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Minutes of the Ordinary Meeting of the Yalgoo Shire Council,
held in the Council Chambers, 37 Gibbons Street, Yalgoo,
on Thursday 18 June 2009, commencing at 11.10 am.

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The President declared the Ordinary Meeting of Council open at 11.10am.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

MEMBERS	Cr DE Anderson, Shire President Cr TK Iturbide Cr DP Morrissey Cr L Hodder
STAFF	Mr N Mitchell, Chief Executive Officer Mr CF Hodder; Works Foreman
OBSERVERS	
LEAVE OF ABSENCE	
APOLOGIES	Cr EC Rowe, Deputy President Ms VJ Rowe, Deputy CEO

3. DISCLOSURE OF INTERESTS

Item 11.4.3	LGIS – Employee Insurances N Mitchell, CEO – Employee who may benefit from the report
Item 14.1	Interim Audit Special Report – Cash N Mitchell, CEO – Employee who may be affected by the report
Item 14.3	Occupational Superannuation on Overtime N Mitchell CEO– Employee who may benefit from the report

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO QUESTIONS TAKEN ON NOTICE

None

4.2 QUESTIONS WITHOUT NOTICE

None

5. NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

- Item 14.1 Interim Audit Special Report – Cash
Refer Confidential Report circulated separately
- Item 14.2 Interim Audit Special Report – Fuel
Refer Confidential Report circulated separately
- Item 14.3 Occupational Superannuation on Overtime
Refer Confidential Report circulated separately

6. APPLICATIONS FOR LEAVE OF ABSENCE

None

7. ANNOUNCEMENTS CONCERNING MEETINGS ATTENDED

7.1 PRESIDENT

The President noted having attended the District Health Advisory Committees Chairperson meeting in Perth, and that topics discussed included –

- Nurse Practitioners arrangements
- Minister Kim Haines spoke at the meeting with
- Also Minister assisting Tuck
- Aged care talks

7.2 COUNCILLORS

Cr DP Morrissey

8 June Attended the Murchison Region Vermin Council meeting in MA with Cr TK Iturbide

Cr TK Iturbide

8 June Attended the Murchison Region Vermin Council meeting in MA with Cr DP Morrissey

8. CONFIRMATION OF MINUTES

8.1 ORDINARY COUNCIL MEETING – 21 May 2009

BACKGROUND

Minutes of the Ordinary Meeting of Council have previously been circulated to all Councillors.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0601 Confirmation of Minutes

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That the Minutes of the Ordinary Council Meeting of 21 May 2009 be confirmed.

Motion put and carried 4/0

9. MINUTES OF COMMITTEE MEETINGS

None

10. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

None

11. REPORTS OF OFFICERS

11.0 MATTERS BROUGHT FORWARD

C2009-0602 Item brought forward

Moved Cr TK Iturbide, seconded Cr L Hodder

That Item 11.3.4 be dealt with at this time.

Motion put and carried 4/0

11.3.4 DIFFERENTIAL RATING 2009/2010

File:

Author: Violet Rowe, Deputy Chief Executive Officer

Interest Declared: Nil

Date: 9 June 2009

Attachments: None

MATTER FOR CONSIDERATION

Determination of the rate in the dollar and the minimum rates for the various differential and specified area rate categories for the 2009/2010 financial year.

BACKGROUND

Council has adopted a differential rating strategy and currently has four rating categories being residential, pastoral, mining, exploration/prospecting.

The annual differential rating proposal is to be advertised for public comment for a period of 21 days prior to its adoption by Council. Should Council adopt these differential rates at the Ordinary Meeting on 18 June 2009, the intention is to advertise the proposed rates in the Western Australian on the Saturday 20th June 2009. Submissions from ratepayers would be invited to be received up to Monday 13 July 2008. If any submissions are received, Council is required to consider them. Submissions will be considered at the July Ordinary council meeting. If there are no submissions received then approval will be sought from the Minister.

As Council has a differential rate that is more than twice the lowest differential rate imposed, the approval of the Minister for Local Government and Regional Development must be obtained before these rates are formally adopted by Council. The approval of the Minister will be sought towards the end of the public consultation phase in order to obtain feedback prior to the Ordinary Meeting on 23rd July 2009.

