

NOTICE OF AN ORDINARY MEETING OF COUNCIL

Dear Council Member

The next Ordinary Meeting of the Shire of Bridgetown-Greenbushes will be held on **Thursday, 21 December 2017** at the Greenbushes Community Resource Centre, commencing at 5.30pm.

Signed by T Clynch, CEO



Date

13 December 2017

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AGENDA

For an Ordinary Meeting of Council to be held at the Greenbushes Community Resource Centre on Thursday, 21 December 2017 commencing at 5.30pm

Meeting to be opened by the Presiding Member

Acknowledgment of Country – Presiding Member

On behalf of the Councillors, staff and gallery, I acknowledge the Noongar People, the Traditional Owners of the Land on which we are gathered, and pay my respects to their Elders both past and present.

Attendance, Apologies and Leave of Absence

President	- A Pratico
Councillors	- J Bookless - J Boyle - D Mackman - J Moore - J Nicholas - P Scallan - C Wallace - A Wilson
In Attendance	- T Clynch, CEO - M Larkworthy, Executive Manager Corporate Services - E Dennis, Executive Manager Community Services - T Lockley, Executive Assistant

Attendance of Gallery

Responses to Previous Questions Taken on Notice

Mr B Bebbington – Ordinary Meeting 30 November 2017

1. In regard to the September Council meeting and the changeover of fire appliances, a proposal was put to Council that they could dispose of the two remaining FRU's (fast response units), which are the utes with slip-ons, with two light tankers from Donnybrook Shire due to the units not being able to comply with enhanced crew protection equipment as a result of the Black Cat Creek fire. As a result of this resolution, have all bush fire brigades been allocated Land Cruiser light tankers that comply with the enhanced crew protection equipment?

Response - No. Not all Brigades have Landcruiser light tankers. The Landcruiser Light Tankers that are in service all have the enhanced crew protection installed.

2. In regard to the same matter, the officer report said the result of this motion, which was passed, is that the Shire will be able to swap out the remaining FRU's with light tankers that are fully crew protected and compliant. That hasn't occurred and why wasn't Council advised that not all FRU's would be

taken out of service, and that all units run by the bush fire brigade would actually be compliant?

Response - The report to Council related to the Local Government Grants Scheme funded FRU's – i.e. those provided to the local government by DFES through the Emergency Services Levy. The Shire has two additional FRU's, one used by the bush fire mitigation staff and the other used to cover a resourcing shortfall within bush fire brigades. The Shire has allocated funds to upgrade these vehicles to be fully compliant however due to the specialist nature of the job, it has been difficult for staff to source a contractor to date to undertake the works before the fire season.

3. The changeover motion referred to the gross vehicle mass (GVM) being exceeded if protective equipment was installed so they were not suitable. The remaining FRU exceeds the GVM limit imposed by DFES, just as the other two units did, and this unit hasn't been replaced. I'd like to know why it hasn't been replaced and the same report had the comment that the safety of fire fighters is of the utmost importance to the Shire's fire organisation's, and that was the acceptable solution between the Shire and DFES. Why is it that one brigade doesn't have a compliant vehicle, and why aren't those fire fighters safety as referred to in the officers report at the September meeting considered important to Council?

Response - The two remaining FRU's have been weighed and are within their Gross Vehicle Mass (GVM). These vehicles are a different make/model to the DFES supplied vehicles. Advice from DFES is they accept that some vehicles will run at 100% GVM although they aim to keep the GVM around 95%. The Shire reiterates that safety of all fire fighters is paramount and is taking measures to ensure that all crews are protected, however it must be noted that crews should not be putting themselves into a situation where they come to rely solely on the crew protection measures.

Public Question Time

Petitions/Deputations/Presentations

Comments on Agenda Items by Parties with an Interest

Applications for Leave of Absence

Confirmation of Minutes

C.01/1217 Ordinary Meeting held 30 November 2017

A motion is required to confirm the Minutes of the Ordinary Meeting of Council held 30 November 2017 as a true and correct record.

Announcements by the Presiding Member Without Discussion

Notification of Disclosure of Interest

Section 5.65 or 5.70 of the Local Government Act requires a Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

A Member who makes a disclosure under Section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allows a Member to speak, the extent of the interest must also be stated.

Questions on Agenda Items by Elected Members

Consideration of Motions of which Previous Notice has been Given

C.02/1217 Mowing of Greenbushes Primary School Oval

Submitted by Cr Scallan

Attachment 1 Location Plan

Motion

That the Shire of Bridgetown-Greenbushes accept responsibility for mowing of the secondary Greenbushes Primary School oval (located between Telluride Street and Diorite Street) twice per annum with the mowing of the oval to be done in conjunction with any mowing of the oval/playing fields at the Greenbushes Sportsground.

Reasons

For several years the Shire has mowed the secondary oval at the Greenbushes Primary School. Earlier this year the Shire staff gave notice to the school that it would cease to perform this task as the oval was property of the school and it wasn't the responsibility of a local government to maintain State Government assets. Whilst I understand the basis for such a decision in my opinion the secondary oval should be subject to some minimal maintenance (specifically mowing twice per annum) from the Shire due to the following reasons:

- The secondary oval isn't used by the school on a daily basis, instead it is usually reserved for special events such as sporting carnivals.
- The secondary oval is separated from the other spaces and buildings of the school.
- The school mows and maintains all the other grounds, including the small oval within the greater school grounds.
- The secondary oval is well used by residents of Greenbushes
- The Shire mowing the oval will ensure a basic acceptable appearance will be maintained and fire risk minimised.

Officer Comment

Cr Scallan has used the term “secondary oval” to best describe it and avoid confusion with the smaller oval/open space within the greater grounds of the primary school and which is maintained by the school. The location of the oval is illustrated by Attachment 1

Cr Scallan is correct in stating that for several years the Shire has mowed the oval between Telluride Street and Diorite Street. Despite research no record has been discovered explaining why this responsibility was taken on by the Shire. Earlier this year after receiving another request to mow the oval Shire staff advised the school that it would do so on that occasion but that it would cease the practice from then on. This was on the grounds that the oval wasn't Shire property but was in fact the property of the State Government (via Greenbushes Primary School) and it wasn't seen as being equitable and appropriate to be expending Shire funds on maintaining a State Government asset. This is particularly so when there exists three other schools within the Shire and none of these receive Shire services to assist with maintenance. It is acknowledged that the oval is used by Greenbushes residents but so are the ovals at the three schools in Bridgetown. In fact use of school ovals is encouraged and promoted by the State Government. Local Government often expresses concern about “cost shifting” from higher levels of Government onto our sector and having to take responsibility for mowing a State Government asset without any form of cost recovery is a good example of “cost shifting”.

