATIONS & PRESENTATIONS

6 APPLICATIONS FOR LEAVE OF ABSENCE

Cr Warland applied for and was granted a Leave of Absence at the previous Ordinary Council Meeting held 20 June 2017 for the Ordinary Council Meeting to be held 15 August 2017.

7 CONFIRMATION OF MINUTES

ORDINARY MEETING 20 JUNE 2017

COUNCIL DECISION

/17 Moved Cr _____, seconded Cr _____ that the Minutes of the Ordinary Meeting of Council held on 20 June 2017 be confirmed as a true record.

CARRIED/LOST /

8 ANNOUNCEMENTS by the Presiding Member without discussion

9 DECLARATIONS OF INTEREST

Item 19.2

– The Chief Executive Officer as the direct subject of this item.

10 CORPORATE SERVICES REPORTS**10.1 FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (JUNE 2017)**

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Tuesday, 18 July 2017
FILE NO: FM.FNR.2
ATTACHMENT: 10.1 – Monthly Statement of Financial Activity

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to note the Monthly Financial Statements for the period ending 30 June 2017.

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**Note:**

The attached financial statements do not represent an audited end of year financial position of the Shire of Kojonup. There remain some balance day adjustments, accrual provisions and other transactions to be completed which may amend the net financial position shown in these statements. The final 2016/2017 financial figures will be shown in the Annual Report.

The attached Statement of Financial Activity for the period 1 July 2016 to 30 June 2017 represents twelve (12) months, or 100% of the year. The following items are worthy of noting:

- Surplus position of \$501,853.
- Operating results:
 - 100% of budgeted operating revenue received; and
 - 102% of budgeted operating expenditure spent;
- Capital expenditure achieved 75% of budgeted projects, a record \$6.48m!;
- The value of outstanding rates equates to 5.2% of 2016/2017 rates raised, which includes previous years arrears but excludes deferred rates;
- Cash holdings of \$3.04m of which \$3.07m is held in cash backed reserve accounts;
- Page 7 & 8 of the statements detail major variations from year to date (amended) budgets in accordance with Council Policy 2.1.6.

The Council is thoroughly aware of the financial performance of the Black Cockatoo Café and a decision has now been made on its future ownership intentions. As an update, during the month of June 2017, revenue increased slightly from May's figures, however, wages and expenditure generally jumped considerably, resulting in a loss for the month of \$24,113. As at 30 June 2017, the operating deficit (excluding capital grants) was \$132,013, significantly surpassing the revised budget adopted in January of \$78,000.

It should also be noted that \$750,906 of the 2017/2018 Financial Assistance Grants (FAGS) were pre-paid in June. Without this pre-payment, the end of year position would have been \$249,053 deficit.

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.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013-2017

Objectives

- G1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations
- G1.4 – Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

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

That the monthly financial statements for the period 1 July 2016 to 30 June 2017, as attached, be noted.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

10.2 MONTHLY PAYMENT LISTING

AUTHOR: Christine Coldwell - Finance Officer
DATE: Friday, 9 June 2017
FILE NO: FM.AUT.1
ATTACHMENT: 10.2 – Monthly Payment Listing 01/06/2017 – 30/06/2017

DECLARATION OF INTEREST

Nil

SUMMARY

To receive the list of payments covering the month of June 2017

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.

STRATEGIC/CORPORATE IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

ASSET MANAGEMENT PLAN IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Refer to the VROC Strategic Plan

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

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 June 2017		TO – 30 June 2017
Municipal Cheques	13893 – 13908 13913 – 13914	\$158,309.18
EFTs	18909 – 18216 19223 – 19313 19339 - 19341	\$2,100,817.75
Direct Debits		\$530,813.31
Total		\$2,789,940.24

be received.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

10.3 BUDGET ADOPTION – 2017/2018 PROPERTY RATES

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Tuesday, 18 July 2016
FILE NO: FM.BUD.2
ATTACHMENT: Nil

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to set the property rates and associated conditions for the 2017/2018 financial year.

BACKGROUND

At its meeting held on 16 May 2017, the Council resolved as follows:

“...that the 2017/2018 draft Budget be prepared based on the following rating parameters:

- 1. Rating levels:
 - a) Total rates raised to be increased by 3.0% from the 2016/2017 financial year; and*
 - b) A minimum rate of \$675 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%) per centum 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 2017/2018 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 2017/2018 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.*

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% per annum 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.”

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 2016/2017 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 2017/2018 draft budget is 3.0%. This is in-line with the above Council decision made on 16 May 2017, being the Perth March Consumer Price Index of 1.0% *plus* an additional 2% in accordance with the Council’s adopted Long Term Financial Plan.

All unimproved values (UV) have been revalued by the Valuer Generals Office in accordance with relevant statutory legislation. There was no significant change in total unimproved valuations for the Shire. As always, individual UV properties are likely to receive a greater variance (both increased and decreased) than the 3.0% total increase in actual rates levied for the year. Unfortunately, this is beyond the Shire’s control and anyone in this situation is encouraged to contact the Valuer General’s Office by Shire staff.

It is proposed that the minimum rate of \$655 from last year be increased to \$675.

Discount

Section 6.12 (1)(a) 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 proposed that a 2.5% discount on property rates paid within 14 days from the date of issue of the rate notice continue in 2017/2018.

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 four 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

Setting the rating levels for 2017/2018 has been discussed at Council briefing sessions and senior management team meetings. All other rating parameters 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 relate to property rating requirements and procedures.

POLICY IMPLICATIONS

There is no Council policy applicable to this item.

FINANCIAL IMPLICATIONS

The property rates proposed have been established on the basis of delivering a balanced budget and in accordance with the adopted long term financial plan of the Shire.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Objectives:

- G1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations

Actions:

- G1.2.2 – Ensure appropriate ratio of rate total revenue is maintained.

RISK MANAGEMENT IMPLICATIONS

A control measure to raise rate revenue to offset budget expenditure as listed in the 2017/2018 budget.

ASSET MANAGEMENT PLAN IMPLICATIONS

Rating revenue assists to fund the required asset management activities.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION**That:**

1. The following rate levels be adopted for the 2017/2018 year:
 - a) For all rateable properties where Gross Rental Valuations are applied a rate of 11.9356 cents in the dollar with a Minimum Rate of \$675 is to apply.
 - b) For all rateable properties where Unimproved Valuations are applied, a rate of 0.9351 cents in the dollar with a Minimum Rate of \$675 is to apply.
2. Where payments are received after the due date, penalty interest at a rate of eleven percent (11%) 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 to be exempt from this provision.
3. Those ratepayers who pay all of their rates, charges and arrears in full within 14 days (Friday 11 August 2017) of the date of rate notice issue (28 July 2017) be offered a discount of 2.5% on the amount of their 2017/2018 property rate charge.
4. The following rate 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 1 September 2017. Full payments received on or before 11 August 2017 are eligible for a discount of 2.5% on the amount of their current rate charge for the 2017/2018 year.								
Option 2	Payments to be made by two (2) instalments as detailed on the rates notice, with the following dates: <table border="0" style="margin-left: 20px;"> <tr> <td>First Instalment</td> <td>1 September 2017</td> </tr> <tr> <td>Second Instalment</td> <td>5 January 2018</td> </tr> </table>	First Instalment	1 September 2017	Second Instalment	5 January 2018				
First Instalment	1 September 2017								
Second Instalment	5 January 2018								
Option 3	Payments to be made by four (4) instalments, as detailed on the rate notice, with the following dates: <table border="0" style="margin-left: 20px;"> <tr> <td>First Instalment</td> <td>1 September 2017</td> </tr> <tr> <td>Second Instalment</td> <td>1 November 2017</td> </tr> <tr> <td>Third Instalment</td> <td>5 January 2018</td> </tr> <tr> <td>Fourth Instalment</td> <td>7 March 2018</td> </tr> </table>	First Instalment	1 September 2017	Second Instalment	1 November 2017	Third Instalment	5 January 2018	Fourth Instalment	7 March 2018
First Instalment	1 September 2017								
Second Instalment	1 November 2017								
Third Instalment	5 January 2018								
Fourth Instalment	7 March 2018								
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 until the date each subsequent installment is due, in accordance with the *Local Government Act 1995*.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST BY ABSOLUTE MAJORITY /

10.4 BUDGET ADOPTION – 2017/2018 LIST OF FEES & CHARGES

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Monday, 17 July 2016
FILE NO: FM.FEE.1
ATTACHMENT: 10.4 – List of Fees and Charges

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to adopt the list of fees and charges for the 2017/2018 financial year.

BACKGROUND

The Council is required by the *Local Government Act 1995* to adopt a list of fees and charges annually.

COMMENT

The draft list of fees and charges has undergone a review from all staff and Councillor briefing sessions and was presented to the Council at its meeting held 16 May 2017 where it resolved:

“...that the list of fees and charges, as attached, be referred to the 2017/2018 draft Budget process.”

Changes have been made to the draft since the 16 May 2017 Council meeting as follows:

- The Manager Regulatory Services has added new fees for charge out rates to other local governments for the Environmental Health Officer resource sharing arrangement of \$87.50 per hour and \$0.78c per kilometre travelled;
- The Manager Regulatory Services has added fees for non-potable standpipe water of \$4 per kilolitre;
- The Manager Corporate Services duties have changed to include the Sporting Complex and as such these fees have all been reviewed; and
- The Manager Corporate Services has added a fee for the use of the concrete plinths at the Kojonup Cemetery of \$300.

Comparative figures are shown in the list of fees and charges with the previous two financial years to enable changes to be easily highlighted and also a contents page has been added for easier navigation within the document.

CONSULTATION

All staff have been given the opportunity to provide input. A review has also been conducted at Council briefing sessions, by the Audit Committee and the Council.

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. This item is being completed in conjunction with the adoption of the annual budget and therefore advertising is not required.

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, 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.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013-2017

Objective:

- G1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations
- G1.4 – Maintain robust systems and controls

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 PLAN 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

Absolute Majority

OFFICER RECOMMENDATION

That the list of fees and charges, as attached, be adopted.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST BY ABSOLUTE MAJORITY /

10.5 INSURANCE POLICIES 2017/2018

AUTHOR: Heather Marland – Senior Finance Officer
 DATE: Monday, 17 July 2017
 FILE NO: RM.REG.1
 ATTACHMENT: 10.5.1 – Vehicle and Plant Register
 10.5.2 – Property Register

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Council of the insurance levels and associated costs held by the shire for the 2017/2018 financial year.

BACKGROUND

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

In addition, Councillors have queried the value for money received from our insurance provider and the suggestion has been made that we investigate policies on the 'open market'.

COMMENT

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

Below is a list of insurance held by the Shire for the 2017/2018 financial year including the insurance provider, limit of liability and the cost of premium. The Shire also has a new Medical Malpractice Liability policy (Springhaven Lodge) which is not included in the table below as it is not due until 30 June 2018.

Policy	2017/18 Contribution	Insurer	Liability	Interest Protected
LGIS Bushfire	\$18,788.00	Scheme	\$500k	Volunteer Bushfire members, medical expenses, loss of salary/wages and death benefits
LGIS Liability	\$31,573.30	Scheme	\$500m	Public liability - Death or Personal Injury, Loss or Damage to Property
Casual Hirers Liability	\$ 0.00	Covered by Scheme	\$10m	Legal liability to thirds parties for death, illness or personal injury and loss of damage to property at hired facility
Crime	\$828.99	Scheme	\$400k	Direct financial loss sustained by member.
LGIS Property	\$90,631.36	Scheme	\$600m	Physical loss, destruction or damage to property including Machinery breakdown and electronic equipment

LGIS Workcare	\$100,485.00	Scheme	\$500k	Workers Compensation and Injury Management including Journey Accident Cover
Corporate Travel	\$825.00	Chubb Insurance	\$10m	External Journey beyond 50km
Cyber Liability	\$1,650.00	Chubb Insurance	\$1m	Data stolen/accessed/altered
Management Liability	\$29,993.70		\$4.25m	Councillors and Officers Liability and Employment practices Liability
Marine Cargo	\$660.00	QBE	\$400k	All goods &/or interests belonging &/or appertaining whilst in transit by land, air, water and parcel post.
Motor Vehicle	\$46,442.60	Zurich Australia	\$3.2m	All motor vehicles and trailers owned leased or mortgaged under hire purchase or hired in or let out. Includes volunteer bushfire brigade member's vehicles.
Personal Accident - Volunteers , Councillors	\$467.50	Chubb Insurance	\$300k	Elected members and volunteers if injured or death whilst engaged in work for the Shire if said work is authorised by the Shire.
Pollution Legal Liability	\$0.00	Covered by Scheme	\$50m	Clean up costs resulting from Pollution conditions, onsite and offsite including bodily injury and property damage
	\$322,345.45			

CONSULTATION

David Woods – Account Manager LGIS

Anthony Middleton – Corporate Services Manager

STATUTORY REQUIREMENTS

- *Local Government Act 1995* Section 5.42(1)
- Delegation Register – Admin 007 – Entering into Contracts of Insurance
The Chief Executive Officer is Delegated Authority to enter into appropriate contracts of insurance. In exercising the delegation the CEO is to have regard to the provisions of the Annual Budget.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

Insurance is an annual expenses which is included in the budget each year. The figure shown above of \$322,345 for 2017/2018 is similar to previous years.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Objectives:

- G1.1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations.
- G1.1.4 – Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

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

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

That the information regarding the levels of the Shire's Insurance for the 2017/2018 financial year be noted.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

Attachment 10.5.1

SHIRE OF KOJONUP VEHICLE AND PLANT REGISTER

Updated for renewal 28/06/17

UPDATING SCHEDULES FOR NEXT PERIOD OF INSURANCE

Please review all insured values to reflect MARKET value for Council's assets.

