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SHIRE OF BRUCE ROCK

MINUTES – SPECIAL MEETING 29 JULY 2019

1. Declaration of Opening

The Shire President Cr SA Strange declared the meeting open at 5.56pm.

2. Record of Attendance / Apologies / Leave of Absence (Previously Approved)

President	Cr SA Strange
Deputy President	Cr R Rajagopalan
Councillors	Cr IS Dolton
	Cr AR Crooks
	Cr KP Foss
	Cr PG Negri
	Cr MK Thornton
	Cr BJ Waight
Chief Executive Officer	Mr DRS Mollenoyux
Manager of Finance	Mrs JL Bow to (5.56pm to 6.20pm)
Senior Finance Officer	Mr MG Darby (5.56pm to 6.20pm)
Manager of Works and Services	Mr G Casley (5.56pm to 6.22pm)
Executive Assistant	Mrs MJ Schilling (Minute Taker)
Apology	Cr NC Kilminster

3. Response to Previous Public Questions Taken on Notice

4. Public Question Time

5. Petitions / Deputations / Presentations / Submissions

6. Reports of Officers

6.1 Manager of Finance

Agenda Reference and Subject:	
	6.1.1 Setting Material Variance for Monthly Financial Reports
File Reference:	8.2.6.2 – Annual Financial Statements
Reporting Officer:	Jennifer Bow, Manager of Finance
Disclosure of Interest	Nil

Summary

Each year, the Audit Committee is to re-set the material variance levels for the Monthly Financial Statements.

Background

The material variance is either a percentage or monetary value that highlights when explanations are to be made as to why there is a variance between the actual amount and the budgeted year to date figure.

Comment

Each financial year, the local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in the statements of financial activity for reporting materials variances.

Council have been using a variance of 10% or an amount of \$5,000. In consultation with Council’s auditor, AMD, they are also happy with 10% or \$5,000.

Consultation

Chief Executive Officer
 Manager of Finance
 AMD (Council’s external auditors)

Statutory Implications

Local Government (Financial Management) Regulations 1996, r.34(5), Local Government Act 1995, Local Government (Audit) Regulations 1996

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Strategic Community Plan 2017-2027

Goal 12 – Council leads the organisation in a strategic and flexible manner

10 Year Outcome – We are financially viable whilst meeting all levels of compliance

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.1

Moved: Cr Thornton

Seconded: Cr Rajagopalan

That Council adopt a variance of 10% or an amount over \$5,000 to be considered material for highlighting variances between the actual and the year to date budget figures in the Monthly Statement of Financial Activity for 2019-20

Carried 8/0

Agenda Reference and Subject:	6.1.2 Performing Executive Functions
File Reference:	8.7.2.1 – Annual Budget
Reporting Officer:	Jennifer Bow, Manager of Finance
Disclosure of Interest	Nil

Summary

Council is required to satisfy itself that under “Division 3 – Executive Functions of Local Government” section 3.18 the executive function performed in providing services and facilities were managed efficiently and effectively.

Background

Previously, in the annual compliance audit return, Council has been asked if the executive function performed in providing services and facilities for the community were managed efficiently and effectively.

Comment

This is an important part of the Local Government Act that Council must review each year. This was included in a previous Compliance Audit Return and was asked as follows:

- a. *Has the local government satisfied itself that the services and facilities that it provides ensure integration and co-ordination of services and facilities between governments?*
- b. *Has the local government satisfied itself that the services and facilities that it provides avoid unnecessary duplication of services or competition particularly with the private sector?*
- c. *Has the local government satisfied itself that the services and facilities that it provides ensure services and facilities are properly managed?*

Council only provides services and facilities that are not present in the district, so it does not duplicate services.

It coordinates with government departments where possible by applying for grant monies.

Council is satisfied with the efficiency and effective management of the services and facilities by way of the continued funding through the budget process.

However, to formalise this process Council should adopt the recommendation.

Consultation

CEO, DCEO & MOF

Statutory Implications

Local Government Act 1995, section 3.18 - Performing Executive Functions.