Once council has advertised for the required time, and processed any submissions from ratepayers and Ministerial approval has been granted, Council can then adopt the budget. As required by the Local Government Act 1995 the budget must be adopted by August 31.

STATUTORY ENVIRONMENT

Local Government Act 1995

- s.6.32 – States that a local government, in order to make up the budget deficiency, is to impose a general rate on rateable land that may be imposed uniformly or differentially.
- s.6.33(1) – Provides that a local government may impose differential general rates according to a number of characteristics.
- s.6.33(2) – States that a local government cannot, without the approval of the Minister, impose a differential general rate that is more than twice the lowest differential general rate imposed.
- s.6.34 – States that a local government cannot without the approval of the Minister raise an amount of general rates that exceeds 110% of the budget deficiency or is less than 90% of the budget deficiency.
- s.6.35 – States a local government may impose a minimum rate that is greater than the general rate that would be applied for the land and outlines the requirements for this minimum rate.
- s.6.36 – Requires that a local government before imposing any differential general rates provides at least 21 days local public notice of its intention to do so.

POLICY IMPLICATIONS

Policy 4.9 Preparation of Budget – outlines the steps and timetable leading to the adoption of the Budget.
 Policy 4.8 Rates Calculation – outlines the steps for staff to prepare a draft budget using Local Government Cost Index (LGCI).

FINANCIAL IMPLICATIONS

After taking into consideration all other sources of income, Council is required to raise sufficient rates to meet its total expenditure. However, it is allowed to adopt a budget that has a deficit that does not exceed 10% of its rates revenue.

For the 2009/2010 draft Budget it is proposed a total of \$1,052,324.81 be raised from property and UV area rates. If this amount was raised a balanced budget could be achieved after consideration of projects under consideration.

STRATEGIC IMPLICATIONS

Nil

COMMENT

Determining the Percentage Increase for Property Rates

Factors such as the growth of the Shire, need for additional resources to meet growth demands, the rising cost of labour and materials, previous rate increases approved and a perception of the affordability of a reasonable rate increase are some of the factors taken into account when considering the percentage by which rates in the dollar and minimum rates have to be increased.

In 2007 it was adopted by Council that the basis for determining increases to rates should be the Local Government Cost Index (LGCI) as this provides a better representation of the cost of goods consumed by local government than the basket of goods used to compile the Consumer Price Index (CPI). It is argued CPI provides a good estimate of a household's expectation of the price changes (increases) to the goods and services they consume but it does not provide a good estimate of the cost pressures faced by local government. The most recent Local Government Cost Index increased 2.4% in the year to March 2009.

Consequently it is proposed the rate increase for 2009/2010 be 2.4%. This increase will allow the Shire to meet increases in labour costs, additional staff and materials.

Determining the Yield from Property Rates

The rate model run was to use the proposed rates in the dollar for 2009/2010. The results of this model provide the rate yield target for the Shire's budget. Knowing this amount allows a balanced (or close to balanced) budget to be formulated. This model provided a rate yield of \$1,052,324.81 from 463 assessments. Of this total \$1,027,922.20 is obtained from UV properties and \$24,402.61 from GRV properties.

Rate Classification	No of Properties	Minimums	Yield
Town Improved (GRV)	39	5	\$17,629.61
Town Unimproved (GRV)	13	13	\$ 6,773.00
Minning/Mining Tenement (UV)	159	43	\$853,128.48
Exploration/Prospecting (UV)	228	121	\$125,212.20
Pastoral/Rural (UV)	24	3	\$49,581.52
Total rates Yield			\$1,052,324.81
Rates	Town	2.3%	
	Pastoral	4.7%	
	Mining	93.0%	

VOTING REQUIREMENT
Simple majority

OFFICER RECOMMENDATION 1/ COUNCIL DECISION

C2009-0603 Advertising of Proposal to adopt Differential Rates

Moved Cr DP Morrissey, Seconded Cr L Hodder

That Council advertise its intention in accordance with Section 6.36 of the Local Government Act 1995 to adopt the following rates in the dollar and minimum rates for the differential rating categories specified for the 2009/2010 financial year.

