

**Council Minutes Index – 21 December 2017**

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

*The President opened the Meeting at 5.30pm*

**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<br>- J Boyle<br>- D Mackman<br>- J Moore<br>- J Nicholas<br>- P Scallan<br>- A Wilson   |
| In Attendance | - T Clynch, CEO<br>- M Larkworthy, Executive Manager Corporate Services<br>- E Denniss, Executive Manager Community Services<br>- T Lockley, Executive Assistant |
| Apology       | - Cr C Wallace   |

**Attendance of Gallery**

A Cornish, D & L Roberts, M Flemming, A Smith, D Atkin, D & M Iacopetta, D Scallan, T Lansdell, L Eastcott, B Bebbington

**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**

### **A Green**

1. I was just wondering what was happening with the maintenance of green waste down by the cricket oval at the back? There seems to be a lot of talk and no action.

*CEO's response – Yes there has been a lot of talk, there are two issues – firstly is do we need it, and secondly if we need it, where is the best place for it to be? We have attended some meetings with 'Grow Greenbushes' and the feedback has been that there is a need for a green waste disposal area, the intention is to have some discussion with Council about that. The feedback was also that if it was to be retained, there was to be a different site. There was some discussion about alternative sites including slightly out of town. The bigger issue is whether we will have it or not.*

2. Then perhaps it is better not to have it at all? It has not been well handled. If your trailer is already full you can just make the trip to the tip. There is not just

green waste; there is wire, and a large tree with its whole root system, that is not a resident doing that, that is a commercial owner. It doesn't matter where you stick that green waste site you are still going to have those issues.

*CEO's response – Yes this week I had some feedback from the Greenbushes community with some photos of what looked to be a commercial operator dumping. And that is the problem with having an unregulated green waste area, it is hard to set up rules with who can use it, and even harder to set procedures in place to ensure only green waste is dumped there. The intention is for Council to have a discussion at its meeting next month to determine exactly how we will move forward.*

3. The alley ways between blocks, there is one near 67 Blackwood Road, the grass is quite high, can they be attended to please?

*CEO's response – Yes, we will get onto that.*

#### B Bebbington

1. At the September Council Meeting, Council was asked to approve a budget change to allow the purchase of two Landcruiser light tankers from the Shire of Donnybrook-Balingup to improve fire fighter safety. Why has this resulted in a downgrade of safety equipment for an ESL funded brigade?

*President's response – I would rather these questions came through the Advisory Committee where the brigades are all represented, and if they can't deal with the issue, then it would come to Council. You need to speak with your brigade and have them represent you at the Advisory Committee, which would then be referred to Council. Not us sitting at the top and saying that this is what you will have.*

*CEO's response – My initial answer is that I don't support your claim that it is a downgrade. Two first response units (FRU's) were replaced with the two light tankers from Donnybrook. I do not see that as being a downgrade to the Shire's bush fire fleet.*

2. The question referred to a downgrade in safety equipment for the ESL funded brigade.

*CEO's response – My answer still applies, you asked if it was a downgrade, no I do not believe it was.*

3. So going from a unit funded by DFES ESL which had standard equipment like alarms and tracking, to a unit without alarms and tracking is not a downgrade of safety equipment?

*CEO's response – The vehicles that were replaced had their own issues and faults, and didn't set a high enough level of safety for firefighters in that vehicle, hence they were replaced at request of DFES themselves.*

4. What equipment do you think Sunnyside Brigade currently has?

*CEO's response - They have an appliance that has been changed recently and swapped with another appliance within the Shire, however I do not know the specifics of it.*

5. Do we have a land cruiser light tanker as per the resolution of September Council meeting, which was swapped with an ESL vehicle that had enhanced vehicle protection equipment? Or have we been given another vehicle? This is why I wanted to meet with you a week ago to discuss the matter and appraise you of the situation, as it is difficult to access the Bush Fires Advisory Committee when they have been on stand down due to Council elections.

*CEO's response – the Council resolution does not mention anything about Sunnyside, it just says that we have acquired two second hand light tanker appliances from the Shire of Donnybrook - Balingup and we approve the disposal of two Isuzu first response units. It doesn't talk about specific brigades; it talks about swapping two appliances with two new secondhand appliances. It does not mention which brigades they go to.*

6. The resolution relates to increased crew protection, utmost importance is firefighter safety; that is why Council was asked to amend their budget. Therefore my first question is, why has Sunnyside now got reduced safety equipment because it was not allocated the ESL funded vehicle that DFES provided for the brigade that was negotiated by the Community Emergency Services Manager (CESM), specifically that the Landcruisers would be used to replace the Sunnyside and Winnejup units. Why has that not occurred?