Please add or delete assets as appropriate.

Ensure each vehicle is noted as follows (if applicable):-

1. Vehicles usually or exclusively used for carrying flammable liquids (FL) should be marked with *
2. Vehicles with mobile telephone, two way radio, facsimile or similar equipment (EA) fitted should be marked with +
3. If the registered owner is not the 'named insured' in your policy, provide details.

LGIS REF	ASSET NO	PLANT NO	DESCRIPTION & MAKE OF VEHICLE	FL = * EA = +	ENGINE NUMBER	REGO	SUM INSURED	PREMIUM
			Graders					
1		P30005	Caterpillar Grader 12MT	+	G9G01583	KO007	\$333,500	\$2,569.70
2		P30004	2008 Caterpillar 12M Grader	+	C6E12320	KO368	\$240,000	\$1,849.26
		P30006	2016 Caterpillar Grader 12M Grader		CAT0012MEB9200472	KO107	\$338,585	\$2,608.88
			Trucks					\$ -
3		P25009	ISUZU WHITE TIP TRUCK 2010	+	6HK1412956	KO122	\$130,000	\$1,001.68
4		P26001	UD Nissan Prime Mover	+	PF6161649B	KO 134	\$60,000	\$462.32
5		P35010	Mobile Air Compressor			KO. 5969	\$3,000	\$23.12
6		P25004	Isuzu NPR 300 Medium	+	4HK1312289	KO8073	\$45,000	\$346.74
7		P25008	Mitsubishi Light Truck	+	4M50D40375	KO08660	\$53,770	\$414.31

8	P2P26002	ISUZU WHITE PRIME MOVER 2010	+	6HK1413000	KO921	\$140,000	\$1,078.74
9	P25011	Isuzu Tip Truck	+	4HK1929749	KO006	\$76,740	\$591.30
10	P25007	2008 Isuzu NPR300 Crew Cab	+	4HK1665947	KO324	\$38,000	\$292.80
11	P25006	Isuzu Giga	+	6WG1408839	KO163	\$120,000	\$924.63
12	P25015	Hino Tip Truck	+	JHDFSIELLXXX10276	KO8926	\$155,000	\$1,194.31
13	P36001	Fire Truck	+	4HF1406275	9JI428	\$16,363	\$126.08
14	P36002	Isuzu FireTD – Year 1999	+	GHHI286784	1DCF738	\$160,000	\$1,232.84
15	P36003	Muradup Fire Truck	+	4HK1755281	1DKK079	\$250,000	\$1,926.31
16	P25005	Hino Tip Truck		JHDFS1ELLXXX10276	KO8926	\$155,000	\$1,194.31
17		2015 Isuzu FSS600		4HK1346228	1GFG819	\$357,877	\$2,757.53
		Trailers					\$ -
18	P0244	Single Axel Caged Box Trailer			KO5724	\$400	\$3.08
19	P35007	Mobile Fuel Tanker Trailer			KO.5686	\$1,000	\$7.71
20	P35008	BGC Trailer			KO 5830	\$1,000	\$7.71
21	P0247	Loadstar Trailer		Chasis 6A5T20A1000000057	1TKT707	\$990	\$7.63
22	P0242	8"x5" Tandem Trailer		VIN6A5T2032000000038	1TED612	\$1,000	\$7.71
23		Boxtop Trailer (Bushfire)			1TER 728	\$669	\$5.15
24		Boxtop Trailer (Bushfire)			1TER 737	\$669	\$5.15
25		Boxtop Trailer (Bushfire)			1TER 735	\$669	\$5.15
26		Boxtop Trailer (Bushfire)			1TER 736	\$669	\$5.15

27			Boxtop Trailer (Bushfire)			1TER 731	\$669	\$5.15
28			Boxtop Trailer (Bushfire)			1TER 729	\$669	\$5.15
29			Boxtop Trailer (Bushfire)			1TER 730	\$669	\$5.15
30			Boxtop Trailer (Bushfire)			1TER 734	\$669	\$5.15
31			Boxtop Trailer (Bushfire)			1TER 732	\$669	\$5.15
32			Boxtop Trailer (Bushfire)			1TER 733	\$699	\$5.39
33			Boxtop Trailer (Bushfire)			1TER 738	\$669	\$5.15
34	P15005	Roadswest Low Loader			Chasis 6T925WA1DOADN165	1TOR705	\$124,000	\$955.45
35	P27004	Howard Porter Side Tipping Dog Trailer & Dolly				1TFN570	\$50,000	\$385.26
36	P35006	Skid Steer Trailer				BY81328	\$7,000	\$53.94
37	P0249	Loadstar Boxtop 2015				1TQJ322	\$1,000	\$7.71
38	P27007	All Motor Body Builder Pig Trailer			6T9T25WA1E04WX008	1TPC362	\$52,000	\$400.67
39	P27008	Roadswest Low Loader			6T9T25WA1D0ADN165	1TOR705	\$100,000	\$770.53
40	PE27005	Trailer - Custom Built for Skid Steer Loader				KO10158	\$3,500	\$26.97
		Rollers						\$ -
41	P28006	Caterpillar Roller		+		KO917	\$204,500	\$1,575.72

42	P28007	Caterpillar Roller	+		KO170	\$204,500	\$1,575.72
		Loaders					\$ -
43	P15001	Caterpillar IT28G	+	9AR00721	1AUB158	\$90,000	\$693.47
44	P15004	Caterpillar Front End Loader	+	C8N11296	1EHT 643	\$306,388	\$2,360.80
45	P17002	Caterpillar Skid Steer Loader	+	CAT0242DHDML00145	KO891	\$90,200	\$695.01
46	P28008	Caterpillar Steel Roller		CAT0CS76HCYX01004	KO11612	\$139,500	\$1,074.88
47	P29004	Caterpillar 305E2 Mini Excavator		CAT0305EKH5M01803	KO8423	\$94,250	\$726.22
		Utilities					\$ -
48	P11013	Toyota Hilux Dual Cab 2014	+	1KDA478356	KO2	\$45,000	\$346.74
49	P11014	Toyota Hilux Ute 2014	+	1KDA566014	KO118	\$47,000	\$362.15
50	P11015	Toyota Hilux Ute 2014	+	1KDA3607071	KO528	\$47,000	\$362.15
51	P11016	Toyota Hilux Ute 2014		1KDA609941	1DES444	\$45,000	\$346.74
52	P11018	Mazda BT50 2015	+	P5AT2062057	KO10	\$58,997	\$454.59
53	P11019	Toyota Hilux Ute		2GD4016211	KO11627	\$42,000	\$323.62
54	P11020	Toyota Hi-Ace Van		2TR807976	KO1022	\$36,700	\$282.78
		Mowers & Slashers					\$ -
55	P22001	Yamaha Spray Motorbike		J310E108454	KO8164	\$10,000	\$77.05
56	P12004	Toro Groundmaster 7200 - featuring Mulching cutting deck		D11058A2479	KO1123	\$15,000	\$115.58
57	P18006	John Deere Mower		1TC1445DJDT131013	KO582	\$ 35,000	\$ 269.68
		Motor Vehicles					\$ -
58	P31001	Mitsubishi Rosa Bus		4D32H85346	KO095	\$45,000	\$346.74
59	P31002	1982 Volvo Bus		THDC10044524884	1DBK105	\$22,000	\$169.52
60	P34037	KIA Carnival EX SWB Auto 2.7L V6		KNAMB752386205312	65KO	\$20,000	\$154.11
61	P34053	Toyota Rav 4		3ZR4A38094	KO914	\$25,454	\$196.13

62	P34045	Toyota Rav 4		ASA44R-ANTXKQ	KO5	\$33,650	\$259.28
63	P34046	Toyota Rav 4		2AD0489021	1KO	\$31,000	\$238.86
64	P34047	Toyota Kluger		2GRM055241	KO524	\$27,000	\$208.04
65	P34049	Toyota Rav 4		2ARE952031	KO11765	\$31,000	\$238.86
66	P34050	Holden Trail Blazer		GNNG170231176	KO784	\$42,660	\$328.71
67	P34048	Holden Caprice		6G1NP5E21FL132163	KO629	\$42,000	\$323.62
68	P34051	Toyota Prado		1KD2527722	KO16	\$56,000	\$431.49
69	P34052	Toyota Rav 4		3ZRB691528	KO11650	\$30,600	\$235.78
70		2017 Toyota Rav 4		2ARF348988	38KO	\$33,650	\$259.28
		Building Plant					\$ -
		Road Plant					\$ -
71		Train & Carriages				\$30,000	\$231.16
72		Mini Moke & Carriages				\$10,000	\$77.05
73	P29003	320DLQ Hydraulic CAT Excavator	+	GDC36014	KO8661	\$269,136	\$2,073.76
74	P18005	New Holland Tractor	+	203535D	KO8707	\$30,000	\$231.16
75	P25013	2012 Allroads Tandem Axle Dolly		6T9T23WA1C04WX011	1TNL804	\$24,248	\$186.84
76	P25012	Tandem Axle Side Tipping Trailer - Allroad Motor Body Builders		6T9T25WA1C04WX009	1TNB660	\$80,000	\$616.42
77	PO248	Custom Made Boxtop Trailer			1TOK 585	\$7,922	\$61.04
78	P27006	Allmotor Body Builders Dolly			1TOG 863	\$24,302	\$187.25
79	P35019	Duraquip Water Tanker		6K9DURATMEG112053	1TQA893	\$72,524	\$558.82
80	P19003	2015 Caterpillar 2.5 Tonne Diesel Forklift		CT18C85682		\$31,361	\$241.64
							\$ -

		Miscellaneous Equipment and Attachments				\$90,000	\$693.47
		Bushfire/brigade member vehicles (up to \$1,000,000)				\$ -	\$1,500.00
		TOTAL SUM INSURED				\$5,642,656.33	\$44,978.08
MAXIMUM LIMIT OF LIABILITY							
Maximum value of Vehicles at anyone location at any one time						\$3,200,000	
(e.g. over the Christmas Break - total value of vehicles stored at Depot)							

SECTION 2							
Third Party Liability						\$30,000,000	

DEDUCTIBLES							
Bushfire Vehicles						\$Nil	
Councillors Vehicles						\$Nil	
Volunteers Vehicles						\$Nil	
Employees Vehicles						\$Nil	
All other Vehicles (Minimum \$300)						\$500	

Premium Calculation	0.771%
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10.6 FREEDOM OF INFORMATION – INFORMATION STATEMENT 2017/2018

AUTHOR: Claire Servaas – Records Officer
DATE: Thursday, 13 July 2017
FILE NO: IM.FOI.4
ATTACHMENT: 10.6 – Information Statement 2017/2018

DECLARATION OF INTEREST

Nil

SUMMARY

To review, prior to the annual publishing of, the Shire of Kojonup’s Information Statement.

BACKGROUND

Section 96(1) of the *Freedom of Information Act 1992* requires each government agency, including local governments, to prepare and publish annually an information Statement.

The Information Statement must set out:

- The Agency’s Mission Statement;
- Details of legislation administered;
- Details of the agency structure;
- Details of decision-making functions;
- Opportunities for public participation in the formulation of policy and performance of agency functions;
- Documents held by the agency; and
- The operation of Freedom of Information (FOI) in the agency.