<u>Rate Category</u>	<u>Basis</u>	<u>2009/2010 Rate in \$</u>	<u>2009/2010 Minimum</u>
Town Improved	GRV	7.59	225
Town Vacant	GRV	7.59	521
Pastoral/Rural	UV	7.83	225
Mining/Mining Tenement	UV	24.46	225
Exploration/ Prospecting	UV	13.08	225

Motion put and carried 4/0

VOTING REQUIREMENT
Simple majority

OFFICER RECOMMENDATION 2/ COUNCIL DECISION

C2009-0604 Application to Minister for Approval to adopt Differential Rates

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That application be made to the Minister for approval to adopt differential rating, immediately following the close of the submission period, subject to no submissions being received.

Motion put and carried 4/0

Mr N Mitchell left the meeting at 11.41am and returned at 11.42am.

11.1 WORKS

11.1.1 WORKS ACTIVITY REPORT

File: N/A
Author: Cliff Hodder, Works Foreman
Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 12 June 2009
Attachments: None

MATTER FOR CONSIDERATION

Works Report for the past month

BACKGROUND

Overview of works for the past months

STATUTORY ENVIRONMENT

None

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

CONSULTATION

None

COMMENT

- a) Construction –
All works complete for 2009-10 year
Subject to Item 11.1.3 MRWA Additional Funding, construction work on one job will need to commence before 30 June 2009.
- b) Maintenance –
- two graders in the east, generally working southwards towards the third grader on the Ninghan Road
 - the third grader to remaining in the south east of the Shire for the time being
 - maintenance grading done or underway –
 - o Gabyon-Tardie Road
 - o Wuraga Rd
 - o Yalgoo-Morawa Rd
 - o top Mellenbye Homestead Rd
 - o Badja Woolshed Rd
 - o Edah Rd
 - maintenance work due –
 - o Badja Homestead Rd
 - o Yalgoo Ninghan Rd – shoulders
 - o Thundelarra-Paynes Find Rd – including cement stabilisation of lakes crossing near Fields Find (delayed due to rain and wet conditions)
 - o Yalgoo-Ninghan Road – edges and shoulders finished, for the full length of the bitumen
 - o general maintenance throughout the Shire
 - pipes needed in Maranalgo Rd (near homestead) and some distance south of homestead
- c) Plant
- Iveco – back in operation
 - traxcavator – new belly plate

- last items needing to be done in the workshop still with TSE for repairs
- Community Bus and float required to go for inspection before re-licencing

d) Other

- 2 new houses –
 - o decks not yet complete. Not yet paid either.
- Gullewa cemetery and Wuraga gravesites also need attention
- Yalgoo Community Park –
 - o barbecues, gazebos etc ordered
 - o electrical and plumbing work arranged, just waiting on gazebo construction to finalise
 - o once this and the final landscaping done, the Park will be essentially complete, having done all planned stages in one year, due to the additional grant funding.
- One appointment for new outside crew made, and second appointment should be completed by Council meeting

e) Yalgoo Town footpaths

- budget for the project is \$80,000, being \$38,000 DPI grant and \$42,000 Council funds
- original intended length was approx. 400m, but the work has ended up being 445m, so as to connect with the footpath at the Shire Office and not leave a gap at the Highway
- in consultation with GTS, sub-contracting brought the estimated costs to approx. \$85,000, which includes an allocation of \$7,500 for Shire costs and approx. \$4,000+ contingency

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0605 Works Activity Report

Moved Cr TK Iturbide, Seconded Cr L Hodder

That the Works Report to 12 June 2009 be received.

Motion put and carried 4/0

ADJOURNMENT

The meeting adjourned for lunch break at 12.02pm and resumed at 1.01pm with all who were in attendance before the adjournment being present at the resumption.

11.1.2 DRAFT POLICY 13.3 – ROAD ASSET MANAGEMENT PRIORITIES

File:
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 7 May 2009
Attachments: p.1 Draft Policy 13.3
(yellow)

MATTER FOR CONSIDERATION

To consider a policy for the prioritisation of road works.