*CEO's response – Without knowing the specifics, the CESM had discussions with the FCO of Sunnyside brigade on various issues, and including those was the potential relocation of the appliance from Sunnyside to another brigade, and that the Sunnyside brigade would get a different appliance. My understanding is that the FCO of Sunnyside agreed to that request. It is about moving resources around to best meet the risk and response capability of each brigade. The CESM came to the belief that moving that appliance from one brigade to another would provide the best response for the whole Shire based on the history of callouts for those brigades and other factors.*

#### T Lansdell

1. Could we please have the Greenbushes Grimwade road sign on the highway replaced, it has been missing for a while?

*CEO's response – Yes that can be done.*

#### B Bebbington

1. Who decides where an ESL funded unit goes to, and whether it should go to ESL funded brigades or non ESL funded brigades?

*CEO's response – That decision is at the discretion of the CESM after consulting with the Chief FCO but these decisions are not made in isolation, but rather in consultation with relevant FCO's and if necessary, discussions*

*with DFES Lower South West office. At the end of the day it is part of their charter to make sure that the response capability within the Shire is maintained to a suitable standard.*

2. So you are saying the CESM can instigate that change, yet at the August 2016 Special Council Meeting, in relation to the budget I asked the question about who is responsible of allocation of fire vehicles within the Shire and the response was “it is DFES or the Shire (not the FCO’s or the advisory committee) that decides where an ESL funded vehicle goes”, so which is the correct answer?

*CEO’s response – If we were requesting a new vehicle through ESL we have to nominate the brigade that vehicle goes to, a new vehicle or changeover vehicle would be earmarked for which brigade it would go to. Once that vehicle has been obtained, and you have appropriate discussion with key players, in this case being the FCO of your brigade, then there is nothing to prevent the moving around of appliances as long as it is seen to provide a better response capability. These decisions are not made in isolation and I am aware that your FCO was privy to those discussions and supported the decision.*

3. The week before the report to the September Council meeting was presented to Council, Sunnyside had their AGM and there was no discussion about a replacement vehicle, or about a reduction in safety, and the new FCO has said he was told “here is the unit, do you want it”, not a negotiation.

*CEO’s response –The CESM advised me that he had discussions with Mr Waters (FCO), and there is nothing in my view that would suggest he didn’t have any discussion. You stated he just told him – my understanding is that that is not correct, I am happy to organize a meeting with Mr Waters and clarify that if you wish. The CESM had described the meeting and said they had a discussion, and I believe part of those discussions were with Murray Waters who was the previous FCO, bearing in mind that Stuart Waters is taking on the role for the first time. The discussions included them both in the roles as former and current FCO’s. The CESM has put forward his views as why there should be a change of appliance for Sunnyside based on its history of response which is actually quite low in our brigade structure; that was the main reason why it was proposed.*

4. In regard to that same meeting in August last year, in regard to the allocation of vehicles, the response given was “the allocation of vehicles is based on a resource to risk assessment conducted by the local government in partnership with DFES”. When was the last resource to risk assessment done for all ESL bush fire brigades in the Shire, and also for Sunnyside bush fire brigade?

*CEO’s response – I can’t give you a date, I am aware that there has been a resource to risk completed in the past, they are not done for individual brigades, that are done for the whole of the Shire’s brigade structure as they are meant to be based on a response for whole district. As part of that you would look at each brigade’s requirements. The resource to risk process sets minimum standards such as the number of appliances that need to be onsite within 20 minutes or so. We may have one brigade that has a low number of*

*appliances, but there may be a brigade within 20 minutes that provide a presence onsite within that 20 minutes.*

5. I have asked for that (information) over a week ago in an email. Councillors, you have all been given a copy of the resource to risk assessment, and nothing there says about whether a brigade turns up or not. It is based on the risk in the area where that brigade has a primary response requirement for. You cite an allegation that Sunnyside brigade hasn't been turning up to fires. How does a brigade turn up for a fire if it doesn't get called for a fire in its own area?

*President's response – the callout goes to all brigades, from there they decide who will respond and who will be on call and who will be on standby.*

6. So if a brigade is put on standby because the resource is not required because of the location of the fire or other risks that occur in another part of the Shire, why is that taken as meaning that the brigade failed to and refused to respond to that fire, which is what has been cited by the CESM. So how does a brigade respond to a fire if it hasn't been called to a fire, and secondly if we are put on standby, it is not recorded as attending that fire? As Sunnyside responded to every single fire call in the 2016/17 fire season, but was told repeatedly to go on standby, and this year we have been stripped of our equipment because we didn't attend fires last year. Why has that been cited as the reason when it has absolutely no basis of truth, and can I ask Council to investigate that situation of whether they were called out and whether they were on standby to determine whether in fact the brigade has failed or refused to attend fires?