Typically in the past requests to mow the oval have been received from the school close to school sports carnivals and in early summer when the height of the grass is seen to be a fire risk. The motion of Cr Scallan would restrict the mowing to twice per annum and tied in with when mowing is done at the Greenbushes Sportsground. Thus it is assumed the oval would be mowed to a similar standard.

If the motion is carried discussion would occur with the school about its preferred (approximate) timing for the two mows per annum and Shire staff would take that into account when planning for mowing at the Greenbushes Sportsground.

Service levels for parks and gardens are currently being reviewed and if the motion is carried this work will have to be factored into that review.

Statutory Environment - Nil

Integrated Planning

➤ Strategic Community Plan

Key Goal 3 – our built environment is maintained, protected and enhanced
Objective 3.2 – outdoor spaces, places and buildings are fit for purpose
Strategy 3.2.1 – community spaces and buildings accommodate a wide range of interests and activities

Key Goal 4 - a community that is friendly and welcoming
Objective 4.1 – a cohesive community with a sense of pride
Strategy 4.1.1 – deliver and support a wide range of community activities, events and associated infrastructure
Strategy 4.1.2 – deliver programs that encourage community interaction and participation

Key Goal 5 – our leadership will be visionary, collaborative and accountable
Objective 5.2 – we maintain high standards of governance, accountability and transparency

Strategy 5.2.3 – Ensure organisational capability

Strategy 5.2.4 – maintain a strong customer focus

Strategy 5.2.6 – ensure the financial sustainability of the organisation

Objective 5.3 – we operate within the integrated planning framework

Strategy 5.3.2 – apply best practice asset management principles

Strategy 5.3.3. – establish and review service levels

➤ Corporate Business Plan - Nil

Strategy 3.2.1 – community spaces and buildings accommodate a wide range of interests and activities

Action 3.2.1.7 – ensure the provision of adequate parks and recreational equipment and facilities

Strategy 5.2.6 – ensure the financial sustainability of the organisation

Action 5.2.6.4 – limit entry into services and activities provided by others unless there is adequate compensation or available resources

➤ Long Term Financial Plan - Nil

➤ Asset Management Plans - Nil

➤ Workforce Plan - Nil

➤ Other Integrated Planning - Nil

Policy - Nil

Budget Implications

As stated above, service levels for parks and gardens are currently being reviewed and if the motion is carried this work will have to be factored into that review, with funds to be allocated in future budget preparation.

Fiscal Equity

The allocation of Shire resources for maintenance of a State Government asset without any form of cost recovery may represent allocation of an inequitable benefit, particularly where the Shire does not undertake maintenance of assets at the three other schools within the Shire. If Council is to support the motion then a clear reason must be given.

Whole of Life Accounting

As stated above, service levels for parks and gardens are currently being reviewed and if the motion is carried the costs associated with this work will have to be factored into that review, with funds to be allocated in future budget preparation.

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

Should Council formally support mowing the subject oval then the Shire's risk profile may increase (noting the work was previously undertaken), as the Shire may be considered responsible and therefore liable for the maintenance work and quality of the playing surface.

Continuous Improvement – Not Applicable

Voting Requirements – Simple Majority

C.03/1217 Review of Council's Donations & Other Contributions Funding Category

Submitted by Cr Pratico

Attachment Policy F.1 Community Grants/Donations, Funding & Acquittals

Motion

That Council direct the Community Group Grants and Service Agreement Assessment Working Group to consider identification and recommendation of appropriate groups within the community it wishes to fund on a recurring basis (subject to annual budget processes) from "Other Donations & Contributions" funding allocations within the \$160,000 annual provision for Community Group Grants, Service Agreements and Other Donations and Contributions.

Reason

Earlier in the year Councillors workshopped issues relating to the provision of community grant funding with the Executive Manager Community Services. The

outcome of the workshop was a number of changes to the Policy F.1 Community Grants/Donations, Funding & Acquittals.

At this workshop 3 allocations of funding were identified as:

1. Community Grants (application based)
2. Community Service Agreements (application based)
3. Other Donations & Contributions (non-application based)

At the workshop, it was discussed that Council may wish to consider identification of specific groups to receive annual contributions in lieu of application based community grants and/or service agreements. Examples of this include donations made annually to the Small Business Centre (when it operated from Manjimup) and the annual funding of the Landcare Officer position.

The benefit to community groups who are identified by Council as being worth funding on a recurring basis (subject to annual budget preparation process) is the removal of the time impost associated with preparing annual grant applications and acquittals.

The benefit to Council is the identification of key groups providing services considered essential to the community (for example the provision of family services and senior housing). Often where there are no community groups providing such services the community expectation can often be that the local government is responsible to so. In taking the time to consider which services may be important enough to warrant an annual commitment by Council (from the non-application based Other Donation & Contributions) Council can be proactive in supporting the service provision, without the full cost of providing the identified services.

Officer Comment

The Executive Manager Community Services briefed Council seeking direction with regard to amendments to Policy F.1 Community Grants/Donations, Funding & Acquittals earlier in the year. During this briefing there was discussion on the possibility of identifying key services Council was committed to supporting outside of the contestable application process (community grant or service agreement). The intent was to express Council's support for identified services by annually allocating a set donation/contribution to their operations.

It is anticipated that the Councillor Working Group will meet in March or April to review the applications in the contestable funding rounds (community grants and services agreements). The agenda for this meeting will also include the allocation of Other Council Donations & Contributions, as occurs annually.

Should the notice of motion be supported by Council it is proposed that the first agenda item for this meeting would be a discussion on key services and identified service providers that Councillors may wish to consider funding (regardless of current status, that is community grant or service agreement applicant) under the category of Other Donations & Contributions. If, as a result of those discussions and subsequent recommendations to Council, there are service providers identified by Council as fitting into the Other Council Donations & Contributions category, these funding allocations will still be reviewed annually through the existing process. This will allow Council to consider its financial position, ongoing support and quality of

services delivered by service providers funded under this category (as currently occurs) as part of the annual budget planning process.

In considering this motion, Councillors may also wish to consider that some service providers may wish to retain the commitment of a 3 year funded period via a service agreement, even though this requires annual acquittal paperwork and application preparation and submission, as it secures their funding income for a 3 year period.