COMMENT

The Shire of Kojonup’s Information Statement 2017/2018 is attached to this agenda. The document complies with the requirements of the *Freedom of Information Act*, as outlined above.

A copy of the Information Statement will be forwarded to the Commissioner as required. The previous version was adopted by the Council at its ordinary meeting held 19 July 2016.

CONSULTATION

Nil

STATUTORY REQUIREMENTS

This item is required under the *Freedom of Information Act 1992*.

POLICY IMPLICATIONS

The Information Statement is the Policy for access to information under the *Freedom of Information Act*, and is linked to the Records Management Policy and Recordkeeping Plan.

FINANCIAL IMPLICATIONS

There are no known Shire of Kojonup Financial implications.

STRATEGIC/CORPORATE IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

The review of this document ensures compliance with legislation and is a vital tool in ensuring open and accountable local governance.

ASSET MANAGEMENT PLAN IMPLICATIONS

There are no known Asset Management Plan implications.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That the 2017/2018 information statement as attached be adopted and published in accordance with the *Freedom of Information Act 1992*.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

10.7 BUDGET ADOPTION – 2017/2018 ANNUAL BUDGET

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Wednesday, 19 July 2017
FILE NO: FM.BUD.2
ATTACHMENT: 10.7 – 2017/2018 Draft Annual Budget

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to consider adopting the 2017/2018 annual budget, with or without modification.

BACKGROUND

The *Local Government Act 1995*, requires each Local Government to prepare a budget each financial year. The form, manner and content of the budget are prescribed in the Act and the Financial Management Regulations. The Council must adopt its budget by an Absolute Majority no later than 31st August in the budget year unless the Minister for Local Government has granted an extension.

The Council and its staff has been working on the components of the 2017/2018 Annual Budget for a number of months now, including the consideration of the plant replacement program, road construction program, fees and charges and property rating details. The Council briefing sessions have enabled a detailed analysis of the draft budget by staff and elected members.

The previous items in this agenda have dealt with the major items in the budget and have been adopted individually as required by the *Local Government Act*. These included the List of Fees & Charges and Property Rates.

COMMENT

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and *Australian Accounting Standards*. The main features of the draft budget include:

- The budget has been prepared with a 3.0% rate increase in line with the Council's adopted long term financial plan. This is calculated using Perth's March consumer price index plus an additional 2% in accordance with our long term financial plan;
- Fees and charges have also been reviewed and are itemised in the draft budget;
- The recurrent operating budget includes an overall decrease in estimated expenditure of 2% (although individual line items may vary from this based on specific factors affecting each of these) and continues the focus on improved service delivery to the community. However, operating revenue has decreased 23.4% from last year's budget as a result of a reduction in grant funding received. These grants are linked to capital expenditure and unfortunately this results in less funds for new or improved assets;
- A capital works programme totalling \$5.4m for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on transport (\$2.73m), housing (\$0.91m) and recreation and culture (\$0.84m) are the major components.

- New loan borrowings of \$850,000 will fund:
 - Residential sub-division - \$450,000;
 - Upgrade to the Memorial Hall/Harrison Place precinct \$300,000; and
 - Conversion of the Bagg St clinic into short term accommodation \$100,000.
- An estimated surplus of \$501,853 is anticipated to be brought forward from 30 June 2017, however this is unaudited and may change. Any change will be addressed as part of a future budget review.

The Chief Executive Officer has prepared the following introduction to the budget:

“INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER

‘BUSINESS AS USUAL BUT BETTER!’ is the major focus of the 2017/18 Annual Budget. The last 12 months has seen a record Capital Works program undertaken with the highlight being the completion of roadworks, footpaths, water, sewer and stormwater services and the construction of 6 Independent Units and Executive Residence at Loton Close. Council intends to extend this standard of development south on the balance land owned by Council off Soldier Road into a 15 – 17 Lot residential subdivision in collaboration with Landcorp over the next 12 -18 months substantially boosting Kojonup’s housing stock which is being complemented by private housing investment.

Substantial capital improvements are continuing at Springhaven which would not have been possible without the Southern Inland Health Initiative funding.

The challenge whenever undertaking major capital works is replenishing reserve accounts to meet Asset Management requirements such as maintenance, renewal or replacement.

Reserve funds are achieved through an operational surplus. Another alternative is via loan borrowings particularly when interest rates are low and the community benefit can be extended over a longer period therefore repayment includes future ratepayers. Reserve funds and borrowings can also be leveraged against external funds/grants either on a dollar for dollar basis or higher ratio.

Council is always challenged to do more with less but not to an extent where service levels are jeopardised or outcomes are unrealistic. With \$3 million less in operating revenue/grant funding compared to 2016/17, many good projects, maintenance and renewal requests have had to be deferred to 2017/18. Council recognises the importance to live within our means whilst still continuing to move forward with a proposed rate increase of 3% which will raise an additional \$108,891.



(Work yet to commence at Loton Close on Independent Living Units – September 2015)



(Construction in progress of Independent Living Units – July 2016)



(Completed Independent Living Units with Landscaping – June 2017)



(Left - Prior to construction September 2015 & Right – Mid-construction June 2016 of Executive Residence)

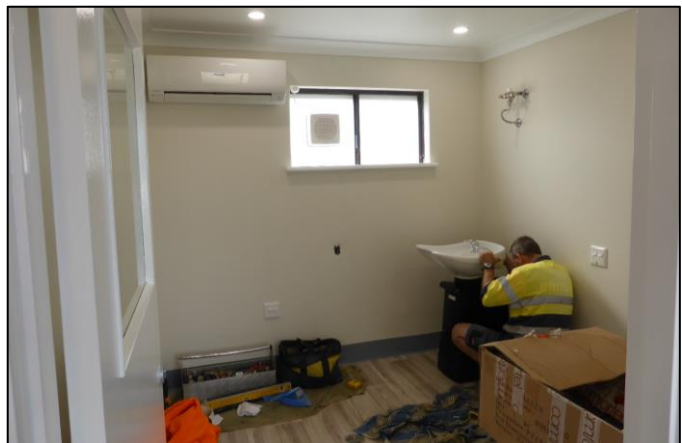


(Completed Executive Residence – June 2017)



(Sporting Complex – East Access.

Left – Construction commences April 2017. Right – Construction concluded June 2017)



(Springhaven Lodge – Stage 2. Left – Vinyl flooring going down. Right – Hairdressing facilities going in.)

Reserve Accounts

- *Continue to prop up many of the things we are trying to achieve.*
- *This year's movement sees a reduction of \$430,000:*
 - *Opening Balance - \$3.07m*
 - *Closing Balance - \$2.64m*
- *New Reserve Accounts created in 2017/2018:*
 - *Saleyards*
 - *Swimming Pool*
 - *Springhaven Equipment*
 - *Day Care Centre Maintenance*
- *Limited opportunity for putting aside for the future for items such as Sporting Facilities or Main Street renewal.*

Loans

- *2017/2018 - \$850,000 New Loans proposed for the following projects:*
 - *\$450,000 Sub-division expenses (\$500,000 project)*
 - *\$300,000 Memorial Hall/Harrison Place Project (\$609,000 project and will only proceed if external funding achieved)*
 - *\$100,000 Bagg St unit refurbishment (\$100,000 project)*
 - *No loans taken up in 2016/17*
- *Opening Loan Balance 1 July 2017 - \$325,000*
- *Closing Loan BUDGETED Balance 30 June 2018 - \$1.13m*

So what is in the budget?

Governance**Capital:**

- *ICT Plan Implementation - \$57,000*
- *Solar Panels on Admin Building - \$40,000*
- *Furniture/Chambers technology - \$25,000*
- *Shire Admin Painting - \$24,000*

Operating:

- *Wages – Administration Support for Regulatory Services - \$15,000*

Law Order & Public Safety**Capital:**

- *Bush Fire Communications Tower - \$100,000 (100% reserve funded)*

Operating:

- *Wages - Emergency Management part/time Position - \$20,000*

Health**Operating:**

- *Health Inspection and Administration sub-program - \$24,000 net additional (resource sharing position)*

Education & Welfare*Operating:*

- *Additional Staff resource – Play in the Park \$1,400*
- *Kojonup Kindy café (3yo Kindy) - \$5,200 resources, \$10,000 grant*

Housing*Capital:*

- *Bagg St unit renovation - \$100,000 (fully funded by loan)*
- *Finalise SIHI Springhaven (\$292,448), Loton Close (\$302,441) and Jean Sullivan (\$89,199) grant projects*
- *Finalise Items at CEO Residence - \$20,000*
- *Springhaven Furniture, Air-Con and minor building items - \$47,000*
- *Springhaven Alzheimer's improvements - \$30,000 (fully funded by Alzheimer's WA)*
- *Springhaven Laundry Equipment Allowance - \$14,000*

Operating:

- *Loton Close ILU's operating results now self-sufficient and reserve account building for future asset renewal*
- *Jean Sullivan units operating results self-sufficient.*

Community Amenities*Capital:*

- *Re-paint Heritage Railway Station - \$24,000*
- *Cemetery Upgrade - \$20,000*
- *Street Furniture - \$20,000*
- *"Purchase Land" - \$10,000 RSL transfer expenses, \$11,000 land swap/alignment at Springhaven/The Spring/Loton Close*

Operating:

- *Townscape Planning - \$20,000*
- *Community and Youth Events:*
 - *\$42,500 expenditure*
 - *\$23,400 revenue and grants*
- *NRM Operations – fully funded from NRM Reserve*

Recreation & Culture*Capital:*

- *Memorial Hall / Theatrical / Harrison Place Project - \$609,000*
- *New Access and Parking Arrangements at Sporting Complex - \$115,000*
- *Swimming Pool – New rear fence and plant room upgrade – \$55,000*
- *Apex Park Playground Soft Fall (stage 1) - \$20,000*
- *Sporting Complex building issues - \$20,000*
- *Newstead Park Upgrade - \$9,275*
- *Repaint Lesser Hall Kitchen - \$6,000*

Operating:

- *Swimming Pool Structural Assessment Report - \$40,000*

Transport*Capital:*

- *Plant Purchases - \$737,400*
- *Net Cost \$550,000 – 12 year average*
- *Significant Issues keeping costs down, particularly passenger vehicle arrangements need review*
- *Airstrip Fencing Improvements - \$92,870 (\$47,870 grant revenue)*
- *Signage Upgrades - \$10,000*
- *Footpaths - \$45,000*
- *Kerbing - \$45,000*
- *Road Construction - \$1.81m*
 - *Gravel Re-sheeting - \$507,228*
 - *Widening Kojonup-Frankland Rd - \$480,000*
 - *Pensioner Rd – Stage 1 carry over - \$182,166*
 - *Pensioner Rd – Stage 2 - \$300,000*
 - *Bitumen Reseal – Kojonup-Darken Rd - \$75,000*
 - *Bitumen Reseal – Broomehill-Kojonup Rd - \$60,000*
 - *Bitumen Reseal – Boscabel-Chittinup Rd - \$99,415*
 - *Bitumen Reseal – Vanzuilecom St - \$59,000*
 - *Wooden Culvert Replacement - \$30,000*

Economic Services*Capital:**The Kodja Place -*

- *Complete Tourism WA Grant - \$52,427*
- *Seal Car Park, Signage & Line Marking - \$24,000*
- *Rose Maze Structures - \$5,000*
- *Shelving & Storage - \$5,000*

Soldier Road Sub-division - \$500,000

(\$50,000 reserve, \$450,000 loan with sale of blocks to pay loan repayments into the future)

Operating:

- *The Kodja Place -*
 - *Additional staff position as unrealistic to operate an accredited facility 364 days with only 2 dedicated staff*
- *Black Cockatoo Café -*
 - *\$30,000 deficit based on operating for 3 months*
 - *To be leased out*

Conclusion

The 2017/18 Budget process included consideration of and implications to the Long Term Financial Plan, Community Strategic Plan, Corporate Business Plan, Asset Management Plan, Risk Management Plan, Workforce Plan, as well as our ability to meet and respond to changes in government funding streams, regulation, cost shifting and the political landscape.

I express my sincere gratitude to Councillors who now as “normal practice” continually assess, review and evaluate the strategic direction of Council on behalf of the community they represent which is reflected in the quality of decisions made, backed by sound business

planning including “whole of life” costs, and analysis of social, economic, environmental, cultural, historical, heritage values and resource requirements – human and physical.

Council will continue to engage and consult with the community to rank priorities and assess external funding opportunities which have severely diminished given the state’s unsatisfactory financial position.