*CEO's response – Council would have to determine if it wanted to get involved in that issue. To date Council hasn't; it has been viewed as an operational matter and has accordingly been left to the appropriate officer. If the Bush Fire Advisory Committee had issues with resourcing or location of appliances, they could submit a recommendation to Council. Your brigade representative on the Bush Fire Advisory Committee could take a motion from your brigade to that effect and have that issue discussed at the committee level and that recommendation would then come to Council. Council could decide to get involved outside of that normal process, and if that is the case we would need to have some discussion as to how that would evolve and how that would work.*

7. If the objective of the Bush Fire Advisory Committee is to advise the Council on equipment and resources, then why is Council saying it has no ability to raise any question and a firefighter, a member of the public, apparently is not allowed to raise concerns about equipment that's in your area with Council? How would a member of the public who is not a firefighter raise a concern with this Shire and this Council about firefighting equipment in their area if they have to go to the Advisory Committee of which they are not a party to?

*President's response – It's pretty easy to become a member of a fire brigade with some training. I don't believe that any member of the public would be denied the right to be a member of a brigade at any level, whether that be in a support or firefighting capacity. If a member of the public came along and*

*asked us about these concerns, how would they have that information if they weren't a member of a brigade?*

**Council Decision Moved Cr Nicholas, Seconded Cr Bookless**

**C.00/1217 That Council extends Public Question Time for another 15 minutes.**

**Carried 8/0**

8. In 2016/17 Shire Budget an allocation was made for a water tank for Sunnyside to be installed before the start of the 2016/17 season. This did not occur and the tank has not yet been filled, why not?

*CEO's response – There was a meeting held on Monday with some of the brigades FCO's, essentially a meeting to put in place some arrangements in the absence of the CESM, and some matters concerning this tank were raised and arrangements are being made to address these.*

9. The tank is there, it was lying on its side for four months and damaged in the process. Just over a week ago they put about 30% of the water in it. We are well into the fire season, is Sunnyside the only fire brigade, since they are all supposed to have, or have access to town water, in that situation? How many brigades haven't been given the water is required for use by firefighters, and to protect the equipment by not having salty water in the tanks. How many other brigades don't have that and why, a week before Christmas, are we talking about preparation for the 2017/18 fire season? Can we get someone to check tomorrow if other brigades are in the same situation?

*CEO's response – I don't believe other brigades are in the same situation because their FCO's would have raised something if otherwise. I assume the FCO from Sunnyside would have raised the issue and that's why it has been actioned. We rely on brigade members to maintain their equipment and make sure it is all working and this would include the checking of tanks.*

10. How many times does the Sunnyside brigade have to tell the CESM, either directly or via email, or by the FCO or the bushfire brigade, that the water tank doesn't have any water in it? Can it be filled tomorrow? It was raised at the Advisory Committee meeting.

*CEO's response – If it is able to be filled, then yes we will fill it. The day after the Advisory Committee Mr Sousa (CESM) was critically ill and has been in intensive care ever since. Understandably some of the actions he was going to do, haven't been done as other staff were not aware of what he had planned. These are the things we have been playing catch up on since. To be honest, it is the first I have heard of it only be 30 % full, I had heard about the issue with the pipe. Now I am aware, I am happy to action it. There are a few issues that are outstanding that Mr Sousa would have actioned from the Advisory Committee Meeting that we are finding out through other members.*

11. This week's situation is not the cause of the problems and should not ever be used as an excuse as to why the Shire did not have preparedness in place months ago. Similarly yesterday I emailed the CEO regarding Sunnyside Reserve and that there are trees over a fire track. Again, it was reported six



weeks ago that a fire track in a Shire reserve was obstructed and that there are other obstructions on the fire track and it hasn't been done. One would expect the maintenance of the fire track to be a Shire issue, not the CESM's. Why has it not been done, who inspects the firebreaks and fire tracks in the Shire reserves, and why obviously hasn't that been done as those trees were in place over 2 months ago?

*CEO's response – It is the responsibility of the CESM. Until you have mentioned it tonight, I have not seen any report and not sure how it was reported and assume it was reported to the CESM. It is hard for me to respond of what action he has or hasn't taken.*

12. Did you get the email yesterday?

*CEO's response – I saw that this morning, yes, but you stated it was sent many weeks ago, and I was not aware until I received the email.*

13. It was done through an FCO of a Bridgetown volunteer brigade who referred it to the CESM who said the removal of the tree was a Shire matter as the brigade doesn't have the equipment. Should firebreaks be inspected, or shouldn't they, particularly on Shire land? This is not something that came up this week; this is something that should have been done months ago, the inspection and the action. Is it that this is just an extension of not supplying the right equipment, not supplying the water, not doing the water tanks that was funded over a year ago, not filling the water, not fitting the pipe? For example, where is the generator that belongs to Sunnyside brigade? That has never made it to the brigade as it is used by the volunteer brigade. There are a lot of issues to do with Sunnyside brigade that have been raised repeatedly with the Shire, with Council, with the CESM, through the Bush Fire Advisory Committee and still happening. Why?