3.18 Performing executive functions

- 1) *A local government is to administer its local laws and may do all other things that are necessary or convenient to be done for, or in connection with, performing its functions under this Act.*
- 2) *In performing its executive functions, a local government may provide services and facilities.*

3) *A local government is to satisfy itself that services and facilities that it provides –*

- a) integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body;*
- b) do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and*
- c) are managed efficiently and effectively.*

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Strategic Community Plan 2017-2027

Goal 12 – Council leads the organisation in a strategic and flexible manner

10 Year Outcome – We are financially viable whilst meeting all levels of compliance

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.2

Moved: Cr Waight

Seconded: Cr Foss

That Council has complied with section 3.18 of the Local Government Act 1995 and is satisfied that the services and facilities it provides:

- i. integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body;**
- ii. do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and**
- iii. are managed efficiently and effectively.**

Carried 8/0

Agenda Reference and Subject:

	6.1.3 Adoption of the 2019-2020 Budget
File Reference:	8.7.2.1 – Annual Budget
Reporting Officer:	Jennifer Bow, Manager of Finance
Disclosure of Interest	Nil

Summary

To consider and adopt the Municipal Fund Budget for the 2019/ 2020 financial year together with supporting schedules, including imposition of rates and minimum payments, adoption of fees and charges, setting of members fees and other consequential matters arising from the budget papers.

Section 6.2 of the Local Government Act 1995 instructs that Council must prepare an annual budget for each financial year, in the manner and form prescribed.

Background

The draft 2019/2020 budget has been compiled based on the principles contained in the Strategic Community Plan and the Strategic Resource Plan. The 2019/2020 draft budget has been prepared in accordance with the presentations made to councillors at the 2 budget workshops held between June and July 2019.

Council were given a copy of the Draft 2019-2020 Budget at the July Council Meeting. Staff went through the entire draft budget highlighting areas requiring comment.

Comment

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

- The budget has been prepared with a 4.5% rate increase in line with the Strategic Resource Plan which includes an increase for CPI of 2%.
- Fees and charges have been increased by 2% and are itemised in the draft budget.
- The recurrent operating budget includes an overall increase in estimated expenditure by 2% (although individual line items may vary from this based on specific factors affecting each of these) and continues the focus on improved service delivery to the community. There is no increase to staff numbers planned.
- A capital works programme totalling \$2,732,400 for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on road infrastructure is the major component of this (\$1,287,000) in line with Council's strategy to increase investment in road and associated assets. An amount of \$417,200 is for the electrical upgrade and lighting project at the Bruce Rock Recreation Centre.
- Loan borrowings of \$272,000 to fund the construction of a new residence in Curlew Drive are proposed.
- Principal additional grant funding for the year is estimated from;
 - Roads to Recovery - \$440,600
 - Regional Road Group - \$308,700
 - Black Spot Funding - \$31,000

The draft budget for 2019-20 was endorsed at the Council Meeting in June. There have been a few minor adjustments to the Budget which will be presented at the special meeting.

The draft 2019-2020 continues to deliver on other strategic adopted by Council and maintains a high level of service across all programmes while ensuring an increased focus on road and associated infrastructure as well on renewing all assets at sustainable levels.

Consultation

While no specific community consultation has occurred on the draft 2019-2020 budget, community consultation and engagement has previously occurred during the development of the Strategic Community Plan from which the Corporate Business Plan was developed.

Extensive internal consultation has occurred between all executive managers and through workshops with councillors.

Statutory Implications

Local Government Act 1995 requires that no later than 31 August in each financial year, or such extended time as the Minister allows each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2019-2020 budget as presented is considered to meet statutory requirements.

Policy Implications

Nil

Financial Implications

Specific financial implications are as outlined in the Comment section of this report and as itemised in the draft 2019-2020 budget attached for adoption.

The 2019-2020 Annual Budget provides the direction for expenditure during the financial year.

Strategic Implications

The Draft 2019-2020 Budget has been developed with all four priority areas of the Strategic Community Plan 2017-2027 and guided by Council's 2018-2033 Strategic Resource Plan.

Voting Requirements

Absolute Majority and Simple Majority

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.3.1

Moved: Cr Rajagopalan

Seconded: Cr Foss

PART A – MUNICIPAL FUND BUDGET FOR 2019-2020

Pursuant to the provisions of Section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulation 1996, the Council adopt the Municipal Fund Budget as attached to this agenda and the minutes, for the Shire of Bruce Rock for the 2019-2020 financial year.