The officer notes that the intent in identifying service providers to be allocated funding under the Other Donations & Contributions category is to continue to fund those services, however depending on Council's financial position each year and other priorities it may face, these funding allocations will be reviewed each year and therefore will not necessarily be perceived to have the same security as a 3 year service agreement. It may therefore be prudent, once a service provider has been identified by Councillors to have their funding status shifted (should the notice of motion be endorsed) that Shire officers have a discussion with representatives from those service providers to explain the opportunity, rationale and implications and ensure they are happy with the proposal.

Statutory Environment

Whilst determining the value of community grants, service agreements and donations could be seen to be committing Council to funding these amounts in the 2017/18 budget it is noted the final commitment comes when Council adopts its annual budget. Hence there are no statutory implications in determining this recommendation.

Integrated Planning

➤ Strategic Community Plan 2016

Objective 3 Our community enjoys a high quality of life

Outcome 3.5 Maintain and enhance community services including health, education and housing

Strategy 3.5.7 Continue to provide Community Grants and Service Agreements up to a prescribed limit set by Council.

➤ Corporate Business Plan 2015

Action 3.5.7.1 Provide annual resources for Community Grants and Service Agreements up to \$ 160,000.

➤ Long Term Financial Plan - Nil

➤ Asset Management Plans – Nil

➤ Workforce Plan - Nil

➤ Other Integrated Planning - Nil

Policy/Strategic Implications

Council Policy F.1 Community Grants/Donations, Funding & Acquittals as it outlines the Guidelines and Conditions of grant funding.

Budget Implications

The decision of Council regarding the allocation of funding to specific applicants and projects is included in the annual budget.

Fiscal Equity - Nil

Whole of Life Accounting

Ensuring the allocation of expenditure for community group grants, donations, contributions, sponsorships and service agreements are contained to the identified level enables Council to achieve whole of life accounting principles. The annual review process allows Council to financially plan for ongoing costs associated with supporting community groups in a responsible manner. The inclusion of 'other donations and contributions' enables the real costs associated with service provision such as rubbish collection for events to be clearly identified and planned for.

Social Equity

The notice of motion meets the principles of cultural equity in so far as the whole of community is eligible to seek financial support for projects in alignment with Council's strategic objectives, including any social objectives.

Ecological Equity

The notice of motion meets the principles of cultural equity in so far as the whole of community is eligible to seek financial support for projects in alignment with Council's strategic objectives, including any environmental objectives.

Cultural Equity

The notice of motion meets the principles of cultural equity in so far as the whole of community is eligible to seek financial support for projects in alignment with Council's strategic objectives, including any cultural objectives.

Risk Management

The notice of motion meets the principles of risk management through exploring the decision making process related to financial allocation of Council funds.

Continuous Improvement

The notice of motion meets the principles of continuous improvement through exploring the processes community groups and service providers are required to undertake in seeking financial support from Council.

Voting Requirements - Simple Majority

Reports of Officers

Reports of Officers have been divided into Departments as follows:

- CEO's Office
- Finance & Administration
- Planning & Environmental Services
- Works & Services
- Community Services

CEO's Office

ITEM NO.	C.04/1217	FILE REF.	
SUBJECT	Memorandum of Understanding – Mutual Support in Planning and Responding to Emergency Incidents		
PROPONENT	Department of Fire & Emergency Services, Department of Biodiversity, Conservation & Attractions, Shire of Bridgetown-Greenbushes, Shire of Donnybrook-Balingup and Talison Lithium Greenbushes Operations		
OFFICER	Chief Executive Officer		
DATE OF REPORT	11 December 2017		

Attachment 2 Draft MOU

OFFICER RECOMMENDATION that Council:

- 1. Endorses the draft Memorandum of Understanding (MOU) between the Department of Fire & Emergency Services, Department of Biodiversity, Conservation & Attractions, Shire of Bridgetown-Greenbushes, Shire of Donnybrook-Balingup and Talison Lithium Greenbushes Operations for 'Mutual Support in Planning and Responding to Emergency Incidents'.*
- 2. Grants delegated authority to the CEO to accept minor changes to the draft MOU subject to these changes not altering the intent of the document.*

Summary/Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish mutual aid arrangements between the Department of Fire and Emergency Services (DFES), the Department of Biodiversity, Conservation and Attractions, Parks and Wildlife Service (DBCA), the Shire of Bridgetown-Greenbushes, the Shire of Donnybrook Balingup and Talison Lithium, for the purpose of planning mutual response obligations to emergency incidents within 10km of Talison Lithium Minesite. These arrangements will address joint training and incident response activities, as agreed between the parties.

Background

The MOU is an initiative of DFES.

The objective of the MOU is for the parties to maintain a highly efficient and effective emergency response capability, through Emergency Response Teams (ERT), bush fire brigades and firefighting personnel, to effectively manage potential or unforeseen emergency situations, either within the confines of the mine, or within a 10 km radius of the minesite. This is inclusive of any such incidents which may impact upon the environment external to the occurrence.

DFES has consulted with proposed signatories in developing the MOU and there may be potential for minor changes to the wording in the MOU to change therefore it is recommended that Council delegate authority to the CEO to endorse any minor changes subject to the CEO being satisfied that those changes don't change the intent of the MOU and in particular don't impose undue burdens on the Shire of Bridgetown-Greenbushes.

The MOU will remain in force for an initial period of five (5) years with an option to extend for a further period by written agreement of all parties.

Statutory Environment

It is stated in the MOU that the document doesn't constitute and shall not be deemed to constitute any legally binding or enforceable obligations or relations between the parties. The MOU is instead a non-legally binding and unenforceable statement of current intent.

Integrated Planning

- Strategic Community Plan
Key Goal 4 – a community that is friendly and welcoming
Objective 4.5 – high levels of responsiveness to emergencies and emergency recovery
Strategy 4.5.1 – monitor risk management and emergency management profiles, procedures and preparedness
- Corporate Business Plan - Nil
- Long Term Financial Plan – Nil
- Asset Management Plans – Not Applicable
- Workforce Plan – Not Applicable
- Other Integrated Planning - Nil

Policy - Nil

Budget Implications - Nil

Fiscal Equity – Not Applicable

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

The MOU acknowledges the 'incident response' skills that the Talison Lithium Greenbushes Operations has in its workforce and puts in place a mechanism to activate these resources when incidents occur. The MOU also acknowledges the potential for incidents on the mine site and sets in place processes for multiple agencies to respond to such incidents.