*CEO's response – I attend nearly all Bush Fire Advisory Committee meetings, except for the last one last week, and I have never heard these issues raised at the Bush Fire Advisory Committee by the FCO of the Sunnyside brigade. Other Councillors have sat on that committee, and I am happy to be corrected. This is the first I have heard about generators and other issues. I am happy to look into those, but to say that have been raised repeatedly at the Bush Fire Advisory Committee meetings is incorrect as far as I am aware.*

14. One of the issues I had raised with the CESM when I became aware of the downgrading of equipment at Sunnyside, was about the enhanced protection equipment the Shire was going to put in, you saw the answer, it hasn't been done, we can't get someone to do it? Why cannot Sunnyside be provided with an ESL funded vehicle with enhanced equipment considering Sunnyside has probably the largest geographical area within this Shire? I also raised with the CESM that the brigade members should have been told that they were not going to have this equipment, and he responded with "I don't have to". Interestingly at the Bush Fire Advisory Committee meeting last week, they finally issued a warning that the Sunnyside unit is not allowed to go to the fire front of a forest fire because it does not have the safety equipment. 80% of our brigades area is forest, DFES were told the unit was going to Sunnyside and they expect to replace that unit to Sunnyside. Why, when you have said

that the safety of firefighters is the utmost importance, why, now that you are aware of the issues I have brought up tonight, why Council are not prepared to stand up and protect the firefighters that are going out to those fires? The ones who have the primary response to that geographical area. If they say there is an issue about not responding, whose job is it to say you're not going to the fires, whose job is it to say they have an issue? Interestingly it was me that raised that with the CESM in February last year at a meeting and changed the callout procedures which is why we had a 100% response rate last season. So whose job is it? Is it my job as a firefighter to make sure we go to fires, or is it the CESM and the Shire's responsibility that they have a concern about whether or not the brigade is doing response, whether they've got the right equipment, whether they are doing the right thing? Whose job is it?

*CEO's response – There are about eight questions in that statement there, it is hard to answer them all but I can advise that DFES are aware that the change of appliance at Sunnyside has occurred, and I have been told by a relevant DFES officer that DFES is in support of that decision and about addressing risk at a district level and not at a brigade level.*

15. If there is an issue about not coming to fires, who should be fixing that? Should it be the CESM or the Chief FCO who says this brigade is not taking on fires, why not? Is there a problem with system and notification, which it turned out there was, and should that be instigated by someone? Should it be a member of the public who apparently isn't allowed to bring bush fire matters to Council? Whose job is it to increase the response rate? Whose job is it to reduce the risk? Is it my job as a firefighter, or are we paying someone in the Shire to do it? And since DFES, they actually said they were aware only that the Shire had changed the location of the unit and were only told because you have to advise them where the vehicle is because the satellite tracking will alert if the vehicle is not in the correct place. There has been no resource to risk documentation to say there is any justification to relocate a vehicle. It is inherent that if there is a significant downgrade in equipment because if you read that document it actually refers to that you rely on other Shires. The Shire's of Boyup Brook and Manjimup, their resource list is based on what they know about where our vehicles are, but this Shire hasn't told those Shires, because DFES confirmed they haven't, that the response rate for their Shires is reduced because of the change here which was not authorized by the Bush Fire Advisory Committee, as 10 minutes before the meeting last week said "you've got a light tanker", so how did the change occur and the Bush Fire Advisory Committee didn't know about it?

*CEO's response – The change was made at an operational level by the CESM who no doubt would have had discussions with the relevant FCO and the Chief Bush Fire Control Officer, and those decisions happen outside of the Bush Fire Advisory Committee process. If the Advisory Committee had a problem with it, they could raise the issue for discussion at one of its meetings. There is nothing to stop a member of the public coming to Council like you are tonight, however if you are speaking on behalf of the brigade then the normal process would be for a brigade member to raise it with their brigade and take it as a brigade motion to the Advisory Committee and then it could be discussed at that level. If the Bush Fire Advisory Committee then*

*made a recommendation to do something to change, then that would potentially come to Council.*

16. In regard to the fact that we have now been told that we can't go to a forest fire or the front of a fire, which includes any fire that involves jarrah, karri or marri, and suggest it should also be pine and blue gum, if the issue for the reason of a downgrade was not nonattendance of fires, if we are now not able to attend a fire which involves effectively trees or forest, surely that is only going to exacerbate the problem. Further to that the Bush Fire Advisory Committee is that, an advisory committee to Council, so would I be correct in saying that if Council wanted to, it could move a motion that directed that specific equipment be dedicated to a brigade, or that only ESL funded equipment can go to ESL brigades, would that be correct?