Private Sector Investment in our Shire from projects such as the Stone Axe Pastoral Company Feedlot and Abattoir, GD Pork expansion, Moonies Hill Wind Farm, \$2.4 million in building activity, expansion of engineering/agricultural support services, diversified agricultural base is not taken for granted and reinforces the new Community Strategic direction of SMART Kojonup and the possibilities we can collectively achieve now and in the future.

To all my team – Thank you for your commitment to change, continuous improvement, to be innovative and continually rising to the challenge. To grasp opportunities such as resource sharing and whilst our population remains static we are making a positive difference which is being recognised by others because we strive to be better rather than ‘more of the same!’

To the community members whom I, Council and staff have been involved with over the past year and the many volunteers who have contributed time and energy supporting various clubs, groups and organisations thank you for your input and feedback and I look forward to continuing our productive association in the year ahead.

To the businesses who continue to support our community a big thank you! Council recognises the pressures being placed on our community and the need to work together so to everyone who has attended Forums, Briefing Sessions, Advisory meetings, Workshops, lodged submissions, made suggestions or requests thank you for taking the time to be interested in the past, present and future direction of the Shire of Kojonup.

I commend this budget to Council for adoption for the 2017/18 Financial Year.

*Rick Mitchell-Collins
Chief Executive Officer*

19 July 2017”

CONSULTATION

All staff have had input into the components of the budget. The Council has been consulted during budget workshops to assess the priorities of proposed capital works, plant replacement, abnormal operating items, reserve transfers and rate increase levels.

STATUTORY REQUIREMENTS

Section 6.2 of the *Local Government Act 1995* and regulations 22-33 of the *Local Government (Financial Management Regulations) 1996* legislate the requirements of the annual budget.

Section 6.2(1) of the *Local Government Act 1995* requires that prior to 31 August each year, the Council adopt a budget for its municipal fund for the proceeding financial year.

The annual budget is to incorporate:

- a) particulars of the estimated expenditure proposed to be incurred by the local government;

- b) detailed information relating to the rates and service charges which will apply to land within the district including:
 - i. the amount it is estimated will be yielded by the general rate; and
 - ii. the rate of interest (if any) to be charged by the local government on unpaid rates and service charges.
- c) the fees and charges proposed to be imposed by the local government;
- d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
- e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used;
- f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and such other matters as are prescribed.

POLICY IMPLICATIONS

There is no Council policy applicable to this item.

FINANCIAL IMPLICATIONS

The adopted budget of the Shire sets the financial direction for the proceeding financial year.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Objectives:

- G1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations
- G1.4 – Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for the adoption of the budget, apart from minimising exposure to risks (particularly financial) through a thoroughly prepared and legislative compliant annual budget process.

ASSET MANAGEMENT PLAN IMPLICATIONS

The 2017/2018 budget makes provision for numerous new asset purchases, asset renewal and upgrades and major maintenance items for the coming financial year.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That the 2017/2018 Annual Budget, as attached, be adopted.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST BY ABSOLUTE MAJORITY /

10.8 EMERGENCY SERVICES LEVY REVIEW

AUTHOR: Rick Mitchell-Collins – Chief Executive Officer
DATE: Wednesday, 12 July 2017
FILE NO: FM.LEV.1
ATTACHMENT: 10.8 – Local Government Template

DECLARATION OF INTEREST

Nil

SUMMARY

To seek Council comment on the Economic Regulation Authority draft report of the Review of the Emergency Services Levy (ESL).

BACKGROUND

On 23 December 2016, the then Treasurer of Western Australia asked the Economic Regulation Authority (ERA) to prepare a report on the current arrangements for, and options to improve, the management and distribution of the Emergency Services Levy (ESL) in Western Australia.

The Treasurer referred the review to the ERA under section 38 of the *Economic Regulation Authority Act 2003*, which allows the Treasurer to direct the ERA to prepare a report on a matter relating to an industry that is not a regulated industry (that is, water, gas, electricity and rail industries).

In conducting this review, the ERA will consider the following:

- The current ESL expenditure applied to managing the emergency services (prevention of, preparedness for, response to and recovery from natural hazard emergencies).
- The proportion of ESL funding directed towards each aspect of emergency management: prevention, preparedness, response and recovery.
- The extent to which the current allocation of ESL funds towards prevention and response reflects best practice in managing the risk of bushfire and other hazards.
- The extent to which the current methodology for setting the ESL is appropriate, now and into the future.
- The current transparency and accountability arrangements for the distribution of the ESL.
- Whether it would be more appropriate for the allocation of ESL funds to be the responsibility of an agency other than the Department of Fire and Emergency Services.

- The extent to which the ESL should be available to fund administrative and/or operational costs of a Rural Fire Service.

- The extent to which the use of the ESL to fund a Rural Fire Service would impact on ESL rates.

Stakeholder comments in the Ferguson report raised the following concerns with the administration of the ESL.

1. Stakeholders perceive that increases in the levy are used to supplement the administrative costs of the Department of Fire and Emergency Services (DFES), rather than funding frontline services.

2. Insufficient funds are being directed towards mitigation activities, with priority being given to response, despite greater financial benefits from investing in mitigation rather than response.
3. There is a lack of transparency in the way funding from the ESL is allocated and concern that the allocation is not based upon risk.

The Ferguson report noted that previous inquiries into Western Australian bushfires had identified similar issues with the ESL and recommended changes to the management of the ESL.

In the 2011 *Perth Hills Bushfire Report*, Mr Mick Keelty recommended “the State Government move the responsibility for the management and distribution of the Emergency Services Levy to the Department of Finance.

DFES and the Department of Finance examined this issue, but found no major benefit evident in transferring the assessment and collection of the ESL to the Department of Finance.

The Ferguson report considered this recommendation of the *Perth Hills Bushfire Report* had not been implemented because the review was not sufficiently inclusive or transparent. The report considered that an independent review should encompass a broad range of stakeholders and take into account the need for a greater emphasis on bushfire prevention and mitigation.

COMMENT (WALGA)

“The Economic Regulation Authority released its draft report of the Review of the Emergency Services Levy (ESL) on Friday 7 July 2017.

The draft report is the culmination of all submissions made to the ERA in the first phase of consultation. WALGA developed a submission on behalf of members with strong engagement resulting in participation from over 80% of councils.

Our preliminary analysis of the recommendations shows that the ERA has acknowledged a number of important issues raised in WALGA’s submission, including:

- *The need for greater transparency and accountability about how money is spent on emergency services.*
- *Recognition that the agency that advises the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL.*
- *A recommendation that the oversight function of the ESL should be removed from the Department of Fire and Emergency Services (DFES) and given to the Office of Emergency Management (OEM), to provide a level of transparency and introduce accountability to those agencies responsible for delivering emergency services to communities throughout Western Australia.*
- *It was pleasing to hear that the ERA considered the main purpose of the ESL is to enable all Emergency service workers to be ready to respond to emergencies across the state. This includes the ESL funding preparedness activities that have community wide benefits or which involve coordination of prevention across tenure.*

- *A recommendation that Local Governments should be compensated for the cost of collecting ESL revenue (including the costs of recovering unpaid debts and any ESL revenue that cannot be recovered)*
- *The ERA was asked to review to what extent the ESL should be available to fund a Rural Fire Service, and what effect that would have on how much people pay for emergency services.*
- *The draft report has highlighted models ranging from \$4.2 million to \$560 million*
- *WALGA are pleased to see rigorous models and tangible figures provided to government to inform their decision making on a rural fire service.*

NEXT STEPS

The ERA is again opening a consultation period for submissions to be made against the draft report closing on 11 August 2017. All feedback collected during this period will inform the final report that will be tabled with the Treasurer by 29 September 2017.

WALGA will again facilitate the development of a submission to the ERA, who have requested that where possible, the sector put forward a clear unified position on the key recommendations. Local Governments are able to provide their own submission, as some did in the first phase of the review. It is important to note; the ERA is an independent statutory authority established by the Parliament of Western Australia. They work independently of industry, government and other interests to ensure decisions and recommendations are free from bias. The Economic Regulation Authority Act 2003 articulates legislative obligations for the ERA and its Minister. Of interest to members is that the final report produced by the ERA is to be laid before each House of Parliament within 28 days after the Minister receives the report. (ERA Act 2006, s.26 (6)). WALGA encourage all members to feed into the ERA process so that it can be dealt with by the government in a formal manner.

ACTION REQUIRED

In order to prepare a final submission to the ERA, WALGA are requesting your support in facilitating a response from your Local Government. Attached to this email is a template for you to complete in consultation with relevant personnel within your organisation. Instructions are provided on the first page of the template. All templates need to be returned by C.O.B Wednesday 26 July 2017 via email: mpexton@walga.asn.au

The public submissions to the ERA close on the 11 August 2017.”

CONSULTATION

Advertised extensively throughout WA by the previous State Government and ERA
Kojonup Bushfire Advisory Committee
Volunteer Bushfire Brigades
Council Briefing Sessions

STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government Act (Functions and General) Regulations 1996

Economic Regulation Authority Act 2003

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Year	ESL Collected	ESL Allocated
2016/17	\$88,362.20	\$56,115.00 includes \$10,137.00 for fast fill pumps
2015/16	\$84,450.43	\$44,900.00
2014/15	\$77,031.68	\$46,030.00
2013/14	\$72,555.83	\$45,030.00

STRATEGIC/CORPORATE IMPLICATIONSCommunity Strategic Plan 2013 – 2023

Outcomes:

- N2 – Living in a safe community
- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Objectives:

- N2.4 – Maintain a community driven response to bushfire risk management
- G1.2 – Maintain a structured forward planning process in accordance with legislation and community aspirations

RISK MANAGEMENT IMPLICATIONS

Kojonup relies on its volunteer brigades to ensure a quick response to fires which would be jeopardized if brigades do not have access to adequate training, are not supplied firefighting equipment that is safe, efficient and effective, do not have reliable two-way communication and are not smothered in red tape which threatens members remaining in brigades or attracting new brigade members.

ASSET MANAGEMENT PLAN IMPLICATIONS

Brigades effectiveness to respond to fires within the shire and our neighbouring shires is both a state and local responsibility therefore cost shifting or reducing funds raised from ESL in Rural WA should not be tolerated as volunteer brigades are our greatest asset during harvesting and summer!

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

VROC, Chief Bushfire Control Officers and Brigades work and communicate very closely to ensure our shires are informed of and can react quickly to fire and other emergency situations.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That Council commends WALGA on the initial submission to the Economic Regulation Authority (ERA) and the Shire of Kojonup provides responses on the Emergency Services Levy as attached to these minutes for further consideration by the ERA after public submissions close on 11 August 2017.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

10.9 ASSET MANAGEMENT – BUILDING ASSESSMENT FRAMEWORK

AUTHOR: Anthony Middleton – Manager Corporate Services

DATE: Friday, 30 June 2017

FILE NO: CM.ASM.2

ATTACHMENT: 10.9 – Buildings Assessment Framework

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to consider adopting the Building Assessment Framework Report completed as part of the Shire's asset management process.