Continuous Improvement – Not Applicable

Voting Requirements

Absolute Majority as CEO is to be delegated authority to accept any minor changes to the MOU prior to signing.

ITEM NO.	C.05/1217	FILE REF.	
SUBJECT	Water Testing on Private Property Adjacent to Bridgetown Waste Disposal Site		
PROPONENT	J & J Maddams		
OFFICER	Chief Executive Officer and Manager Environmental Health		
DATE OF REPORT	11 December 2017		

Attachment 3 Location Plan including location of groundwater monitoring bores at waste site

OFFICER RECOMMENDATION that Council, in recognition that the dwelling at Nelson Location 7408 Taylors Road, Bridgetown is the only dwelling within 500 metres of the tipping cells at the Bridgetown Waste Disposal Site, authorises the CEO to conduct an annual baseline water sampling and testing procedure of the existing well on the property with testing to be done to the same specification as done for the water monitoring bores within and adjacent to the waste site.

Summary/Purpose

The Proponents, being owners of Nelson Location 7408 have requested Council carry out some baseline sampling of their drinking water supplies so that the threat of contamination from the nearby Bridgetown Waste Disposal Site can be monitored. Location 7408 is the only property with a dwelling within a 500 metre radius of the tipping cells at the waste site.

It is recommended that Council endorse the provision of an annual baseline water sampling and testing process at the existing well on the property. The well is used to supplement domestic water supplies. Due to potential contamination from other sources it isn't recommended that the water testing be extended to rainwater tanks or dams.

The cost of the water testing is approximately \$550 per annum with additional costs in staff time to undertake the sampling.

Background

The Proponents initially requested water sampling of their rainwater tanks, well and stock dams with concerns being expressed about the potential for contamination from the waste site. Staff had discussions with officers from the Department of Health with expertise in the field of water testing and these discussions confirmed that the Department do provide a rainwater tank water testing service and this can be used to measure E.coli (Escherichia coli) bacteria however the consensus was that even if such testing showed high E.coli readings it would be difficult to link those results with the proximity of the tanks to the rubbish tip (via airborne pollution). Typically E.coli in rainwater tanks is caused by a poorly maintained roof and gutters with bird droppings and leaf matter being the main contributors. Other lesser contributors include chimney ash, discharge from roof mounted air conditioners, airborne pollution from stock paddocks, etc.

Chemical testing can also be done and this can test for a wide range of chemicals including chromium, arsenic, calcium, aluminium, cadmium chloride, etc. but once again advice from health officers (Department of Health and Shire Manager Environmental Health) is that the presence of chemicals in a water tank can be due to a wide variety of factors and couldn't be easily attributed to the presence of a rubbish tip near a property.

Notwithstanding the above the concerns of the Proponents are noted and it is recommended that annual water testing of the existing well on their property be conducted in order to measure levels of potential contamination. Importantly the first year's testing would establish an initial baseline to which future annual testing can be compared against.

If the annual testing in future showed evidence of water contamination the reasons and origins of the contamination could be investigated. It shouldn't be assumed that any contamination of the bore would be automatically attributed to leaching from the waste site. There are other factors that could lead to water contamination. Importantly however any questionable results from the well sampling could be compared against the results from water sampling of the 9 existing groundwater monitoring bores located around the tipping cells of the waste site (refer Attachment 3). The bore testing is carried out monthly other than in January each year.

Three additional groundwater bore sites have been identified but haven't been made a condition of the licence for the waste site.

It is noted that as part of the works approval for the waste site a comprehensive risk assessment of potential emissions was conducted and this influenced the management controls and licence conditions applicable to the site.

Statutory Environment

There isn't a statutory requirement for council to carry out water testing outside that required under the licence issued to the waste site by the Department of Water and Environmental Regulation.

Integrated Planning

- Strategic Community Plan
Key Goal 2 – our natural environment is valued, conserved and enjoyed
Objective 2.1 – value, protect and enhance our natural environment
Strategy 2.1.1 – support and promote sound environmental management practices
Objective 2.5 – effectively managed waste services
Strategy 2.5.1 – identify long term waste disposal and recycle operations for the Shire
- Corporate Business Plan
Strategy 2.5.1 – identify long term waste disposal and recycle operations for the Shire
Action 2.5.1.3 – operate the Bridgetown Waste Disposal site within legislative standards
- Long Term Financial Plan - Nil

- Asset Management Plans – Not Applicable
- Workforce Plan – Not Applicable
- Other Integrated Planning - Nil

Policy - Nil

Budget Implications

The cost of the water testing is approximately \$550 per annum with additional costs in staff time to undertake the sampling. The 2017/18 budget contains a sum of \$25,000 for water sampling and analysis (under Account 1250320 – Bridgetown Refuse Site Management) and the additional \$550 can be accommodated in this account.

Fiscal Equity

Nelson Location 7408 Taylors Road, Bridgetown is the only dwelling within 500 metres of the tipping cells at the Bridgetown Waste Disposal Site.

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity

The nine groundwater monitoring bores around the tipping cells ensure that the Shire meets the conditions of its licence and the operations of the waste site don't cause groundwater contamination. Carrying out a single annual water testing on nearby private property will allow for long term monitoring of any potential water contamination on that property.

Cultural Equity – Not Applicable

Risk Management

There isn't a statutory requirement for council to carry out water testing outside that required under the licence issued to the waste site by the Department of Water and Environmental Regulation. However the annual testing of the well on private property will increase the level of monitoring of potential groundwater contamination.

Continuous Improvement

The Proponents, being the closest residents to the waste site have long expressed concerns about potential groundwater contamination from the waste site and the recommendation to carry out annual sampling of their well will hopefully address some of those concerns and establish a process for future monitoring.

Voting Requirements – Simple Majority

Corporate Services

ITEM NO.	C.06/1217	FILE REF.	131
SUBJECT	List of Accounts Paid in November 2017		
OFFICER	Executive Manager Corporate Services		
DATE OF REPORT	12 December 2017		

Attachment 4 List of Accounts Paid in November 2017

OFFICER RECOMMENDATION that Council receives the List of Accounts Paid in November 2017 as presented in Attachment 4.

Summary/Purpose

Regulation 34 of the Local Government (*Financial Management*) Regulations 1996 (the Regulations) requires a local government to prepare each month a statement of financial activity reporting on the sources and applications of its funds. Further, where a local government has delegated to the Chief Executive Officer the exercise of its power to make payments from the municipal and trust funds, a list of those accounts paid in a month are to be presented to the council at the next ordinary meeting (see Reg 13 of the Regulations).