*CEO's response – Yes, Council could do that, but I suggest they wouldn't do that unless they had the full knowledge of the facts of the matter and the implications of doing so, but yes Council doesn't need to wait for its Bush Fire Advisory Committee, it could bypass them and make a decision itself if they wished to do that. In my opinion, it would be unusual to do that, but Council does have that right to make any decision under that legislation, the legislation rests with local government not with the Advisory Committee. Advisory Committees are just that, they are there to advise Council, but Council could ask them to report on a specific issue, request the advisory committee to look at a policy on the ESL funded equipment only going to certain brigades as such. I think Council making that decision outside of the Advisory Committee would be fraught with some risk without having the full knowledge of the implications of the decision.*

### **Petitions/Deputations/Presentations**

Cr Scallan gave his annual slide show presentation on the many achievements for Greenbushes for 2017.

### **Comments on Agenda Items by Parties with an Interest** - Nil

### **Applications for Leave of Absence** - Nil

### **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.*

#### **Council Decision** *Moved Cr Scallan, Seconded Cr Moore*

**C.01/1217** *That the Minutes of the Ordinary Meeting of Council held 30 November 2017 be confirmed as a true and correct record.*

**Carried 8/0**

### **Announcements by the Presiding Member Without Discussion**

The Presiding Member extended his congratulations to the Australia Day Award recipients for 2018 and the Greenbushes Tidy Town Committee for all the work they have done in Greenbushes.

### **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.

|                    |   |
|--------------------|---|
| Name               | T Clynch  |
| Type of Interest   | Financial   |
| Item No.           | C.08/1217 – Annual Report & Annual Financial Report 2016/17 |
| Nature of Interest | My accumulated annual leave is in excess of 8 weeks         |

### **Questions on Agenda Items by Elected Members**

*Cr Nicholas asked questions on item C.08/1217*

### **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

**Council Decision Moved Cr Scallan, Seconded Cr Boyle**

***C.02/1217 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.***

***Carried 5/3***

*Crs Wilson, Mackman and Nicholas voted against the Motion*

**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

#### **Moved** Cr Pratico, Seconded Cr Scallan

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.

#### **Amendment Moved** Cr Nicholas, Seconded Cr Moore

Change to word 'direct' to 'request'.

**Carried 7/1**

*Cr Mackman voted against the Motion*

**The Amended Motion becomes the Substantive Motion – The Motion was Put Council Decision Moved Cr Pratico, Seconded Cr Scallan**

***C.03/1217 That Council request 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.***

**Carried 8/0**

**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**

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

**Council Decision Moved Cr Mackman, Seconded Cr Boyle**

**C.04/1217 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.***

**Carried 8/0**

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

**Council Decision Moved Cr Wilson, Seconded Cr Mackman**

***C.05/1217 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.***

***Carried 8/0***



## Corporate Services

|                       |  |                  |     |
|-----------------------|--|------------------|-----|
| <b>ITEM NO.</b>       | C.06/1217                              | <b>FILE REF.</b> | 131 |
| <b>SUBJECT</b>        | List of Accounts Paid in November 2017 |                  |     |
| <b>OFFICER</b>        | Executive Manager Corporate Services   |                  |     |
| <b>DATE OF REPORT</b> | 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

**Council Decision Moved Cr Scallan, Seconded Cr Moore**  
**C.06/1217 That Council receives the List of Accounts Paid in November 2017**  
**as presented in Attachment 4. Carried 8/0**

|                       |  |                  |       |
|-----------------------|--|------------------|-------|
| <b>ITEM NO.</b>       | C.07/1217  | <b>FILE REF.</b> | 108.5 |
| <b>SUBJECT</b>        | Ratio Action Plan - Fair Value Accounting & Depreciation Expense |                  |       |
| <b>OFFICER</b>        | Executive Manager Corporate Services                             |                  |       |
| <b>DATE OF REPORT</b> | 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 deprecation 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

**Council Decision Moved Cr Scallan, Seconded Cr Bookless**

***C.07/1217 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.***

**Carried 8/0**

|                       |   |                  |     |
|-----------------------|---|------------------|-----|
| <b>ITEM NO.</b>       | C.08/1217   | <b>FILE REF.</b> | 208 |
| <b>SUBJECT</b>        | Annual Report & Annual Financial Report 2016/2017 |                  |     |
| <b>OFFICER</b>        | Chief Executive Officer                           |                  |     |
| <b>DATE OF REPORT</b> | 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

**Moved** Cr Scallan, Seconded Cr Moore

'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.

*Upon the moving of the amendment below by Cr Nicholas the CEO declared a Financial Interest as his accumulated annual leave is currently in excess of 8 weeks.*

**Amendment Moved** Cr Nicholas, Seconded Cr Wilson

Dot point 3: Add the following after 'Report': "and directs the CEO to have all annual leave accumulated by officers that is in excess of 8 weeks to be cleared by 30 June 2018, all other accrued annual leave in excess of 4 weeks to be cleared by 31 December 2018".