CARRIED BY ABSOLUTE MAJORITY 8/0

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.3.2

Moved: Cr Rajagopalan

Seconded: Cr Dolton

PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following general rates and minimum payments on Gross Rental and Unimproved Values.

1.1	General Rates	
1.1.1	Gross Rental Values	6.897 cents in the dollar
1.1.2	Unimproved Values	1.182 cents in the dollar
1.1.3	Mining tenements (UV)	1.182 cents in the dollar
1.2	Minimum Payments	
1.2.1	Gross Rental Values	\$469
1.2.2	Unimproved Values	\$469
1.2.3	Mining tenements	\$469

2. Pursuant to Section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominates the following due dates for the payment in full by instalments:

Full payment and instalment due date	25 September 2019
2nd half instalment due date	26 November 2019
2nd quarterly instalment due date	26 November 2019
3rd quarterly instalment due date	28 January 2020
4th quarterly instalment due date	31 March 2020

3. Pursuant to Section 6.46 of the Local Government Act 1995 Council offers a discount of 3% to ratepayers who have paid their rates in full, including arrears, waste and service charges, on or before 25 September 2019 or 35 days after the date of service appearing on the rate notice, whichever is the later.
4. Pursuant to Section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through and instalment option of \$10.70 for each instalment after the initial instalment is paid.
5. Pursuant to Section 6.45 of the Local Government Act 1995 and regulation 68 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and services charges through an instalment option.
6. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the Local Government Act 1995 and regulation 70 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 11% for rates and cost of proceedings to recover such charges that remains unpaid after becoming due and payable.

CARRIED BY ABSOLUTE MAJORITY 8/0

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.3.3

Moved: Cr Negri

Seconded: Cr Waight

PART C – GENERAL FEES AND CHARGES FOR 2019-2020

Pursuant to Section 6.16 of the Local Government Act 1995, Council adopts the Fees and Charges included in draft 2019-2020 Budget.

CARRIED BY ABSOLUTE MAJORITY 8/0

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.3.4

Moved: Cr Waight

Seconded: Cr Rajagopalan

PART D – OTHER STATUTORY FEES FOR 2019-2020

1. Pursuant to Section 245A(8) of the Local Government (Miscellaneous) 1960, the Council adopts a swimming pool inspection fee of \$58.57 exclusive of GST.

2. Pursuant to Section 67 of the Waste Avoidance and Resources Recovery Act 2007, Council adopt the following charges for the removal and deposit of domestic and commercial waste:

3.1 Domestic Waste – Residential Premises

- o 240ltr bin per weekly collection \$287.00pa**
- o 240ltr bin per weekly collection – eligible pensioner \$143.50pa**
- o 240ltr bin per weekly collection – eligible senior \$215.25pa**
- o**

3.2 Commercial Waste – Commercial Premises

- o 240ltr bin per twice weekly collection \$287.00pa**

3.3 Domestic and Commercial Recycling

- o 240ltr bin per fortnightly collection \$115.00pa**
- o 240ltr bin per fortnightly collection – eligible pensioner \$57.50pa**
- o 240ltr bin per fortnightly collection – eligible senior \$86.25pa**

CARRIED BY ABSOLUTE MAJORITY 8/0

OFFICER RECOMMENDATION AND COUNCIL DECISION

Resolution SCM July 19 – 6.1.3.5

Moved: Cr Thornton

Seconded: Cr Foss

PART E – ELECTED MEMBERS’S FEES & ALLOWANCES FOR 2019-2020

- 1. Pursuant to Section 5.98 of the Local Government Act 1995 Council adopts the following individual meeting attendance fees in lieu of an annual fee:**

President \$490

Councillors \$91

- 2. Pursuant to Section 5.98 of the Local Government Act 1995 and regulation 30 of the Local Government (Administration) Regulations 1996, Council adopts the following individual committee and prescribed meeting attendance fees in lieu of an annual fee:**

President \$119

Councillors \$46

- 3. Pursuant to Section 5.99A of the Local Government Act 1995 and regulations 34A and 34AA of the Local Government (Administration) Regulations 1996, Council adopts the following annual allowances for elected members:**