Background

In its monthly Financial Activity Statement a local government is to provide the following detail:

- (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c) of the Local Government Act;
- (b) budget estimates to the end of the month to which the statement relates;
- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) the net current assets at the end of the month to which the statement relates.

Each of the Financial Activity Statements is to be accompanied by documents containing:

- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
- (b) an explanation of each of the material variances referred to in sub-regulation (1)(d); and
- (c) such other supporting information as is considered relevant by the Local Government.

The information in a statement of financial activity may be shown:

- (a) according to nature and type classification;
- (b) by program; or
- (c) by business unit.

The Financial Activity Statement and accompanying documents referred to in sub-regulation 34(2) are to be:

- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
- (b) recorded in the minutes of the meeting at which it is presented.

At the time of agenda preparation for the December 2017 Council meeting, month end finance processes were ongoing, as such the monthly statement of financial activity for November 2017 will be presented to the January 2018 Council meeting.

Statutory Environment

Section 6.4 (Financial Report) and Section 6.8 (Expenditure from municipal fund not included in annual budget) of the Local Government Act 1995, and Regulations 13 (List of Accounts) and 34 (Financial activity statement report) of the Local Government (*Financial Management*) Regulations 1996 apply.

Integrated Planning

- Strategic Community Plan
Key Goal 5: Our leadership will be visionary, collaborative and accountable
Objective 5.2: We maintain high standards of governance, accountability and transparency
Strategy 5.2.8: Ensure all legislative responsibilities and requirements are met
- Corporate Business Plan - Nil
- Long Term Financial Plan - Nil
- Asset Management Plans - Nil
- Workforce Plan – Nil
- Other Integrated Planning - Nil

Policy

F.6. Purchasing Policy - To ensure purchasing is undertaken in an efficient, effective, economical and sustainable manner that provides transparency and accountability.

F.7. Reporting Forecast Budget Variations Policy - To set a level of reporting detail (in Financial Activity Statement) that ensures that the council is satisfied with the implementation of its annual budget.

Budget Implications

Expenditure incurred in November 2017 and presented in the list of accounts paid, was allocated in the 2017/18 Budget as amended.

Fiscal Equity – Not applicable

Whole of Life Accounting – Not applicable

Social Equity – Not applicable

Ecological Equity – Not applicable

Cultural Equity – Not applicable

Risk Management – Not Applicable

Continuous Improvement – Not applicable

Delegated Authority – Not Applicable

Voting Requirements – Simple Majority

ITEM NO.	C.07/1217	FILE REF.	108.5
SUBJECT	Ratio Action Plan - Fair Value Accounting & Depreciation Expense		
OFFICER	Executive Manager Corporate Services		
DATE OF REPORT	13 December 2017		

OFFICER RECOMMENDATION that Council endorse the following Ratio Improvement Action Plan:

- A full review of Council's asset depreciation expenditure is undertaken. Specifically, a review of each individual Council asset (at component level) of its condition, useful life, remaining useful life and residual value.*
- An assessment as to whether the Shire is revenue short or expenditure long by undertaking a comparison of neighbouring and similar sized Shires in relation to the level of own source revenue (i.e. rates, fees and charges) compared to expenditure.*
- Develop a policy to guide future Council decisions in relation to the allocation of funds to renewal works versus upgrade works.*
- That various scenarios are modelled during the next review of Council's Long Term Financial Plan in relation to achieving minimum ratio benchmarks. The results of these scenarios to be workshopped with Council.*

Summary/Purpose

This report provides comments regarding fair value accounting and the effect on Council's depreciation expense and ratio performance. A suggested action plan has been developed to improve Council's ratio performance in meeting the Department of Local Government, Sport and Cultural Industries' (the Department) financial ratio benchmarks.

Background

Following presentation of the 2014/15 Annual Financial Statements and consideration of the independent audit and management reports the following recommendation by Council's Audit Committee was considered and resolved by Council at its ordinary meeting held 17 December 2015 (via Resolution C.02/1215):

"That a report be presented to Council on the effect of fair value and depreciation on the operating surplus ratio and asset sustainability ratio and meeting the current benchmark."

At the time of presenting the 2014/15 Annual Financial Statements it was highlighted by Council's auditor that a number of ratios were outside the Department's 'basic' standards, specifically the Asset Sustainability Ratio and Operating Surplus Ratio. During discussion with Council's Auditor it was highlighted that both of these ratios include depreciation expenditure as part of the ratio formula. With the

implementation of fair value accounting it was perceived that resultant depreciation expenditure may be having a negative effect on these ratios.

Following completion of the 2015/16 annual financials assistance was sought from Mr Ron Back a local government financial specialist to undertake a review Council's financial statements and ratios since the introduction of fair value accounting (2012/13 to 2015/16) and provide administration with comments and recommendations.

Officer Comment

Mr Back reviewed Council's financial statements since 2010/11 and undertook research of ratio results for all Western Australian Local Governments for the four year period ended 2015/16. Following his review of this Council's Annual Financial Statements and ratio performance, the following observations were reported by Mr Back.

“Since 2012/13 the Shire has implemented a program of revaluing assets in accordance with the legislative requirements. Major valuation changes occurred in land and building in 2013/14 and road and other infrastructure in 2014/15.

These revaluations have had a material impact on the depreciation expense for each of these asset classes with increased expenses flowing through to the Income Statement in the following financial years.

Depreciation expense	2011/12	2012/13	2013/14	2014/15	2015/16
Buildings	170,651	196,253 ✘	282,721 ✘	618,383 ✘	640,073
Furniture/Equipment	44,293	44,320	48,555	49,453	35,155 ✘
Plant & Equipment	535,883	616,315 ✘	324,239 ✘	347,392	368,588
Road Infrastructure	1,684,482	1,718,509	1,740,886	1,768,000	2,112,596 ✘
Drainage Infrastructure	65,102	65,877	66,048	66,543	88,447 ✘
Footpath Infrastructure	38,770	43,101 ✘	44,460	49,894 ✘	74,289 ✘
Airport Infrastructure	0	0	0	0	0
Recreation/Parks Infrastruc	138,754	151,038	164,065	190,023 ✘	161,431 ✘
Other Infrastructure	100,741	101,649	101,695	103,208	143,240 ✘
Total Depreciation	2,778,676	2,937,062	2,772,669	3,192,896 ✘	3,623,819 ✘
x movements greater than 10%	-	-	-	-	-

Clearly, the revaluations have had a negative impact on the operating result of the Shire. However, when considering the level of depreciation expense relative to operating expenses, it shows the Shire is in the highest quartile in the industry. That is, the percentage of depreciation compared to the normal operating expenses of the Shire is in the largest 25% of local governments. This has been high for a period of time.