**Lost 2/6**

*Crs Pratico, Mackman, Scallan, Boyle, Moore and Bookless voted against the Motion*

**The Motion was Put**

**Council Decision** Moved Cr Scallan, Seconded Cr Moore

**C.08/1217 '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.**

**Absolute Majority 8/0**

**Planning & Environmental Services** – Nil

## Works & Services

|                       |  |                  |  |
|-----------------------|--|------------------|--|
| <b>ITEM NO.</b>       | C.09/1217  | <b>FILE REF.</b> |  |
| <b>SUBJECT</b>        | Purchase of New Tractor  |                  |  |
| <b>OFFICER</b>        | Senior Engineering Technical Officer and Chief Executive Officer |                  |  |
| <b>DATE OF REPORT</b> | 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

**Council Decision Moved Cr Mackman, Seconded Cr Wilson**

***C.09/1217 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)***

***Carried 8/0***

**Community Services** - Nil

**Consideration of Standing Committee Recommendations** - Nil

**Receival of Minutes from Management Committees** – Nil



**Urgent Business Approved by Decision**

**Council Decision** *Moved Cr Wilson, Seconded Cr Mackman  
C.10/1217 That Item C.10/1217 be accepted as urgent business.*

**Carried 8/0**

|                       |  |                  |     |
|-----------------------|--|------------------|-----|
| <b>ITEM NO.</b>       | C.10/1217  | <b>FILE REF.</b> | 133 |
| <b>SUBJECT</b>        | 2018/19 Budget Preparation Program                             |                  |     |
| <b>OFFICER</b>        | Chief Executive Officer & Executive Manager Corporate Services |                  |     |
| <b>DATE OF REPORT</b> | 12 December 2017   |                  |     |

Reason for Urgent Business: Due to an oversight this item wasn't included in the agenda. A Council resolution from the November meeting directed this item be presented to December meeting.

Attachment 8      Local Government Budget Process Timeline & Considerations  
Fact Sheet  
Attachment 9      Expected Differential Rating Timeline

*OFFICER RECOMMENDATION that Item C.10/1217 be accepted as urgent business.*

*OFFICER RECOMMENDATION That Council:*

- 1. Maintains differential rating for the 2018/19 financial year.*
- 2. Note that adoption of the 2018/19 Budget will occur in mid to late August.*

**Summary/Purpose**

This item is presented in accordance with Council's request to receive a report providing details of the implications and consequences of amending the annual budget preparation timeline to enable endorsement of the annual budget prior to 30 June each year.

**Background**

At its meeting held 30 November 2017 Council resolved as follows:

*"C.04/1117 That the CEO report back to the December Council meeting on the implications and consequences of Council amending its Budget preparation program to ensure that a final draft Budget is endorsed by Council prior to the 30<sup>th</sup> June each year."*

Historically, Council has adopted its annual budgets as follows:

| <b>Year</b> | <b>Adoption Date</b> |
|-------------|----------------------|
| 2017/18     | 17 August 2017       |
| 2016/17     | 11 August 2016       |
| 2015/16     | 30 July 2015         |
| 2014/15     | 14 August 2014       |

2013/14      22 August 2013

Officer Comment

**In considering the various elements associated with adopting a budget by 30<sup>th</sup> June annually the following *implications* were identified:**

1.      Timeline for Determination of Rates

Landgate (formerly Valuer General's Office) has advised the Shire of Bridgetown-Greenbushes that the Key Performance Indicator (KPI) for the provision of rural UV and Bridgetown UV revaluation rolls is late May. Advice has also been received that the mining tenement revaluation roll can be expected during April. It is the officers understanding that due to the post-election restructure and increased workload within Landgate it is highly unlikely that these revaluation rolls will be received any earlier than the advised dates and timelines. Should Council wish to actively lobby (as elected members) or direct the CEO to liaise with Landgate further, with a view to having these dates brought forward this could be explored. However it is not considered prudent to prepare a budget timeline based on a potentially unknown change to an external agency's identified KPI. Subsequently the attached Indicative Rating Timeline (which will inform the budget preparation timeline) demonstrates 31 May as the date by which all revaluation rolls will be received. This date is significant as it informs the milestones (essentially providing the 'starting point') required in order to follow due process with regard to rate setting and budget adoption.

2.      Differential Rating

Council currently imposes differential rating categories when adopting the annual rates. Differential rating allows a different rate in the dollar and minimum payment to be applied to various categories of property such as mining and urban farming. These categories are generally set in relation to identified land use. The rate in the dollar that is applied to the mining differential rate is more than 14 times the rate applied to any other UV category (in the Shire of Bridgetown-Greenbushes). The *Local Government Act 1995* requires Ministerial approval for any differential rate that is more than twice the rate applied to other UV categories. Therefore, approval by the Minister of Local Government Sport and Cultural Industries is required on the mining rate.