Telecommunications and Information Technology Allowance (upon election) \$1,515

Telecommunications and Information Technology Allowance (each year thereafter) \$ 505

- 4. Pursuant to Section 5.98(5) of the Local Government Act 1995 and regulation 33 of the Local Government (Administration) Regulations 1996, Council adopts the following annual local government allowance to be paid in addition to the individual meeting attendance fees;**

President \$14,140

- 5. Pursuant to Section 5.98(5) of the Local Government Act 1995 and regulation 33A of the Local Government (Administration) Regulations 1996, Council adopts the following annual local government allowance to be paid in addition to the individual meeting attendance fees;**

Deputy President \$3,535

- 6. Pursuant to Section 5.98(3) of the Local Government Act 1995 and regulation 31 of the Local Government (Administration) Regulations 1996, Council adopts the following reimbursement of expenses;**

Travel (in accordance Local Government Officers’ (Western Australia) Interim Award 2011)

Child Care

CARRIED BY ABSOLUTE MAJORITY 8/0

Mrs JL Bow left the Council Chambers at 6.20pm and did not return.

Mr M Darby left the Council Chambers at 6.20pm and did not return.

Mr G Casley left the Council Chambers at 6.22pm and did not return.

7. Chief Executive Officer

Agenda Reference and Subject:	
	7.1. Consideration of Submission to Select Committee into Local Government
File Reference:	2.3.3.1
Reporting Officer:	Darren Mollenoyux, Chief Executive Officer
Disclosure of Interest	Nil

Summary

Council is asked to consider making a submission to the WA Legislative Council's Select Committee into Local Government in line with their "Terms of Reference" and to provide comment on the WA Local Government Association's proposed submission.

Background

The WA Legislative Council passed a motion to establish a Select Committee into Local Government. The motion is as per below incorporating the terms of reference;

- (1) *That a Select Committee into Local Government is established.*
- (2) *The Select Committee is to inquire into how well the system of Local Government is functioning in Western Australia, with particular reference to —*
 - (a) *whether the Local Government Act 1995 and related legislation is generally suitable in its scope, construction and application;*
 - (b) *the scope of activities of Local Governments;*
 - (c) *the role of the Department of State administering the Local Government Act 1995 and related legislation;*
 - (d) *the role of Elected Members and Chief Executive Officers/employees and whether these are clearly defined, delineated, understood and accepted;*
 - (e) *the funding and financial management of Local Governments; and*
 - (f) *any other related matters the Select Committee identifies as worthy of examination and Report.*
- (3) *The Select Committee shall comprise five Members.*
- (4) *The Select Committee shall report by no later than 12 months after the motion for its establishment is agreed to and may, if it sees fit, provide interim reports to the House.*

The membership of the Select Committee is as follows:

Chair: Hon Simon O'Brien, MLC

Deputy Chair: Hon Laurie Graham, MLC

Members: Hon Diane Evers, MLC

Hon Martin Aldridge, MLC

Hon Charles Smith, MLC

The Select Committee has advised that submissions are being called and close on 23 August 2019.

Comment

WALGA's process for preparing a submission and assisting the sector is as follows;

- *WALGA will prepare a draft Submission for sector input and also for Local Governments to use the information in their own submissions.*
- *The draft submission will be circulated to Local Governments for sector input on 26 July and we request feedback by 13 August 2019.*

- *Following the receipt of any feedback, WALGA will review the feedback from the sector and finalise an interim submission to be considered by State Council's Executive Committee by the due date of 23 August 2019.*

WALGA is encouraging all Local Governments to provide submissions and to request to appear before the Select Committee.

It is important to make the distinction between the "Select Committee" process and the Local Government Act Review process. These are separate and unrelated processes. The Minister for Local Government is continuing with phase two of the Act review process which is working towards the development of a new Local Government Act.

Whilst the WA Local Government Association will make a submission on behalf of the sector it is encouraged that Council also makes a submission to reinforce key points and to also include any additional views that Council would like raised with the Select Committee.