BACKGROUND

At its meeting held on 18 April 2017, the Council resolved as follows:

“...that the following building assessment framework be adopted and incorporated in Council Policy 2.3.4 ‘Asset Management’:

<i>Criteria</i>	<i>Assessment Considerations</i>	<i>Notes</i>
<i>Degree to which provision of the building meets Community Strategic Plan commitments (Weighting 30%)</i>	<i>5 = Addresses all commitments to some degree (may be indirectly) or four or more to a significant degree 4 = Addresses six or seven commitment's to some degree (may be indirectly) and/or three to a significant degree 3 = Addresses four or five commitment's to some degree (may be indirectly) and/ or two to a significant degree 2 = Addresses two or three commitment's to some degree (may be indirectly) and/or one to a significant degree 1 = Addresses a single commitment to some degree 0 = Does not address any CSP objectives</i>	<i>N/A</i>
<i>Level of efficiency with regards to operational and maintenance costs (Weighting 20%)</i>	<i>Comparative assessment considering whole of life cost on a like for like basis for the type of building/ construction. 5 = Highly efficient and low whole of life cost 4 = Moderately efficient and moderately low whole of life cost 3 = Average efficiency and average whole of life cost 2 = Moderately inefficient and/or moderately high whole of life cost 1 = Highly inefficient and/or very high whole of life cost</i>	<i>N/A</i>

<p><i>Fit for Purpose/ Adaptability for new purpose/ Risk and BCA Compliance (score to the highest possible use) (Weighting 35%)</i></p>	<p><i>Comparative assessment taking into account:</i></p> <ul style="list-style-type: none"> • <i>Degree building meets requirements for current use</i> • <i>Adaptability for new use/ potential for dual/ multi-use</i> • <i>Frequency of use</i> • <i>Level of risk associated with continued use</i> • <i>BCA compliance</i> <p><i>5= Meets standards, excellent fit for purpose or adaptability for new purpose 1= Major compliance issues, poor fit for purpose or poor adaptability for new purpose</i></p>	<p>N/A</p>
<p><i>Historical and cultural value (Weighting 15%)</i></p>	<p><i>Elements of significance to be considered include:</i></p> <ul style="list-style-type: none"> • <i>Aesthetic significance</i> • <i>Architectural significance</i> • <i>Historical significance</i> • <i>Scientific significance</i> • <i>Social significance</i> • <i>Other significance</i> • <i>Significance to past, present and future generations</i> • <i>Period of significance</i> <p><i>5 = Listed on State Heritage Register and/ or Nationally significant and/or profoundly culturally and historically significant for the majority of the Kojonup population 4 = On State Heritage list and/or strongly culturally and historically significant for the majority of the Kojonup population 3 = Strongly culturally and historically significant for a small proportion and/or moderately significant for a large proportion of the Kojonup community 2 = Culturally and historically significant for a moderate proportion of the Kojonup community 1 = Culturally and historically significant for a small proportion of the Kojonup community 0= Not culturally and historically significant</i></p>	<p>N/A</p>

In the event any building scores a total weighted score of 30 or less out of 100 in the assessment, then officers will subsequently prepare a detailed assessment of the building and present the results to the Council. The assessment will include at a minimum:

- *Background information about the building;*
- *Valuation and asset management condition scoring information;*
- *A detailed option and impact assessment of the pros and cons of renewal/repurposing, replacement, rationalisation and/or other relevant options; and*
- *Recommendations.”*

COMMENT

The Shire currently has ultimate responsibility for over 90 buildings with an estimated renewal value exceeding \$46m. The Shire’s draft Asset Management Plan 2017 shows current expenditure on renewal to be less than 10% of the required \$914,484 per annum. Quite obviously this is unsustainable and changes need to be made. The first step in this process is to undertake an analysis of each Shire building via a Buildings Assessment Framework.

The Buildings Assessment Framework is a process of qualitative assessment of all Shire building assets against an agreed set of criteria to identify which assets should remain on the Shires inventory and which assets should be considered for replacement, rationalisation and/or disposal. Following adoption of the above Buildings Assessment Framework into Council Policy, an assessment process of all Shire buildings against this framework has been undertaken. The process involved:

- Collation of relevant information on all council buildings assets;
- Qualitative assessment of each building against the Building Assessment Framework by an assessment panel; and
- Compilation of the results.

The assessment panel comprised of the following personnel:

- Manager of Corporate Services;
- Manager Works and Services;
- Ranger/ Buildings Maintenance Coordinator;
- Senior Finance Officer;
- Manager Community Development & Tourism; and
- Community Development Officer.

The outcomes of this assessment are detailed in the Buildings Assessment Framework Report (attached). This report highlights that, of the Shire’s 91 buildings, 46 received a score below 50% and of these **25 scored below the 30% threshold** as set by the Council Policy. As such, these buildings will be the subject of a separate review process. During this process staff will undertake a detailed assessment and make recommendations to either renew / repurpose, replace, rationalise (dispose) or other relevant option for each building.

As part of the Asset Management Plan review process for 2017, modelling has been undertaken to demonstrate the impact of these 25 lowest scoring buildings. Hypothetically, if it is assumed that the Council disposed of these 25 buildings immediately, the results would be as follows:

	Currently	After Disposal of All Buildings with a Score < 30	Difference (Savings)
ASSET VALUE			
Depreciable Assets	\$142.33m	\$136.83m	\$5.51m
Building Assets	\$46.26m	\$40.75m	\$5.51m or 11.9%.

MAINTENANCE			
Underspend on Buildings Maintenance	\$6,390 per year for the next 20 years	\$6,034 per year for the next 20 years	\$356 per year for the next 20 years
Total Maintenance Gap	\$127,802 after 20 years	\$120,680 after 20 years	\$7,122 after 20 years
RENEWAL			
Underspend on Buildings Renewal (Renewal Gap)	\$791,852 per year	\$581,497 per year	\$210,355 per year
Total Renewal Funding Gap	\$15.84m after 20 years	\$11.63m after 20 years	\$4.21m over 20 years

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

CONSULTATION

The major review of the Asset Management Plan 2017 and Building Assessment Framework has had extensive consultation, including:

- A hands-on workshop as part of the 21 March 2017 briefing session with Councillors and staff in order to ensure corporate-wide understanding of the process, the inputs to both documents and the outputs that will be included;
- Four workshops with staff (Senior Management Team, Ranger/Building Maintenance Coordinator, Senior Finance Officer and Community Development Officer);
- Numerous data provision sessions between staff and Core Business Australia; and
- Council Briefing Session with Councillors and staff on 20 June 2017 to present the results and the next steps in the process.

STATUTORY REQUIREMENTS

As part of the integrated planning and reporting process for local governments in WA, *Local Government (Administration) Regulations 1996* requires:

19DA. Corporate business plans, requirements for

(3) A corporate business plan for a district is to —

- (c) develop and integrate matters relating to resources, including **asset management**, workforce planning and long-term financial planning.

Asset Management is also completed as an essential measure of good governance.

POLICY IMPLICATIONS

Council Policy 2.3.4 – Asset Management. This policy was amended in April 2017 by adding the building assessment framework, ensuring that it is regularly reviewed and amended as necessary within a changing environment. Regular reviews of this policy will occur as the recommendations contained within the Asset Management Plan 2017 are developed and implemented.

FINANCIAL IMPLICATIONS

The outcome of the Asset Management Plan 2017 and Buildings assessment framework is an essential tool in managing the Shire's assets within the financial resources available. *This cannot be understated for the long term financial management of the Shire.*

This agenda item itself does not have a financial impact, apart from staff and contractor costs to develop the revised plan and building assessment framework.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Actions:

- G1.2.1 – Undertake an asset management planning process to review and rationalise Shire buildings to maximise their use and value to the community.
- G1.2.3 – Incorporate strategic, operational, and asset management plans into a long term financial plan.
- G1.2.5 – Maintain an effective asset management policy that defines co-location and rationalisation.

RISK MANAGEMENT IMPLICATIONS

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

ASSET MANAGEMENT IMPLICATIONS

This item recommends the adoption of a new asset management plan which is critical to the entire asset management process.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That:

- 1. The Building Assessment Framework Report, as attached, be adopted; and**
- 2. In accordance with Council Policy 2.3.4 ‘Asset Management’, a report be presented to the Council prior to 31 December 2017 containing a detailed assessment of all buildings with a score of less than 30% in the Building Assessment Framework.**

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

10.10 ASSET MANAGEMENT – ADOPTION OF 2017 PLAN

AUTHOR: Anthony Middleton – Manager Corporate Services
 DATE: Friday, 30 June 2017
 FILE NO: CM.ASM.2
 ATTACHMENT: 10.10 – Asset Management Plan 2017

DECLARATION OF INTEREST

Nil.

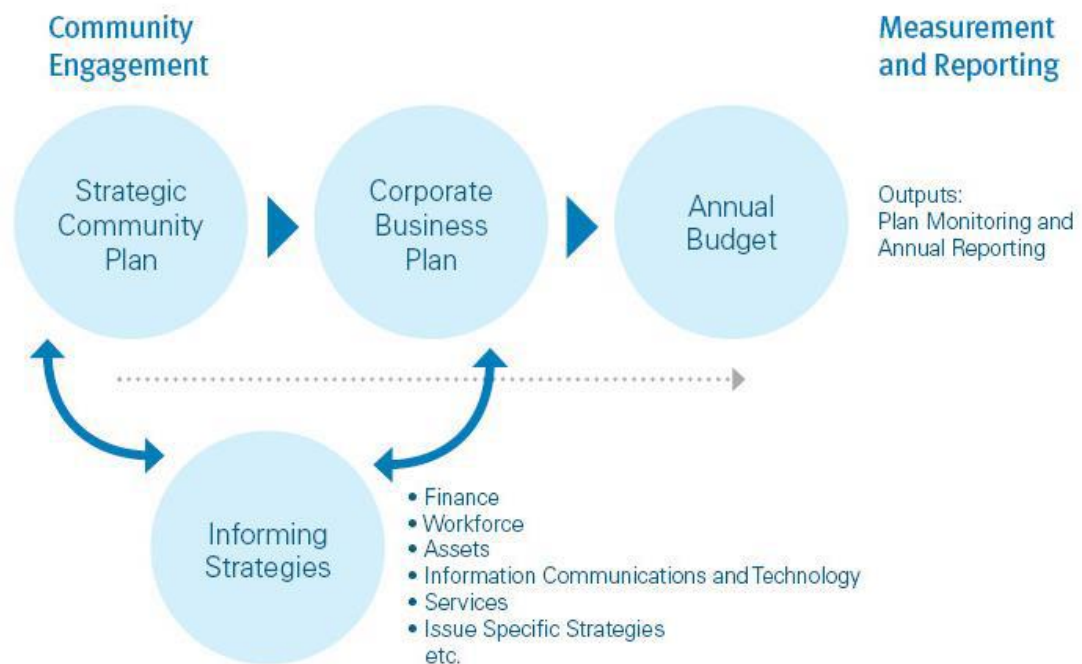
SUMMARY

The purpose of this report is to consider the Asset Management Plan 2017 for adoption.

BACKGROUND

The Shire of Kojonup's first Asset Management Plan was adopted in 2014. The attached plan is the second incarnation and reflects an increase of asset management understanding, maturity and robustness within the organisation.

The Shire has care, control and responsibility for over \$215.8m of assets and, as such, the Asset Management Plan is an important informing strategy within the integrated planning and reporting process. The integrated planning process can be summarised as follows:

**Elements of Integrated Planning and Reporting Framework**

Following specific Council resolutions at the July 2016 meeting, the Shire engaged Core Business Australia (CBA) to:

- Complete a study of Council's current building assets to determine which assets need enhancement, replacement or rationalisation (Building Assessment Framework – see Item 10.9); and

- b) Prepare a well-defined Summary Asset Management Plan which incorporates forward planning within the Shire of Kojonup for delivery by end of May 2017.

COMMENT

The Asset Management Plan contains the basic tools to allow the Shire to make informed decisions on the allocation of resources, to maintain all major assets under the care, control and responsibility of the Shire to a standard reflective of the community's desires and affordability. The Asset Management Plan feeds directly into the Long Term Financial Plan and therefore provides guidance on the long-term (10 years) allocation of financial and physical resources required to ensure operational performance of the Shire's assets continues.

A detailed breakdown of the Shire's assets can be seen on page 14 of the attached plan.

A summary of the contents and outcomes of the attached Asset Management Plan 2017 is as follows:

"The Shire of Kojonup:

- *Has care control and responsibility for over \$215.8m of assets, with \$142.3m of depreciable assets;*
- *Has informal 'Levels of Service' in place for some assets, but does not have documented 'Levels of Service' in place for all assets;*
- *Has suffered a small decline in population in recent years and could benefit from completion of a formal 'demand analysis', as part of its economic development and asset demand planning;*
- *Does not currently have 'Operations & Maintenance' plans, 'Renewal & Replacement' plans, or 'New, Upgrade & Disposal (Capital Investment)' plans in place for all assets; and would benefit from these;*
- *Is implementing a 'Buildings Assessment Framework' for buildings assets and could consider implementing a similar framework to this for all assets as part of a 'Capital Evaluation Framework';*
- *Has a 'network level' understanding of the quantity, value and condition of assets and would benefit from undertaking detailed inspection/condition assessment of all assets;*
- *Has asset renewal and maintenance expenditure data accessible for the past year (separated by asset class), but does not have easily accessible data for average expenditure (separated by asset class) for the past three years, and would benefit from gathering this for asset modelling purposes;*
- *Appears to be funding significantly more (av. \$3.213m/annum) than is required (\$2.611m/annum) for asset renewal across all asset classes;*
- *Reports 'overspending' on renewal for some asset classes (i.e. Seal, Kerbing, Bridges, Parks, Pathways and Misc.) and underspending on others (i.e. Buildings and Drainage). This predicted result is that the Shire's proportion of assets outside of intervention level will rise from the current 2.0% to 18.0% over 20 years."*

With regards to the conclusions reached in the last two dot points above, it is important to note that the 2016/2017 capital expenditure budget was uncharacteristically large due to numerous grant opportunities obtained. Significant expenditure on, for example, bridges of \$740,000 that is fully funded by grants distorts the conclusions reached in the report. It is considered that better data collection in the coming years will provide a more accurate picture of expenditure over time and these two points will be less relevant.