The requirement to seek Ministerial approval and the process to implement differential rating adds 6 - 7 weeks to the budget timeline. The requirement to advertise proposed differential rates can not occur prior to 1 May. The process to implement differential rating includes Council adoption of the proposed differential rates; advertising of differential rates; statutory submission period of not less than 21 days; Council consideration of any submissions received prior to the application being submitted to the Minister. The Local Government Budget Process Timeline & Considerations Factsheet at Attachment 8 identifies the need to allow 3 weeks for the application to be considered. Once considered a response is received from the Minister which informs the budget adoption agenda report.

### 3. Integrated Planning & Reporting Framework Document Review

The Integrated Planning & Reporting Framework requires Council to review key strategic documents as part of the budget adoption process. Currently the Corporate Business Plan and Building Capital & Maintenance Plan are structured on a four year time frame. It has been identified by Senior Management that these documents should be extended to a ten year time frame to be consistent with the Long Term Financial Plan and Strategic Community Plan. This would also allow the forthcoming review of the Workforce Plan to be fully integrated with Council's long term planning. It is proposed for these matters to be discussed at the February Standing Committee meeting.

Assuming Council agrees to the above initiatives the integrated planning documents that would have to be reviewed or prepared as part of the budget process would include the following:

- 10 Year Roadwork Capital Works Plan
- 10 Year Building Capital & Maintenance Plan
- 10 Year Plant & Fleet Replacement Plan
- 10 Year Equipment Replacement Plan
- Corporate Business Plan
- Long Term Financial Plan

The review of these strategic documents is undertaken through a variety of forums including Council workshops, officer briefings, relevant site tours and Council meetings. This process generally follows the annual budget review (starting in March/April and concluding in May/June). If Council does not endorse the officer recommendations this review will need to commence earlier which will have identified consequences.

### 4. Estimated Financial Position at 30<sup>th</sup> June

Should Council not support the officer recommendations and seek to endorse a budget by 30<sup>th</sup> June an estimated end of year financial position figure would need to be determined by mid-May (approximately 6 weeks prior to the end of the financial year).

### 5. Legislative Constraints Associated with a Later Budget Adoption Date

The issue of budget adoption dates has been the subject of some informal discussion with Councillors for many years. One common argument put forward by Councillors in favour of a 30 June adoption date is that later budget dates constrain the ability to expend money between 1 July and the adoption date. Under Section 6.2 of the Local Government Act 1995 expenditure from the previous financial year up to 31 August is permitted and this allows for the continuation of expenditure for any carry forward item including capital projects. For day to day operational expenses these can be incurred as long as it is evident that this expenditure will be covered by the proposed budget. What this means is that any new operational or capital projects could not be expended until the new budget is adopted.

**In considering the various elements associated with adopting a budget by 30<sup>th</sup> June annually the following *consequences* were identified:**

### 1. Timeline for Determination of Rates

Should Council wish to adopt a budget by 30 June 2018 officers could disregard the advice from Landgate with regard to the provision of revaluation rolls. This would allow for the development of a budget timeline which would demonstrate the outcome of adopting a budget by 30 June however it is unlikely that the timeline would be realistic or achievable as the provision of external information is not going to be impacted by an internal timeline.

### 2. Differential Rating

Should Council wish to adopt a budget by 30 June 2018, giving due consideration to the advice from Landgate regarding the provision of revaluation rolls this could only be achieved by cessation of differential rating. The consequence of doing so would be a reduction in rate revenue of approximately \$52,000 per annum. Council would subsequently need to consider the impact on the 2018/2019 expenditure allocations in the budget and/or action items identified in the Corporate Business Plan. Such consideration would need to include identification of additional income streams and/or reduction in expenditure to offset the loss of the differential rate income.

### 3. Integrated Planning & Reporting Framework Document Review

If Councillors do not support the officer recommendation and determine to progress a June budget adoption date, the strategic document review process will need to commence in early January and run concurrently with the budget review process.

### 4. Estimated Financial Position at 30<sup>th</sup> June

Officers would take a very conservative approach in determining this figure to ensure Council was not in a position of needing to adjust the new budget projections due to any unexpected shortfall in the end of year financial position estimate.

#### Statutory Environment

Section 6.2 of the Act 1995 – Local Government to prepare annual budget

Section 6.33(1) to (3) of the Act – Differential general rates

Section 6.36 of the Act – Local government to give notice of certain rates

#### 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

Objective 5.3: We operate within the Integrated Planning Framework

Strategy 5.3.1 Implement the Shire's Integrated Planning Framework Review Cycle

- Corporate Business Plan – As part of the Integrated Planning Framework the Corporate Business Plan is a key informing strategy to the annual budget.