This could be a lead indicator that the depreciation rate is consuming assets faster than they are actually diminishing. If not it would suggest that the asset renewal backlog could be increasing, which would require substantial revenue increases to correct in future years.”

In summary Mr Back provides the following comments:

“The use of fair values, in the three yearly revaluation cycle of assets, has resulted in a higher depreciation expense in the Income Statement. Higher depreciation arising

from revaluations has a negative impact on both the Operating Surplus Ratio and the Asset Sustainability Ratio.

Declining Own Source Revenue also negatively impacts on the Operating Surplus Ratio. Whilst this is a factor determining declining outcomes in the financial ratios it is not the major reason why the Shire is not meeting the industry benchmarks.

The Shire has a higher than normal percentage of depreciation to operating expenses reflected in the Income Statement (mid-thirties compared to a median of 23%). A possibility is that the depreciation rates used by the Shire are too high. If not, then the current consumption of fixed assets will cause long term financial problems in maintaining and replacing the Shire's asset base."

The issue of depreciation has an integral link with Council's asset management improvement plan that identifies the need to review and record the condition, remaining useful life and residual value of all Council's assets at major component level. Depreciation expenditure included in Council's operating expenditure is calculated as follows:

Fair Value less Residual Value divided by Remaining Useful Life (years)

Condition assessments are critical in determining the remaining useful life of an asset. If the remaining useful life of an asset is understated this will increase the annual depreciation expense. Similarly if residual values are understated this too will increase the annual depreciation expense.

Administration have reviewed Mr Back's comments and developed an action plan to address the issues and recommendations raised by Mr Back. This action plan is presented for the Committee's review and endorsement.

This report was presented to the Audit Committee meeting on 12 December 2017 where the following recommendation was carried:

Committee Recommendation *Moved Cr Pratico, Seconded Cr Moore*
AC.04/1217 That the Audit Committee endorse the following Ratio Improvement Action Plan:

- *A full review of Council's asset depreciation expenditure is undertaken. Specifically, a review of each individual Council asset (at component level) of its condition, useful life, remaining useful life and residual value.*
- *An assessment as to whether the Shire is revenue short or expenditure long by undertaking a comparison of neighbouring and similar sized Shires in relation to the level of own source revenue (i.e. rates, fees and charges) compared to expenditure.*
- *Develop a policy to guide future Council decisions in relation to the allocation of funds to renewal works versus upgrade works.*
- *That various scenarios are modelled during the next review of Council's Long Term Financial Plan in relation to achieving minimum ratio benchmarks. The*

results of these scenarios to be workshopped with Council.

Carried 4/0

Statutory Environment

Section 6.4 of the Local Government Act 1995 requires a local government to prepare financial reports including an annual financial report. Regulation 50 of the Local Government (*Financial Management*) Regulations 1996 specifically requires the inclusion of seven financial ratios as developed by the Department to be included in the annual financial report. These statutory ratios are also included in Council's long term financial plan and are key sustainability measures. The Department's Integrated Planning and Reporting Advisory Standard includes benchmarks in relation to the ratios that sets minimum regulatory requirements that ensure an acceptable minimum standard of practice.

Integrated Planning

- Strategic Community Plan
 - Key Goal 5: Our leadership will be visionary, collaborative and accountable
 - Objective 5.2: We maintain high standards of governance, accountability and transparency
 - Strategy 5.2.6: Ensure the future financial sustainability of the organisation
 - Objective 5.3: We operate within the Integrated Planning Framework
 - Strategy 5.3.2: Apply best practice asset management principles
- Corporate Business Plan
 - Action 5.2.6.6: Develop a long term strategy to achieve compliance to financial ratios
- Long Term Financial Plan – The long term financial plan provides a platform to model various scenarios to ensure ongoing improvement in Council's financial performance and ensuring the Shire is sustainable into the future.
- Asset Management Plans – Asset management plans provide the key data in relation to asset condition and remaining useful life estimates that is used when calculating depreciation expenditure.
- Workforce Plan – Nil
- Other Integrated Planning - Nil

Budget Implications – Nil

Policy Implications – As part of the proposed action plan, development of a new policy is being recommended to guide future Council decisions in relation to the allocation of funds to renewal works versus upgrade works in Council's Long Term Financial Plan.

Fiscal Equity – Not Applicable

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

Failure to meet the Department’s financial ratio benchmarks will put the Council at risk of being classified as unsustainable. There is a risk to Council’s reputation in the event of increased public scrutiny of its financial ratios particularly if it cannot demonstrate improvement in ratio performance over the medium to long term.

Continuous Improvement

Implementation of the actions contained within the Ratio Improvement Action Plan will aid Council in ensuring it meets the Department’s financial ratio benchmarks.

Voting Requirements – Simple Majority

ITEM NO.	C.08/1217	FILE REF.	208
SUBJECT	Annual Report & Annual Financial Report 2016/2017		
OFFICER	Chief Executive Officer		
DATE OF REPORT	12 December 2017		

- Attachment 5 Annual Report 2016/2017
- Attachment 6 Auditor’s Management Report for the 2016/2017 Financial Year
- Attachment 7 Minutes of Audit Committee Meeting held 12 December 2017

OFFICER RECOMMENDATION That Council:

1. *Accepts the Annual Report including the Annual Financial Report and Audit Report for the 2016/2017 financial year and gives local public notice of its availability.*
2. *Schedules the Annual General Meeting of Electors to be held on Thursday, 8 February 2018 in the Council Chambers, commencing at 5.30pm with the Standing Committee meeting scheduled for that date to be rescheduled to commence immediately at the conclusion of the Annual General Meeting of Electors. Local Public Notice is to be given for these meeting times.*
3. *Note Administration’s comment in relation to the matter raised in Appendix 1 of the Auditor’s Management Report.*

Summary/Purpose

Following receipt of the Independent Audit Report and Management Report presented by Auditor Tim Partridge of AMD Chartered Accountants, the Annual Report including the Annual Financial Report has been prepared in accordance with Section 5.54 of the Local Government Act.