BACKGROUND

In September 2008, it was requested that a policy be formulated as general guidance for roadworks.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Public Works Act 1902 –

- s.86(3) – roads under the control of local governments

STRATEGIC IMPLICATIONS

Guidelines for the management of works programs

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

CONSULTATION

None

COMMENT

Resolution C2008-0906 was –

That the CEO to prepare a policy to classify each Shire controlled road according to usage and appropriate maintenance standard for consideration by Council.

Over the past 12 months or so there has been criticism of the standard of road maintenance particularly through the Shire.

In considering the work undertaken, there are a range of factors that must be taken into account, which include –

- i) the additional works required when supplementary grant funding is made available, which invariably has required timeframes that must be met if the funds are accepted
- ii) storm and flood damage to roads, which have required significant amounts of time to rectify
- iii) turnover and skill levels of staff, as turnover is higher than in many Shires, and new employees have often had only limited experience

Points (i) and (ii) above can be resolved by using contractors to do the work, and this has occurred more in the past year, by using contractors for maintenance grading while the crew is busy elsewhere.

Over the past 3-4 years, it is estimated that nearly 12 months “normal” work time has been lost to the crew due to storm / flood damage and additional construction work funded by grants, in projects such as –

- in June 2007, the crew had been working almost full time on storm damage repairs for about 4 months, and continued to do so for another 3 months or so
- since then, there has been 2 further storm damage claims made
- supplementary funding from Roads to Recovery has been received at least once
- Council has just accepted further additional unexpected funding from Regional Roads Group for the Yalgoo-Ningham Road

Point (iii) is far more problematic, as there is difficulty in attracting and retaining staff due for a number of reasons –

- Yalgoo is a remote and very small community, with very few services. People are increasingly looking for employment possibilities for family members, recreational opportunities, and are making lifestyle choices.
- the Shire is unable to compete with the wages being paid in the mining and contracting industry, even in the current difficult economic climate. When all overtime and allowances are taken into account, the average income for a works crew member is in the order of \$47,000 to \$53,000 or about half to two thirds of the mining industry. One Shire not too long ago, advertised for a roller operator with a cash salary of \$80,000.
- even in these current time of increasing unemployment, the number of applications are fewer than in other Councils. Two vacancies were advertised recently, with 11 applications received, of which only 4 had reasonable level of grader experience.

The draft policy does not answer the criticisms or provide solutions for these issues. It does, however, provide guidance for the times there are multiple pressures and demands made on the works crew.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0606 Draft Policy 13.3 Road Asset Management Priorities

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That the Draft Policy 13.3 Road Asset Management Priorities, as attached, be adopted and included in the Policy Manual.

Motion put and carried 4/0

11.1.3 MRWA ADDITIONAL FUNDING – Yalgoo Ninghan Road

File:
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 10 June 2009
Attachments: None

MATTER FOR CONSIDERATION

To consider acceptance of additional funding for the Yalgoo Ninghan Road.

BACKGROUND

Each year, the Regional Roads Group allocates any surplus funding to the road next highest on their list of priorities.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Public Works Act 1902 –

- s.86(3) – roads under the control of local governments

STRATEGIC IMPLICATIONS

Additional work on the Yalgoo Ninghan Rd to

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

50% matching funding required from Council in 2009-2010 Budget

CONSULTATION

Anna Sutherland, MRWA Geraldton

COMMENT

As advised verbally at the May 2009 meeting, MRWA has advised that \$89,640 has been returned to them, and as the next highest unfunded or partially funded project for the 2008-2009 year, Council has been offered \$65,071 to be matched by \$32,536 by Council for a total additional project funding of \$97,607.

The project is to be “reform and resheet” and it is proposed that this be on the section immediately south of where the recently completed works connected with a passing opportunity near Thundelarra homestead.

The total project of \$97,607 should be sufficient do a further 2.5 km approximately.

Part of the conditions is that work must commence in June 2008-09 year. As an unbudgeted project, it requires an absolute majority to approve the works commencing.

Works done this year will be funded by grant, with Yalgoo’s contribution being budgeted for in 2009-2010.