The attached plan shows that the Shire is currently spending \$3.213m per year on asset renewal and \$862,000 per year to fund asset maintenance. This gives a combined total of \$4.075m per year to look after a \$90.21m portfolio of depreciable assets. The plan also defines that the Shire appears to be underfunding maintenance across all asset classes by \$50,000 per year. Further analysis of the report shows ‘over spending’ on renewal for some asset classes (i.e. Seal, Kerbing, Bridges, Parks, Pathways and Misc.) and under expending on others (i.e. Buildings and Drainage). Again, building a longer term data ‘picture’ will give more accurate results.

The attached Asset Management Plan contains very detailed financial modelling information and graphs and can be quite overwhelming. Therefore, the Shire’s current financial performance against the results as modelled in the plan can be summarised as follows:

Asset Group	Estimated Renewal Value	Present Annual Renewal Demand (from Modelling)	Present Annual Renewal Expenditure	% of present Demand Being Met
Land & Buildings				
- Regional Buildings	\$ 32,247,894	\$ 253,472	\$ 63,468	25%
- District Buildings	\$ 10,612,533	\$ 401,468	\$ 26,755	7%
- Local Buildings	\$ 3,401,575	\$ 259,544	\$ 704	0%
Plant & Equipment **	\$ 221,100	\$ -	\$ -	
Infrastructure				
- Roads (Formation)	\$ 72,548,471	n/a	n/a	n/a
- Roads (Pavement)	\$ 46,552,464	\$ 356,808	\$ 472,767	132%
- Roads (Seal)	\$ 13,420,989	\$ 167,646	\$ 1,092,317	652%
- Roads (Kerb)	\$ 781,550	\$ 17,373	\$ 56,000	322%
- Bridges	\$ 6,947,640	\$ 181,816	\$ 740,000	407%
- Drainage	\$ 6,094,350	\$ 221,725	\$ 44,112	20%
- Parks, Gardens & Reserves	\$ 6,734,505	\$ 318,238	\$ 250,500	79%
- Footpaths & Cycleways	\$ 1,267,950	\$ 2,927	\$ 61,000	2084%
- Airports	\$ 2,052,198	\$ 32,021	\$ 30,000	94%
- Other	\$ 13,015,755	\$ 19,152	\$ 376,000	1963%
	\$ 215,898,974	\$ 2,232,190	\$ 3,213,623	144%
** Note - Plant & Equipment does not include vehicles and fleet.				

Section 10.0 on page 52 of the plan contains a summary of the Shire’s current position relating to asset management. To ensure that the Shire of Kojonup:

- Has the most accurate up to date information possible on assets and expenditure;
 - Has an appropriate level of service and performance measurement system in place; and
 - Maximises the return for its investment in assets to provide services to the community;
- section 11.0 on pages 53-55 of the plan recommends that a consolidated program be implemented to imbed sound asset management practice within culture and activities at all levels of the organisation. These recommendations are as follows:

Recommendation 1: (Most urgent priority):

Implement a ‘Capital Evaluation’ policy and procedure to ensure all potential future projects are evaluated appropriately; and only the projects most aligned to achievement of council’s objectives and long-term sustainability are selected for implementation.

This will include:

- *Development and adoption of a 'Capital Evaluation Policy';*
- *Development and adoption of a 'Capital Evaluation Procedure' including:*
 - *Identification of 'Capital Evaluation' assessment processes with different intensity/ thoroughness of assessment for individual projects based on 'thresholds' for assessment;*
 - *A description of 'thresholds' for assessment (The level of risk, financial value or other indicators at which a project undergoes a given level of assessment);*
 - *Identification of assessment criteria, criteria weighting and methodology for 'multi-criteria' analysis;*
 - *Templates to be used during assessment and flow-charts to assist with keeping the process on track; and*
 - *Documentation of the timing for assessment to be undertaken (for example prior to consideration of each budget for annual projects and at given times during the year for special projects, in special circumstances).*

Recommendation 2:

Design a program of activities to imbed sound asset management practice its culture and activities at all levels of the organisation. This will include (but not be limited to):

- *Confirming key performance indicators of the program – How will we measure that we have achieved our intended results?;*
- *Documenting all projects/ actions to be undertaken (Please note: Completion of all recommendations within this Asset Management Plan will form part of the identified program).*
- *Identification of resources required and available;*
- *Prioritising activities to be undertaken, including confirming the timing for their implementation;*
- *Identifying training to be delivered to ensure all staff involved have a sound understanding of their role and requirements;*

Recommendation 3:

Define, document and implement 'Levels of Service' for all assets and services;

Recommendation 4:

Complete a formal assessment of future demand for assets. This will be undertaken as part of economic development planning and consider factors such as potential population growth and changes in demographics. Once complete, update the Asset Management Plan with the results;

Recommendation 5:

Adapt the current 'Buildings Assessment Framework' project to include review of other asset classes; and dispose of surplus/ unsustainable assets as required;

Recommendation 6:

Identify the requirements to ensure finance data and information is matched to asset management data (i.e. the same/ integrated classification, storage and reporting systems are utilised). Implement changes as needed;

Recommendation 7:

Compile expenditure information for the past three years, separated by asset class. Utilise this information for modelling purposes when updating the next version of the Asset Management Plan;

Recommendation 8:

Determine responsibilities for all assets and review and update lease conditions where other entities have partial or full responsibility for assets on Council managed land. This will include (but not be limited to):

- *Classifying all assets into areas of responsibility (i.e. Council 'full responsibility', 'partial responsibility' and 'no responsibility');*
- *Conducting a review of the responsibilities documented in all leases;*
- *Implementing a program over time to include the following provisions in all leases:*
 - *That where a Lessee has responsibility for maintenance or renewal activities for an asset on land owned by Council, the Lessee submits a program of works each year and Council conducts inspections at appropriate time intervals to confirm required work has been completed by the Lessee; and*
 - *In the event required work is not undertaken by the Lessee, Council can either direct the Lessee to undertake the work; or Council can undertake the work and bill the lessee for the cost.*

The purpose of this recommendation is to ensure that council does not have responsibility for a large future backlog of maintenance/ renewal for assets, particularly buildings, as a result of leases not being aware of or undertaking their responsibilities.

Recommendation 9:

Ensure the Shire has an appropriate database for storage of asset information and complete a detailed data pick-up and condition assessment of all assets;

Recommendation 10:

Utilise the results of implementation of the above recommendations to prepare a sustainable 'operations and maintenance' plan, 'renewal and replacement' plan and 'new, upgrade and disposal (capital investment)' plan. This should involve scenario analysis involving running comparative asset renewal models to identify the cost implications of each decision/ proposed mix of projects;

Recommendation 11:

Once recommendations above are complete, update the Shire's 'Asset Data Request', re-run the Shire's renewal model and update the Asset Management Plan with the results;

Recommendation 12:

Update the Long-Term Financial Plan utilising the results of Recommendation 11. Ensure there is a mechanism in place to continuously link Asset Management to the Long-Term Financial Plan update cycle.

It is considered appropriate to adopt and work towards achieving these recommendations over a two year period, as time and resources permit.

As an addition to the update of the Asset Management Plan 2017, a buildings assessment framework has also been completed. The buildings assessment framework is a process of qualitative assessment of all Shire building assets against an agreed set of criteria to identify which assets should remain on the Shires inventory and which assets should be considered for replacement, rationalisation and/or disposal. This buildings assessment framework has been incorporated into Council Policy (April 2017 Council Meeting) and the details of which are the subject of a separate agenda item.

CONSULTATION

The major review of the Asset Management Plan 2017 and Building Assessment Framework has had extensive consultation, including:

- A hands-on workshop as part of the 21 March 2017 briefing session with Councillors and staff in order to ensure corporate-wide understanding of the process, the inputs to both documents and the outputs that will be included;
- Four workshops with staff (Senior Management Team, Ranger/Building Maintenance Coordinator, Senior Finance Officer and Community Development Officer);
- Numerous data provision sessions between staff and Core Business Australia; and
- Council Briefing Session with Councillors and staff on 20 June 2017 to present the results and the next steps in the process.

STATUTORY REQUIREMENTS

As part of the integrated planning and reporting process for local governments in WA, *Local Government (Administration) Regulations 1996* requires:

19DA. Corporate business plans, requirements for

(3) A corporate business plan for a district is to —

- (c) develop and integrate matters relating to resources, including **asset management**, workforce planning and long-term financial planning.

Asset Management is also completed as an essential measure of good governance.

POLICY IMPLICATIONS

Council Policy 2.3.4 – Asset Management. This policy was amended in April 2017 by adding the building assessment framework, ensuring that it is regularly reviewed and amended as necessary within a changing environment. Regular reviews of this policy will occur as the recommendations contained within the Asset Management Plan 2017 are developed and implemented.

FINANCIAL IMPLICATIONS

The outcome of the Asset Management Plan 2017 and Buildings assessment framework is an essential tool in managing the Shire's assets within the financial resources available. *This cannot be understated for the long term financial management of the Shire.*

This agenda item itself does not have a financial impact, apart from staff and contractor costs to develop the revised plan and building assessment framework.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Actions:

- G1.2.1 – Undertake an asset management planning process to review and rationalise Shire buildings to maximise their use and value to the community.
- G1.2.3 – Incorporate strategic, operational, and asset management plans into a long term financial plan.
- G1.2.5 – Maintain an effective asset management policy that defines co-location and rationalisation.

RISK MANAGEMENT IMPLICATIONS

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

ASSET MANAGEMENT IMPLICATIONS

This item recommends the adoption of a new asset management plan which is critical to the entire asset management process.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION**That:**

1. The ‘Shire of Kojonup Asset Management Plan 2017’, as attached, be adopted;
2. The twelve (12) recommendations contained within the plan be progressed over the next two financial years as resources permit; and
3. Recommendation 1, relating to the development of a Capital Evaluation Framework (policy and procedure) be prioritised and completed prior to 31 October 2017.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

11 WORKS & SERVICES REPORTS

Nil

12 REGULATORY SERVICES REPORTS

12.1 REVIEW OF ASBESTOS MANAGEMENT PLAN

AUTHOR: Mort Wignall – Manager Regulatory Services
DATE: Monday, 4 July 2017
FILE NO: PE.OHS.5
ATTACHMENT: 12.1 – Reviewed Asbestos Management Plan

DECLARATION OF INTEREST

Nil

SUMMARY

To seek Council's endorsement of the annual review of Council's Asbestos Management Plan.

BACKGROUND

In respect to the *Occupational Health & Safety Regulations 1996* and Code of Practice for the Management and Control of Asbestos in Workplaces, the Shire of Kojonup has a duty of care to ensure that its employees have access to a current and up-to-date Asbestos Management Plan. To ensure this plan is up-to-date, it is reviewed annually to assess any changes to the physical condition of any building with asbestos containing material (ACM) and where necessary, amend the plan to reflect the current status of the respective building, structure or appurtenances, etc.

COMMENT

An assessment of all buildings included in the ACM Building Register has been undertaken and the Asbestos Management Plan has been amended accordingly.

CONSULTATION

Council Staff.

Tenants of any of the buildings.

Management committees or their Chairperson as appropriate.

STATUTORY REQUIREMENTS

Occupational Health & Safety Regulations 1996

Code of Practice for the Management and Control of Asbestos in Workplaces

POLICY IMPLICATIONS

Council Policy 2.3.4 Occupational Health & Safety applies. Key objectives of the policy include: reduce, eliminate and control workplace hazards and provide employees with safety information, training and learning appropriate to hazards they are likely to encounter.

FINANCIAL IMPLICATIONS

Funding for ongoing repair, maintenance and removal of buildings with ACM is considered as part of the annual draft budget process with funds allocated to the respective buildings listed on the ACM Building Register as necessary.

STRATEGIC/CORPORATE IMPLICATIONSCommunity Strategic Plan 2013 – 2023

Outcomes:

- N2 – Living in a safe community.

Corporate Business Plan 2013 – 2017

Objectives:

- N2.4 – Maintain community safety.

RISK MANAGEMENT IMPLICATIONS

Occupational Safety and Health is one of the “Organisational Risk Assessment Categories” listed in our Risk Management Plan. Under Appendix Four of the Risk Management Plan one of the key objectives is “providing for the ongoing health and safety of all employees at the workplace”.