- Long Term Financial Plan – The annual review of the Corporate Business Plan informs the Long Term Financial Plan.
- Asset Management Plans – Nil
- Workforce Plan – Nil
- Other Integrated Planning – Nil

#### Budget Implications

The annual budget identifies how funds will be sourced and allocated in the forthcoming year, and allows for the imposition of rates which is a primary income stream from which services and upcoming projects may be funded. This item seeks to set Council's preferred budget adoption timeline.

Policy – Not Applicable

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 recommendations seek to mitigate Council's exposure to reputational and financial risk by ensuring compliance to all aspects of legislated and externally advised timelines to ensure a robust budget and realistic budget adoption timeline are achieved.

Continuous Improvement – Not Applicable

Voting Requirements – Simple Majority

#### Alternative Recommendation if Officer Recommendation Not Supported

1. That Council endorse in principle bringing forward the budget adoption date to a pre-30 June date.
2. That a workshop be held prior to 30 January to discuss the implications and options for the removal of differential rating and a timeline to achieve this earlier budget adoption date.

**Council Decision Moved Cr Wilson, Seconded Cr Bookless**

**C.10/1217a That Council:**

- 1. Maintains differential rating for the 2018/19 financial year.**
  - 2. Note that adoption of the 2018/19 Budget will occur in mid to late August.**
- Carried 7/1**

Cr Nicholas voted against the Motion

**Responses to Elected Member Questions Taken on Notice - Nil**

**Elected Members Questions With Notice**

Cr Scallan

With the Southwest only spending 85.8% of the Blackspot funding and 90.5% of the Road Project Grant funding for 2016/17 what have we put in place to ensure we meet the outcomes of the 2017/2018 funding?

Projects already carried over from 2016/2017 includes: -

- Bridgetown-Nannup reconstruction (21111083) of 190,000 will this be completed this financial year as committed?
- Winnejup Road widening and seal (21112200) of \$30,000 will this be completed as committed this financial year?

New projects for 2017/2018 and 2018 /2019 includes: -

- Winnejup reconstruction
- Mockerdillup Road

Will we meet our commitments?

If not what have we in place to spend the money or have the money reassigned to another shovel ready project, and if this is not the case will we be returning the funds back to the RRG in a timely fashion to enable another shire who have shovel ready projects who can spend the money in the time frame as required?

Response

*We are aware of the expectations being placed on local governments to expend road grant funding and we don't want to be in the position where at late notice we don't expend our funds and hand the money back too late for it to be available for other projects in the region. Having to call tenders for engagement of a contract construction grader driver (for a 3 year contract period) has caused delays in our 2017/18 road construction program. We are hoping to award the tender in early January and subject to mobilisation requirements the successful contractor should commence shortly after. The Winnejup Road works should be completed in 2017/18. Our capacity to undertake the Brockman Highway works is currently being reviewed taking into account other works and the flexibility of the scope of works for that project. We have previously sought quotations for a contractor to carry out these works but the proposals received were far in excess of the budget allocation. The assessment of this job will be completed in January and a determination of capacity to complete the job will be made in February. Council will be kept informed of these considerations.*

**Notice of Motions for Consideration at the Next Meeting** - Nil

**Matters Behind Closed Doors (Confidential Items)**

In accordance with Section 5.23(2) of the Local Government Act the CEO requested permission to provide an update to Council on some staffing issues and that this occur behind closed doors as the subject matter relates to the following matters prescribed by Section 5.23(2):

- A matter affecting an employee or employees.

In accordance with Clause 4.2 of the Standing Orders Local Law the contents of these discussions are to remain confidential and must not be disclosed by a member to any person other than a member of Council or an employee of the Council to the extent necessary for the purpose of carrying out his or her duties.

**Council Decision** *Moved Cr Scallan, Seconded Cr Wilson*  
***C.11/1217 That Council go behind closed doors at 7.35pm.***  
***Carried 8/0***

**Council Decision** *Moved Cr Scallan, Seconded Cr Wilson*  
***C.11/1217a That Council come out from behind closed doors at 7.40pm.***  
***Carried 8/0***

*It is noted that no decisions were made behind closed doors and no members of the gallery returned to the Meeting*

**Closure**

*The President closed the Meeting at 7.40pm*

**List of Attachments**

| <b>Attachment</b> | <b>Item No.</b> | <b>Details</b>   |
|-------------------|-----------------|--|
| 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                   |
| 8                 | C.10/1217       | Local Government Budget Process Timeline & Considerations Fact Sheet           |
| 9                 | C.10/1217       | Expected Differential Rating Timeline  |

Minutes checked and authorised by T  
Clynch, CEO



02.01.18