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0607 MRWA Additional Funding

Moved Cr DE Anderson, Seconded Cr L Hodder

That the additional project to reform and resheet approx. 2.5 km on the Yalgoo-Ningham Road be approved, with funding being –

- additional RRG grant funding of \$65,071, and
- Shire matching funding of \$32,536

Motion put and carried by Absolute Majority 4/0

Mr CF Hodder left the meeting at 1.12pm.

11.2 DEVELOPMENT

11.2.1 TENDER 2009-01 – Architectural Services (Recreation Facilities)

File: T5 2009-01
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 3 June 2009
Attachments: p.8 Tender Bureau Service – Specifications for tender
(yellow) p.27 Tender Bureau Service – Report on Tenders received
p.39 Minister for Regional Development – Country Local Govt Fund
p.40 Dept of Infrastructure, Transport, Regional Development and Local
Government – Application for \$2M declined

MATTER FOR CONSIDERATION

Consideration of tenders for the provision of architectural services for the design of recreation facilities.

BACKGROUND

The calling of expressions of interest was authorised at the November 2008 Council Meeting (Res. C2008-1120), advertised in the West Australian on 29 November and 6 December 2008, and in the Geraldton Guardian on 1 and 3 December 2008. Expressions of interest closed at 4.00 pm 12 January 2009.

EOIs were considered at the February 2009 Council Meeting, and a shortlist of three selected for tender –

- Alexander Planning Services
- Donovan Payne
- Eastman Poletti Sherwood

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.57 – calling of tenders

Functions and General Regulations –

- r.11 and following – requirements to call tenders where value is over \$100,000
- r.21 – requirements for calling expressions of interest
- r.23 – choice of tenderers from expressions of interest

STRATEGIC IMPLICATIONS

Provision of service for the design and/or contract supervision etc.

POLICY IMPLICATIONS

Purchasing Policy – goods and services over \$100,000

FINANCIAL IMPLICATIONS

Cost of services

CONSULTATION

None

COMMENT

Process to date

In accordance with the resolutions of the February 2009 Council Meeting, WALGA Tender Bureau Services (TBS) was engaged to prepare the specifications, send to the selected tenderers, assess the responses, and provide a report to Council.

Tender specifications were provided in accordance with the Local Government Act and Regulations, closed at 4.00pm Monday 12 January 2009, and were opened by TBS on Monday 12 January 2009.

Tenders were received from –

- Alexander Planning Services
- Eastman Poletti Sherwood

Donovan Payne did not provide a tender, nor any reason for not submitting a proposal.

Tender Report

The Tender Report decision is –

DECISION

The Evaluation Panel recommends the appointment of Alexander Planning Consultants as providing the most advantageous tender to the Shire of Yalgoo based on the assessment of the Compliance Criteria, Qualitative Criteria and Pricing structures offered.

The Evaluation Panel recommends that the Chief Executive Officer be given delegated authority to award the Tender to Alexander Planning Consultants subject to clarification and negotiation of the following:

- *The Insurance level of Professional Indemnity;*
- *The sustainability of the facility is conducted prior to the adoption of any final design and construction;*
- *The Shire of Yalgoo Council approve each stage of the Works dependant upon sustainability and funding availability;*
- *Adequate funding is available to conduct each stage of the Works;*

In discussion with TBS, they expressed concern about the sustainability of the project, with such a small population and user base – note dot point 3 of their Decision.

In conversation regarding a different matter, the same concerns were informally expressed by DLGRD.

Obligations to Tenderers

Obligations to the tenderers fall under two areas – legislative and specifications –

Functions and General Regulations –

- r.11 (1) – tenders must be called where the value is expected to be more than \$100,000
 - o (1) from the EOI, it was likely that fees would exceed this amount
- r.11 (2) – tenders do not have to be called if the supply is to be obtained through the Council Purchasing Service of WLGA
- 1.18 – choice of tender –
 - o consideration, rejection, clarification of tenders
 - o Council may decline any or all tenders
- r.20 – minor variations may be negotiated with successful tenderer
 - o *“minor variation” means a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply*

Specifications –

- the scope identified that a swimming pool and covered courts were being sought
- provision was made for minor variations to be made by agreement as part of the lump sum fee, or additional work at the quoted hourly rates
- the tenderers made their submissions on the basis that this was the anticipated minimum scope of work required.