ASSET MANAGEMENT PLAN IMPLICATIONS

Section 12 of our Asset Management Plan relates to Council buildings and refers to the Shire providing buildings and associated structures to service community needs and support the Shire to deliver its services.

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

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That Council endorse the annual review of the Asbestos Management Plan.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

13 **EXECUTIVE & GOVERNANCE REPORTS**

13.1 COMMUNITY STRATEGIC PLAN – KOJONUP 2027+ “SMART POSSIBILITIES”

AUTHOR: Anthony Middleton – Manager Corporate Services
 DATE: Wednesday, 19 July 2017
 FILE NO: CM.CIR.1
 ATTACHMENT: **13.1 – Kojonup 2027+ “SMART Possibilities”**

DECLARATION OF INTEREST

Nil.

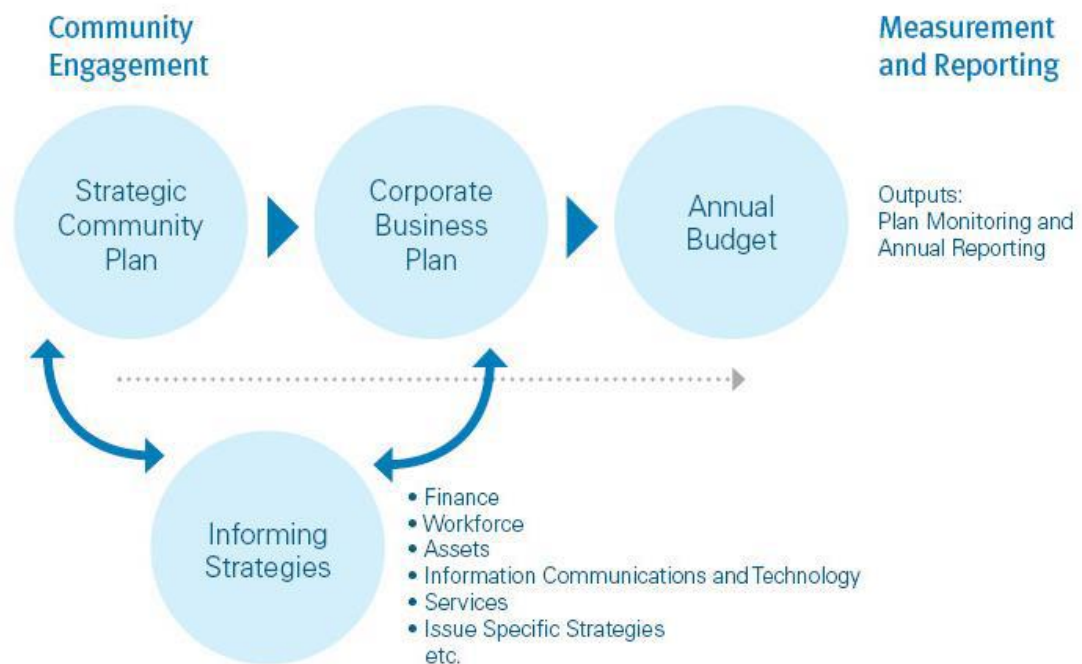
SUMMARY

The purpose of this report is to consider the Shire of Kojonup’s new (updated and revised) Community Strategic Plan for adoption.

BACKGROUND

The Shire of Kojonup’s first Community Strategic Plan was adopted in 2013. This plan had a desktop review undertaken in 2015 and has now been the subject of a major re-write in 2017, now titled “Smart Possibilities”.

The Community Strategic Plan is the pinnacle of the integrated planning and reporting process for local governments in WA. This process can be summarised as follows:



Elements of Integrated Planning and Reporting Framework

COMMENT

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 gives a very good summary of the community consultation process undertaken for this major review. As a result of this consultation, the vision for the Shire of Kojonup has been updated as follows:

“Kojonup is a smart region featuring a technologically advanced agricultural community, an educational and historical destination, and a healthy and enviable lifestyle.”

Smart Possibilities also sets out five (5) ‘key pillars’ or areas of focus for the organisation. These are 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).

These key pillars, and the outcomes and deliverables for each, will form the basis of the future direction for the Shire. The Corporate Business Plan will be predominately based on these actions and this will flow into future budget items. It is also envisaged that the format of other tools of business, such as Council Committees, Council agenda’s, Senior Management Team meetings, etc., may even be changed to reflect these key pillars and ensure that we are all focused towards our strategic goals. In short, this new plan becomes our ‘way of life!’

The attached plan, *Smart Possibilities*, contains some very exciting and challenging goals and it is recommended that it be adopted by the Council.

CONSULTATION

Significant community consultation has been undertaken to formulate *Smart Possibilities* – this is the Communities report! This is outlined within the report as follows:

“The Shire of Kojonup instigated a stakeholder engagement process to be completed between April and May, 2017. An external facilitator was used to collect trends, views and opinions as to the vision of Kojonup in 2027 and beyond. A PowerPoint-based narration was formed to ensure all groups received the same impetus for their feedback. In total seven stakeholder groups attended sessions over two visits, and, as well, community members were invited to contribute their feedback through an online survey. The Shire was responsible for garnering stakeholder interest of which they did so through Facebook, Kojonup News, Shire of Kojonup ENews and flyers. For these sessions, the Shire divided the stakeholder groups into:

- *Group 1: Councillors and Senior Executives*
- *Group 2: 18- 55 year olds*
- *Group 3: School years 5 and 6 (St Bernard’s)*
- *Group 4: Shire of Kojonup Staff*
- *Group 5: School years 7 to 10 (Kojonup District High)*
- *Group 6: 55 Plus*
- *Group 7: 18-55 year old (any extra age-group)*

In total over 200 stakeholders contributed to this process which showed an increase of 80% from the previous face-to-face engagement process in 2013 where 40 community members participated and 206 community members were surveyed. The sessions were held at the Sporting Complex, the two schools, and the Shire Administration building.

All anecdotal feedback was collected into a report. Voting data was also collected and analysed. The Shire has taken into consideration all community members views in forming the 2017 to 2027 Strategic Community Plan. The Shire will strive to continually engage with the community through informing, consulting, actively listening and recording views.

The external facilitator noted that the views and aspirations of the community, collected through this process, were very diverse, and often contradictory, however never divisive and always respectful. The facilitator also mentioned that improved communication will enhance the collective knowledge of the region for future engagement processes.'

Some examples of the feedback provided are contained within page 9 of *Smart Possibilities*, and a summary of the quantitative feedback is contained within pages 10 and 11.

STATUTORY REQUIREMENTS

As part of the integrated planning and reporting process for local governments in WA, *Local Government (Administration) Regulations 1996* requires:

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

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

- (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
- (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.’

Long term planning is also completed as an essential measure of good governance.

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

Smart Possibilities sets the future direction for the Shire. The Corporate Business Plan will be primarily based on its contents and this will then flow into future budget items. As such, *Smart Possibilities* has far reaching financial implications that are difficult to articulate at this point in time. The adoption of the report by the Council however, does not have a financial impact, apart from subsequent printing and distribution costs.

Quotes have been obtained for printing the final document in “coffee table” style booklet. They are as follows:

Quantity	Price	Price per Booklet
50	\$542.50	\$10.85
100	\$846.25	\$8.46
200	\$1,442.50	\$7.21
300	\$2,036.25	\$6.79
500	\$3,228.75	\$6.46

If copies were distributed to most staff, all Councillors and workshop attendees, approximately 150 would be required. Allowing additional copies to circulate to neighbouring Shire’s, Government Departments, Minister’s and Kojonup resident’s it is felt that a minimum of 300 copies at a cost of \$2,036 be printed. Of course, electronic distribution will occur where possible, however, the standard of the publication and importance of its message does warrant widespread hard copy distribution.

STRATEGIC/CORPORATE IMPLICATIONS

Smart Possibilities is a replacement Community Strategic Plan and therefore will set the strategic direction and implications for all future activities.

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

It is appropriate that a copy of the adopted plan be circulated to our VROC partners for their information.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That:

- 1. The Shire of Kojonup’s Community Strategic Plan “Kojonup 2027+, SMART Possibilities”, as attached, be adopted;**
- 2. Three hundred (300) hard copies of *Smart Possibilities* be printed for circulation to key stakeholders;**
- 3. A copy be circulated to every workshop attendee and survey recipient (where contact details are known) with a letter of thanks from the Shire President; and**
- 4. The Chief Executive Officer and Shire President formulate a “first hundred (100) days” communication and action strategy to publicly launch and implement the plan.**

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST BY ABSOLUTE MAJORITY /

14 AGED CARE SERVICES REPORTS

Nil

15 COMMUNITY DEVELOPMENT & TOURISM REPORTS**15.1 BLACK COCKATOO CAFÉ – EXPRESSIONS OF INTEREST/LEASE**

AUTHOR: Rick Mitchell-Collins – Chief Executive Officer

DATE: Monday, 3 July 2017

FILE NO: CP.REG.1

ATTACHMENTS: 15.1.1 – Expression of Interest Information
15.1.2 – Draft Minutes of KPCFI 8 June 2017

DECLARATION OF INTEREST

Nil

SUMMARY

To update Council on Expression of Interest (EOI) and ultimately the leasing of the Black Cockatoo Café (BCC) since the Council Meeting held 18 April 2017.

BACKGROUND

A lease exists between the Shire of Kojonup and the Kodja Place Community Fund Inc (KPCFI) for the area of land containing the BCC. The lease commenced 18 May 2009 for a 10 year period and therefore concludes 17 May 2019.

At its meeting held 27 April 2016, the KPCFI made the following decision:

“Decision 04/16

...that the Chief Executive Officer’s Report be received and the Community Fund Inc. agree to the Shire of Kojonup as Head Lessor managing and operating the Café until 30 June 2017 at which time future arrangements will be reviewed.”

At its Ordinary Meeting held 17 May 2016, Shire of Kojonup Council made the following decision in conjunction with the above decision by the KPCFI:

“Decision 73/16

...that Council receive the Chief Executive Officer’s report and reaffirms the Kodja Place Community Fund Inc. Decision 04/16 made at its meeting held 27 April 2016 agreeing to the Shire of Kojonup (as Head Lessor) managing and operating the Café until 30 June 2017.”

The Shire of Kojonup then purchased “The Black Cockatoo Café” (business name and equipment) at the end of May 2016.

At its Ordinary Meeting held 18 April 2017, the Shire of Kojonup Council made the following decision:

“Decision 38/17

...that Council:

- 1. Call for expressions of interest for the lease of the Black Cockatoo Café for an initial term of three (3) years with further options of three (3) + three (3) years effective 1 July 2017 or no later than 31 July 2017, and*

2. *Instruct Management to continue to implement strategies that closes the 'gap' between sales, wages and cost of goods sold including but not limited to:*
 - *Improved Café/Kodja Place signage;*
 - *Menu options and pricing structure to address the cost of goods sold and back of house operations;*
 - *Food buzzers;*
 - *Operating hours; and*
 - *Catering for bus tours, groups and events.*

The Council's decision dated 18 April 2017 cannot currently be implemented as the KPCFI has only given the Shire use of the building until 30 June 2017.

As such, for the Shire to either:

- (a) Continue operating the café after 30 June 2017; or
- (b) Lease to a third party

the "surrender of lease" instrument needs to be agreed to and signed by both parties.

As the Shire owns the BCC business name and all equipment, any lessee between 1 July 2017 and 17 May 2019 will need to either purchase the business or negotiate with the Shire and the KPCFI

With the head lease expiring in May 2019, the café will then become the ownership of the Shire of Kojonup. This timeframe makes it unrealistic for any other party to operate the café without the Shire's involvement.

A "surrender of lease" instrument has been drawn up that can cancel the lease with the agreement (signature and common seal) of both parties. Realistically, this needs to occur as soon as possible but definitely before 30 June 2017.

COMMENT

A meeting of the KPCFI was called and held 8 June 2017 to ascertain the Funds willingness to surrender the lease based on the above background in order for officers to proceed with the EOI and ultimately short list applicants for formal interview. The following decision was carried unanimously at the KPCFI meeting:

"DECISION 03/17

Moved Cathy Wright, seconded Alan Egerton-Warburton that the Kodja Place Community Fund Inc. agree to the termination of the lease agreement with the Shire of Kojonup for area of land containing the Kodja Place Café and authorises the Chairman to:

1. *Sign the 'surrender of lease'; and*
2. *Place the common seal of the Kodja Place Community Fund Inc. on the 'surrender of lease'.*

The lease has been subsequently executed by the KPCFI Chairman and Deputy Chairperson as well as the Shire President and Chief Executive Officer and a copy given to each party and also solicitors – McLeods. Officers have prepared the EOI as attached and advertising seeking expressions commenced Friday, 14 July 2017 and will close on Friday, 11 August 2017.