Points that Council may wish to include in the submission are;

- Council's approach and how it differs.
- Additional services we provide in a regional community.
- The impact and impost of providing services that are traditionally the responsibility of other tiers of government, such as;
 - Provision of Doctor
 - Financial & infrastructure support for Health and Allied Services
 - Support of the local Aged Care community through the provision of accommodation and associated support services.
 - Provision of housing for State Government Employees, Police, Nurses, Teachers and Doctor
- Impact on our road network following the closure of Tier 3 rail and subsequent pressure on budgets.
- Rates and impacts of potential freeze or restrictions on increases.

Individuals are also encouraged to make submissions and therefore Councillors may wish to also make their own submission to the Select Committee into Local Government.

Consultation

Shire President, Stephen Strange
WALGA Draft Submission

Statutory Implications

WA Legislative Assembly – Select Committee into Local Government

- Terms of Reference
- Making a Submission
 - *You are required to keep your submission confidential until the Committee decides to publicly release it. While it is normal practice for a Committee of the Legislative Council to make a submission public at some stage during its inquiry, this cannot be assumed. Check with the Committee Clerk if you are unsure.*
 - *Parliamentary Privilege*
Submissions to Parliamentary Committees are protected by Parliamentary Privilege. This means what you write in your submission to a Committee, so long as it is not deliberately false, cannot be questioned or used against you in a court, tribunal or similar proceedings. Privilege is important as it allows you to be honest and direct in your submission to a Committee without fear of being sued or fear of harassment, intimidation or improper influence by anyone. It is important to note the protection is strictly limited to the information provided to the Committee.

If you provide or transmit the contents of your submission to other persons, it may not be protected by Parliamentary Privilege.

- *Appearing Before a Committee*

Committees may conduct hearings as part of the inquiry process. If you wish to appear before the Committee to explain or elaborate on your submission, you can ask to appear before the Committee as a witness. This request should form part of your submission.

Policy Implications Nil
Financial Implications Nil

Strategic Implications

Shire of Bruce Rock – Strategic Community Plan 2017-2027

Governance

Goal 10 – Our organisation is well positioned and has capacity for the future

Goal 12 – Council leads the organisation in a strategic and flexible manner

Voting Requirements Simple Majority

Officer Recommendation

That Council;

1. Considers WALGA's Submission to the WA Legislative Council – Select Committee into Local Government, as presented.
2. That the Chief Executive Officer prepares Council's submission to the WA Legislative Assembly's Committee Clerk for the Select Committee into Local Government, addressing the Committee's Terms of Reference, in line with the direction of Council's views and concerns.
3. That as part of Council's submission to the Committee Clerk that a request be made for the WA Legislative Select Committee into Local Government to hold a regional hearing in Bruce Rock.
4. Write to individual members of the Select Committee into Local Government inviting them to visit Bruce Rock and meet with Council.

Council decision differed to Officer Recommendation to include Council's direction and additional information for WALGA's submission.

COUNCIL DECISION

Resolution SCM July 19 – 7.1

Moved: Cr Rajagopalan

Seconded: Cr Waight

That Council;

1. **Supports WALGA's Submission to the WA Legislative Council – Select Committee into Local Government, and seek for the inclusion of the following "other services"**
 - a) **Doctors and Allied Health**
 - b) **Natural Resource Management**
 - c) **Provision of and maintenance of housing (Low socio economic and GROH)**
2. **That the Chief Executive Officer prepares Council's submission to the WA Legislative Assembly's Committee Clerk for the Select Committee into Local Government, addressing the Committee's Terms of Reference, in line with the direction of Council's views and concerns, to be referred to the Ordinary Council Meeting, 15 August 2019 for endorsement.**
3. **That as part of Council's submission to the Committee Clerk that a request be made for the WA Legislative Select Committee into Local Government to hold a regional hearing in Bruce Rock.**
4. **Write to individual members of the Select Committee into Local Government inviting them to visit Bruce Rock and meet with Council.**

Carried 8/0

8. New Business of an urgent nature introduced by discussion of the meeting.

9. Closure of Meeting.

The Shire President Cr SA Strange thanked everyone for attending and declared the meeting closed at 7.04pm.

These minutes were confirmed at a meeting on 15 August 2019

Cr Stephen Strange
Shire President
15 August 2019