Council’s Audit Committee has met to consider the annual financial statements and auditor’s report and has provided recommendations to Council.

Council is requested to receive the Annual Report for the 2016/2017 financial year and set a date for the annual general meeting of electors.

Background/Officer Comment

The Local Government Act requires a local government to prepare an Annual Report each financial year.

The Auditor's Report was received on 27 November 2017 and a meeting of the Audit Committee was held on 12 December 2017. Section 5.54(2) of the Local Government Act requires a local government to accept the auditor's report by 31 December with the exception being if the report is not available in time for that date to be met, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Assuming Council accepts the auditor's report and Annual Report it needs to determine a date for the Annual General Meeting of Electors. The CEO is required to provide sufficient public notice of the availability of the auditor's report and Annual Report, and the date of the Annual General Meeting of Electors.

Taking into account the above it is recommended that the Annual General Meeting of Electors be held at 5.30pm on Thursday, 8 February 2018 with the normal Standing Committee meeting on that date to be rescheduled to commence immediately at the conclusion of the Annual General Meeting of Electors. Section 5.27 of the Local Government Act requires a general meeting to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year. Assuming Council accepts the annual report at its December meeting the latest date for the AGM would be Thursday, 15 February 2018.

Council's Auditor, Mr Tim Partridge, reported that he conducted his audit in accordance with Australian Auditing Standards and determined that the Shire's 2016/2017 Financial Statements were in accordance with the Local Government Act 1995 (as amended) and the Local Government (*Financial Management*) Regulations 1996 (as amended), including:

"In our opinion, the accompanying financial report of the Shire of Bridgetown-Greenbushes

- i. gives a true and fair view, in all material respects, of the financial position of the Shire of Bridgetown-Greenbushes as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;*
- ii. complies with Australian Accounting Standards; and*
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996."*

The Auditor further reported that in accordance with Local Government (*Audit*) Regulations 1996:

- i. "There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire of Bridgetown-Greenbushes;*
- ii. There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit;*

- iii. *The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;*
- iv. *All necessary information and explanations were obtained by us; and*
- v. *All audit procedures were satisfactorily completed during our audit.”*

One “other” matter was raised by the Auditor in his Management Report as follows:

**“Excessive Annual Leave Balances
Finding Rating: Minor**

From our review of the annual leave listing at 30 June 2017, we noted employees who have accrued in excess of 6 weeks annual leave.

Implications

- *The cost to Council is greater if annual leave is not paid out on a regular basis due to the cumulative effect of salary increases over a period of time;*
- *Recreational leave enhances employee performance; and*
- *It is a fundamental principle of good internal control that all employees take regular holidays.*

Recommendation

We recommend excessive leave balances be reviewed by management regularly.”

Management Comment

As at 8 November 2017 the total amount of accumulated annual leave was 9,046 hours – a reduction of 2.2% from the 30 June 2016 figure.

12 staff (8 full-time, 4 part-time) have annual leave balances of 8 weeks or greater. This is a reduction of 1 from 30 June 2016.

Those staff with leave balances in excess of 8 weeks will be directed to submit a leave plan showing how their accumulated leave can be reduced and the applicable periods of leave will be set.

The Audit Committee, following discussions with Mr Partridge determined the following recommendations to Council:

Committee Recommendation *Moved Cr Pratico, Seconded Cr Moore
AC.02/1217 That the Audit Committee recommend that Council receive the 2016/17 Annual Financial Statements, and the auditor’s Independent Audit and Management Reports for the 2016/17 financial year as presented by Mr Tim Partridge (Partner, AMD Chartered Accountants). Carried 4/0*

Committee Recommendation *Moved Cr Bookless, Seconded Cr Pratico
AC.03/1217 That the Audit Committee recommend that Council note Administration’s comment in relation to the matter raised in Appendix 1 of the Auditor’s Management Report. Carried 4/0*

Statutory Environment

- Section 5.27(2) for calling of Annual General Meeting of Electors;
- Section 5.53 for contents of Annual Report;
- Section 5.54 for acceptance of Annual Report;
- Section 5.55 for notice of Annual Report;

Integrated Planning

- Strategic Community Plan

Key Goal 5: Our leadership will be visionary, collaborative and accountable

Objective 5.2: We maintain high standards of governance, accountability and transparency

Strategy 5.2.8: Ensure all legislative responsibilities and requirements are met

- Corporate Business Plan - Nil
- Long Term Financial Plan - Nil
- Asset Management Plans - Nil
- Workforce Plan – Nil
- Other Integrated Planning - Nil

Budget Implications

Funds are included in the current general advertising account for the purpose of advertising the Annual General Meeting of Electors.

Policy

Council's 'Advertising of Annual General Meeting of Electors' Policy requires the AGM to be advertised as follows:

- *The CEO is to give at least 14 days public notice of the meeting date, time and place with the advert appearing in the Manjimup Bridgetown Times newspaper.*
- *Notice of the Annual General Meeting of Electors is to be posted on the Shire website and social media (Facebook) page, and an email forwarded to participants of the 'Shire Bytes' email information service.*
- *Notices in other publications such as the Insight Newsletter, Mailbag and Balingup-Greenbushes Newsletter are also to occur, subject to the dates corresponding with publication of those newsletters.*

Fiscal Equity – Not Applicable

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management – Not Applicable

Continuous Improvement – Not Applicable

Voting Requirements – Absolute Majority to accept the Annual Report

Planning & Environmental Services – Nil

Works & Services

ITEM NO.	C.09/1217	FILE REF.	
SUBJECT	Purchase of New Tractor		
OFFICER	Senior Engineering Technical Officer and Chief Executive Officer		
DATE OF REPORT	11 December 2017		

OFFICER RECOMMENDATION that Council:

- 1. Amends the 2017/18 budget to include the disposal of the existing New Holland tractor (P2236) for revenue of \$29,600.*
- 2. Amends Account 'PL03 Tractor' by increasing the expenditure amount from \$56,000 to \$61,000.*
- 3. Transfers an amount of \$24,600 to the Plant reserve with the balance of the funds received for disposal of the New Holland tractor (\$5,000) being used for the increase in expenditure for Account 'PL03 Tractor'.*

Summary/Purpose

The Shire's existing New Holland tractor is currently underutilized due to its size. The 2017/18 budget allows for replacement of the existing small John Deere tractor. Today's current mid-size tractors can perform both the functions of the Shire's existing two tractors making the New Holland a surplus item.