It is a requirement that Council as owner of the land signify its interest to “Dispose” of the land to the general public whether this is by Lease or Sale in accordance with Section 3.58 of the *Local Government Act 1995*.

Council upon short listing, interviewing and selecting a preferred applicant will be required to officially notify the general public of the terms of the lease. If no submissions or counter offers are received Council can proceed to enter into a legal lease agreement and occupancy should occur prior to 30 September 2017.

CONSULTATION

Council Briefing Sessions
Audit Committee Meetings
KPCFI Meeting 8 June 2017
Manager Corporate Services

STATUTORY REQUIREMENTS

Section 3.58 of the *Local Government Act 1995* states:

- “(3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) it gives local public notice of the proposed disposition —*
 - (i) describing the property concerned; and*
 - (ii) giving details of the proposed disposition; and*
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
- and*
- (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.”*

POLICY IMPLICATIONS

The objectives of The Kodja Place precinct, as defined by The Kodja Place Master Plan (p.5), are:

1. To be sustainable – financially, socially and culturally
2. To be a place of community pride and engagement
3. To nurture our future storytellers and makers

Policy 1.2 – Community Funding Program (Capital & Operating) which aims to provide a framework for the provision of funding which meets Council’s Strategic objectives in facilitating community development initiatives.

Policy 3.16 – Community Consultation Charter which aims to reflect Council’s commitment to open and effective consultation with the community in the process of making important decisions about the wellbeing of the community.

FINANCIAL IMPLICATIONS

Operations at the Black Cockatoo Café clearly indicate that sales are directly linked to Albany Highway traffic volumes if no other events are held! It is now time to translate the hard work bringing the Café to a more “fit for purpose” position by testing the open market in relation to a Lease Agreement.

STRATEGIC/CORPORATE IMPLICATIONSCommunity Strategic Plan 2013 – 2023

Outcomes:

- E1 – Supporting Main Street
- E2 – Building Prosperity
- N1 – Natural & Built Environment
- S2 – Staying Active & Entertained

Corporate Business Plan 2013 - 2017

Objectives:

- N1.3 – Creating sustainable and inviting public spaces

Actions:

- E1.1.1 – Undertake a study to identify the opportunities to enhance the main street, taking into consideration current and future uses
- E2.1.3 – Identify opportunities to source funding and resources for local projects
- E2.1.4 – Support local tourism initiatives and the KTA
- S2.1.4 – Preserve and promote our history and culture

RISK MANAGEMENT IMPLICATIONS

Closing the café is a major reputational risk as Kodja Place is a draw card for visitors and the travelling public. Council is not in the business of running a café/restaurant or takeaway shop but it is in the business of making Kojonup a vibrant and attractive place where community members and visitors alike have the opportunity to enjoy a world class cultural/heritage facility in beautiful surroundings.

It is hoped that a new lessee will reinvigorate the café and earning capacity.

ASSET MANAGEMENT IMPLICATIONS

Whole of Life considerations, Integrated planning, Structural Integrity, “Fit for Purpose”, Insurance and Public Liability considerations, Business continuity and rates impact aligned with Master Plan and Business Plan.

Section 12 of the Shire’s Asset Management Plan provides information regarding buildings and associated structures and acknowledges that *renewal has regard to the ability to service current demands and be fit for purpose, with a significant component of renewal due to changing needs, expectations and regulations that can often render buildings obsolete and bring forward replacement discussions.*

SOUTHERN LINK VROC IMPLICATIONS

N/A

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That Council:

- 1. Endorse the execution of the ‘Surrender of Lease’ by the Shire President and Chief Executive Officer with the Kodja Place Community Fund Inc., and**
- 2. Proceed in accordance with Section 3.58 of the *Local Government Act 1995* to call Expressions of Interest to ultimately lease the Black Cockatoo Cafe to a new operator on or before 30 September 2017.**

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

15.2 GREAT SOUTHERN – TOURISM & ECONOMIC DEVELOPMENT ALLIANCE

AUTHOR: Rick Mitchell-Collins – Chief Executive Officer
Zahra Shirazee – Manager Community Development & Tourism
DATE: Wednesday, 12 July 2017
FILE NO: ED.IND.2
ATTACHMENT: Nil

DECLARATION OF INTEREST

Nil

SUMMARY

To seek a formal resolution regarding the Shire of Kojonup's receptiveness to form part of a Work Group that looks at the merits of exploring a sub-regional approach to tourism, marketing, promotion, economic development given the recent establishment by Albany, Denmark and Plantagenet of the 'Amazing South Coast' Alliance. The Work Group would also review the initial 'Hidden Treasures' concept to add future value for those shires in the Great Southern hinterland. Whilst the Great Southern Hinterland does not have a coastal orientation we do possess other special features such as the Stirling Ranges, Lake Dumbleyung, Bluebird Replica & Interpretative Centre, myriad of private collections, Wild Flowers, Kodja Place, Tourist Railway, etc. We are centrally located surrounded by the Wheatbelt to our east, South Coast/South West and East Coasts and Peel Region to our North.

BACKGROUND

General discussion was undertaken at the Briefing Session held 4 April 2017 regarding the future strength of the Great Southern Region given the new 'Amazing South Coast' alliance. Where does the balance Councils in the Great Southern Region 'fit' in relation to Tourism, Economic, Heritage & Cultural development opportunities? Do we try and get on the 'Coat Tails' of the new alliance or do we possess a "Product" in our own right?

The Shire President and CEO recently had the opportunity to meet DOME CEO – Nigel Oakey and tour the new Katanning project that will see in excess of \$7 million invested in a new DOME Café, 22 bed hotel and lower level bar and meeting rooms. As part of the development, Mr Oakey is incorporating a 'Hub and Spoke' information centre concept whereby tourism operators can promote their ventures and guests who stay at the Flour Mill can use Katanning as a base to explore surrounding shires.

From a Private Sector perspective this approach is a smart business strategy by DOME, however from a Local Government perspective is such a concept duplicating Visitor Information Centre's? Katanning, for example, has visions of building a new Information Centre at the large round-a-bout so would they also contribute towards the 'Hub and Spoke' concept?

COMMENT

Kojonup when promoting and marketing itself as a destination in its own right must also ascertain the amount of accommodation available to meet increased visitor numbers. A new 22 bed facility at the Flour Mill compliments any future tourism and event growth but we should also be encouraging existing accommodation providers to work with us to ensure supply meets demand. For example, both the Commercial and Royal Hotels have capacity to increase accommodation. The Caravan Park has potential to increase patronage if it provided additional units with ensuites. Glenlossie is a "jewel" for any developer wanting to add accommodation to the Distillery and Restaurant even incorporating collections of old farm

machinery. New management commence operations 27 August 2017. Hill View remains reliant on contractor stays (Main Roads, Western Power etc.) to retain its occupancy rates.

Bed & Breakfast providers fill a void but invariably are they able to satisfy customer needs and expectations 7 days per week, 52 weeks of the year as reality must meet expectation!

The new Management structure for Community Development & Tourism now enables skilled and experienced human resources to be directed more to tourism, cultural, heritage and economically aligned marketing and promotion strategies including events and activities. The Manager Community Development & Tourism together with our Shire President would be ideal representatives for Kojonup on any Tourism Work Group given their respective backgrounds.

CONSULTATION

Briefing Session – March 2017

Informal discussions – Katanning, Kent, Dumbleyung and Woodanilling,
WALGA Great Southern Zone meeting – Nyabing 3 July 2017

STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government Act (Functions and General) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

- Council contributes \$4,000 per annum towards ‘Hidden Treasures’ and unfortunately the latest reprint of the brochure does not depict ‘value for money’ for Kojonup’s section but the brand is known and can form the foundation for a Local Tourist Association but needs to be driven by Local Government and Tourist operators.
- Additional visitors increase potential income streams for businesses and employment opportunities regardless if casual or part-time placements.
- Additional visitors increase operational costs attached to rubbish collection and disposal, street furniture and signage upgrades.
- Improved marketing and promotion requires funds to be allocated towards advertising, multimedia, brochures etc.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013 – 2023

Outcomes:

- E2 – Building Prosperity
- S2 – Staying Active and Entertained
- S3 – Being Healthy
- G1 – Being Well Governed

Corporate Business Plan 2013 – 2017

Objectives:

- E2.1 – Building local economic capacity to generate wealth and provide a variety of local employment opportunities
- S2.1 – Promote Kojonup as a place to live and visit
- S3.3 – Promote the existing facilities and services available in Kojonup

- G1.3 – Support regional collaboration and resource sharing

RISK MANAGEMENT IMPLICATIONS

- Reputational Risk – creating an impression to visitors that there is much to see and do, yet on weekends most businesses may be closed, facilities may not meet customer requirements, limited accommodation, inadequate signage or information available on specific sites, events and activities.
- Risk of the Great Southern Region losing its identity however Albany will remain our regional centre regardless of Tourism or Local Government boundaries.

ASSET MANAGEMENT PLAN IMPLICATIONS

- Costs of establishing brand, signage, brochures, IT, Multi Media etc.
- Increased Asset Management provision for street furniture maintenance, replacement, renewal or new items.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Regional Economic Development

Goal 1 – Stimulate economic growth and business opportunity

Human Resources

Goal 4 – Increase capacity through collaboration

Regional Community Development

Goal 5 – Build capacity to enable communities to achieve

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That the Shire of Kojonup:

- 1. Indicate its receptiveness to be part of a Work Group which looks at the merits of exploring a sub-regional approach to tourism, marketing, promotion and economic development to add future value for those shires in the Great Southern hinterland.**
- 2. Kojonup representatives on the Work Group will be Shire President, Manager Community Development & Tourism and CEO.**

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

16 **COMMITTEES OF COUNCIL**

Nil

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

Nil

18 **NEW BUSINESS**

Nil

19 CONFIDENTIAL REPORTS**19.1 SALE OF JEAN SULLIVAN UNITS**

AUTHOR: Pam Chambers – Senior Administration Officer
DATE: Friday, 14 July 2017
FILE NO: CP. MTC.49
ATTACHMENT: Nil

19.2 CHIEF EXECUTIVE OFFICER – 2016/2017 PERFORMANCE REVIEW

AUTHOR: Anne Lake – Consultant – Anne Lake Consulting
DATE: Tuesday, 11 July 2017
FILE NO: Personnel File
ATTACHMENT: 19.2 – Confidential CEO Review Scores

19.3 TENDER 01/2017 – RETAINING WALL & RAMP – LOTON CLOSE, KOJONUP

AUTHOR: Michelle Dennis – Development Services Coordinator
DATE: Thursday, 20 July 2017
FILE NO: FM.TND.3 / CP. DAC.1
**ATTACHMENT: 19.3.1 – Detailed Drawing
19.3.2 – RFT 01/2017**

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

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 matter affecting an employee or employees;**
- (b) The personal affairs of any person; and**
- (c) 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.**

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

OFFICER RECOMMENDATION

That Item 19.3 – Tender 01/2017 – Retaining Wall & Ramp – Loton Close, Kojonup be discussed.

COUNCIL DECISION

/17 Moved Cr , seconded Cr

CARRIED/LOST /

20 **NEXT MEETING**

Tuesday, 15 August 2017 commencing at 3:00pm.

21 **CLOSURE**

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

22 **ATTACHMENTS (SEPARATE)**

- Item 10.1 Monthly Statement of Financial Activity
- Item 10. 2 Monthly Payment Listing 01/06/2017 – 30/06/2017
- Item 10.4 List of Fees and Charges
- Item 10.5.2 Property Register
- Item 10.6 Information Statement 2017/2018
- Item 10.7 2017/2018 Draft Annual Budget
- Item 10.8 Local Government Template
- Item 10.9 Buildings Assessment Framework
- Item 10.10 Asset Management Plan 2017
- Item 12.1 Reviewed Asbestos Management Plan
- Item 13.1 Kojonup 2027+ “SMART Possibilities”
- Item 15.1.1 Expression of Interest Information
- Item 15.1.2 Draft Minutes of KPCFI 8 June 2017
- Item 19.1 Confidential Report
- Item 19.2 Confidential Report & Attachment
- Item 19.3 Confidential Report & Attachment