It is proposed that Council bring forward the disposal of the New Holland tractor to the 2017/18 financial year.

Council's 2017/18 budget contains funds of \$56,000 for purchase of a new 4x4 tractor. A procurement process has been managed and the preferred tractor for purchase has a cost of \$61,000. To fund the over expenditure it is recommended to use \$5,000 from the sale of the additional (New Holland) tractor with the balance of that revenue (\$24,600) being transferred to the Plant Reserve.

Background

Council's 2017/18 budget proposes the changeover of the John Deere tractor (Plant No. P2092) with the details being:

Expenditure – Purchase of new tractor - \$56,000

Revenue – Sale of existing John Deere tractor - \$12,000

Quotes have been sought for the changeover of the tractor with a detailed specification being set for the new tractor. Six (6) proposals have been received with the preferred quote being from Greenline for a John Deere 4066R with 1.5m rotary slasher and loader bucket.

The purchase price for the John Deere 4066R with 1.5m rotary slasher and loader bucket is \$60,600 with an additional \$400 set aside for installation of an additional external light if determined necessary.

Greenline's offer includes purchase of the existing John Deere tractor for an amount of \$11,600 which is close to the budgeted revenue.

Parks and Gardens undertake various slashing and turf mowing tasks requiring a tractor mounted mower or slasher. A recent review of tractor operations has indicated that the existing New Holland tractor is not readily utilized for tasks due to its size and therefore its use (hours) are low.

Today's current mid-size tractors can perform both the functions of these two tractors making the New Holland effectively a surplus item once the new John Deere 4066R with 1.5m rotary slasher and loader bucket is purchased.

The table below shows the low use of the New Holland tractor compared to the John Deere tractor that is currently being changed over:

YEAR	2014 NEW HOLLAND	2007 JOHN DEERE
2017/18(YTD)	57.5	215
2016/17	115.5	501
2015/16	355.5	745.5
2014/15	190.5	710.5
2013/14	8.5	542.5

It is recommended that Council endorse the recommendation to dispose of the existing New Holland tractor due to its low level of use and therefore being a surplus item of plant. The purchase of the new John Deere tractor will further reduce expected use of the New Holland tractor.

Council is also requested to note the over-budget expenditure and increase the budget allocation for purchase of the John Deere tractor an amount of \$5,000 with this to be funded from the proceeds from the sale of the New Holland tractor with the balance of those proceeds being transferred to the Plant reserve.

Statutory Environment - Nil

Integrated Planning

- Strategic Community Plan
Key Goal 5 – our leadership will be visionary, collaborative and accountable
Objective 5.2 – we maintain high standards of governance, accountability and transparency
Strategy 5.2.3 – Ensure organisational capability
- Corporate Business Plan
Strategy 5.2.3 – Ensure organisational capability
Action 5.2.3.8 – Ensure the provision of appropriate furniture and equipment for effective operations

Action 5.2.3.16 – Ensure provision of adequate plant and fleet as per the Plant & Fleet Replacement Plan

➤ Long Term Financial Plan

The 2017/18 to 2026/27 Plant Replacement Plan has been factored into Council's Long Term Financial Plan. The projections in the Plan are estimates and as the latter years progress forward in the Plan the estimates are refined.

➤ Asset Management Plans

The Shire's Plant and Equipment Asset Management Plan requires plant and equipment to be:

- Fit for purpose and maintained to ensure end service is as expected by the public.
- Has the capacity to support the required maintenance operations as needed
- When renewing plant and equipment assess "fit for purpose" needs and "value for money" considerations including whole of life costs.

➤ Workforce Plan – Not Applicable

➤ Other Integrated Planning

Incorporated within the 2017/18 to 2026/27 Plant Replacement Plan is a finance strategy for funding the trade and acquisition of plant items. The finance strategy models contributions from consolidated revenue and the carrying requirements in the Shire's Plant Reserve to even out the annual purchase costs of the plant throughout the (ten year) life of the program. The finance strategy proposes that Council allocate an amount proportionate to 10% (1 year in 10) of the 10 year plant replacement costs be transferred to the Plant Replacement Reserve in 2015/16. That amount equates to \$241,000. All purchases are then funded via a transfer from the reserve.

For Years 2 to 10 an additional 1% per annum has also been included as a 'transfer to reserve' in an effort to build up plant reserve funds and is consistent with natural growth assumptions included in Council's Long Term Financial Plan.

Policy – Nil

Budget Implications

The purchase of the new tractor is a line item (Account PL03) in the 2017/18 budget therefore the proposal for additional funding is over-budget expenditure not ex-budget expenditure.

The sale of the New Holland tractor isn't recognised in the 2017/18 budget hence Council's request to amend the budget to allow this item of surplus plant to be disposed of.

In the 2017/18 budget the Plant Reserve has a budgeted balance of \$99,729. The additional \$24,600 will increase that balance.

The current written down value of the New Holland tractor is \$35,101.76 therefore its sale for \$29,600 will represent a non-cash loss on the sale of this asset.

Fiscal Equity – Not Applicable

Whole of Life Accounting

The tractor is utilised for the following purposes and the assessment process has determined the John Deere 4066R model is fully capable of performing these functions:-

- Verge side slashing and spraying
- Parks and oval mowing
- Road sweeping

A 72 month/2,000 hour warranty is supplied with the above model.

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

The specification provided with the Request for Quote built in the operational requirements of the machine as well as risk management factors such as vision, operator comfort, lighting, etc.

Continuous Improvement – Not Applicable

Voting Requirements – Simple Majority

Community Services - Nil

Consideration of Standing Committee Recommendations

Receival of Minutes from Management Committees – Nil

Urgent Business Approved by Decision

Responses to Elected Member Questions Taken on Notice - Nil

Elected Members Questions With Notice

Notice of Motions for Consideration at the Next Meeting


Matters Behind Closed Doors (Confidential Items) - Nil

Closure

The President to close the Meeting

List of Attachments

Attachment	Item No.	Details
1	C.02/1217	Location Plan
2	C.04/1217	Draft MOU
3	C.05/1217	Location Plan including location of groundwater monitoring bores at waste site
4	C.06/1217	List of Accounts Paid in November 2017
5	C.08/1217	Annual Report 2016/17
6	C.08/1217	Auditor's Management Report for the 2016/17 Financial Year
7	C.08/1217	Minutes of the Audit Committee Meeting held 12 December 2017

Agenda Papers checked and authorised by T Clynch, CEO		13.12.17
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