Historical Directions and Intentions

For many years, a swimming pool has been an aim of the community and a project that Council has been working towards. The desire and benefits of a pool have been repeatedly identified in studies such as that conducted by ABV Leisure, and also by Peter Kenyon.

In November 2008, Council was asked –

- a) Is it the intention of Council to build a facility?

Economically, construction of such a facility will be a financial disaster. It will cost the Council and therefore the community a great deal of money to construct, and then to maintain (more importantly). This cost is either directly through rates or indirectly through grants income having to be spent maintaining the facility, rather than directed to roads, or other facilities.

Construction funding –

- may be available from developers in the area, and although no commitments have been given, preliminary discussions appear supportive
- the Shire is eligible for a 43% grant through the Community Sporting and Recreation Facilities Fund, but as it is a competitive process there is no guarantee of funding. Typically, CSRFF is able to fund only one third of the value of bids made, i.e grants of \$9 million in response to bids totalling \$27 million or so
- grants may still be available through DITRDLG (previously DOTARS) however, they are tied to population, and from memory, Yalgoo would be eligible for about \$180-\$200,000. All funding through DITRDLG is currently on

hold, pending the establishment of Regional Development Australia (replacing the Area Consultative Committees) and the development of new funding programs by the Federal Government through DITRDLG, if any.

Without very large contributions from private industry, Council would need to fund an estimated \$3.3 million for the proposed project as is.

It will not generate much at all in the way of income. It is strongly recommended that entry to the pool is not free, but that an appropriate fee for the community be charged. Many pools charge \$3 +/- for entry, however, for Yalgoo, entry fees of 50 cents for children or \$1 for adults may be more appropriate. A rough estimate of income –

\$ 4,125	Pool – 25 children at 50c, 15 adults at \$1 per day, 5 days a week for 30 weeks
4,125	Court – very optimistically, same as for pool
2,000	Ancillary (meeting room, gym, crèche etc) – (a blue sky guess)
<u>3,000</u>	Government swimming pool subsidy for one year
13,250	
10,000	through the HCP program
?	subsidies from mining companies etc

Despite the large improvements in fitness, ability to concentrate, general health, behaviour etc, both the Health Department and Education Department have advised that they will no longer assist with construction costs, or subsidise maintenance expenses for remote pools.

However, the decision cannot be solely a pragmatic economic rationalist one, as the social benefits of a facility are enormous. The various benefits have been outlined on numerous occasions, and include –

- no school no pool
- significant verifiable health outcomes, particularly for children if a pool is built
- improved fitness for children and adults
- reduced boredom through improved recreational opportunities etc.

The time is fast approaching when Council needs to make a commitment to the proposal or to abandon it. At the moment, many people seem to be unclear as to how committed Council is to the proposal.

There is significant demand in the town for a pool; however, this is actually a very small population base for a very large investment. Use of any facilities by patrons from outside of town, is likely to have negligible impact on numbers, income or expenditure.

Council can continue to hold off on committing to the project, awaiting future certainty of an influx of population to the town from mining, but such a commitment may still be some years away. The options appear to be –

- continue in a holding pattern until mining village development in town is certain
- proceed without that certainty, but make provision in the plans for such a development
- cancel the project

Although an expensive process, development of architectural drawings for the project is a way of continuing on hold, and will be needed if the project proceeds. However, it does loudly imply to the community, that Council is committed to the project going ahead. If the project is not to proceed, it would be kinder, and much cheaper to put it to rest now.

Although it would not be beneficial to Yalgoo community, it would actually be much cheaper to employ a bus driver, and do two trips each day to and from Mullewa swimming pool, and subsidise the entry of Yalgoo people into the bargain. This is not a recommended option.

- b) If the project does go ahead, will it be staged, and if so, which section is the priority?

Whatever design or staged development that may be decided on, the administration offices, first aid room and any other requirements that could possibly be shared, need to be, and planned accordingly. The current preliminary sketch design does not provide for this. Essentially, the complex can be divided into three components –

- swimming facilities
- indoor court facilities
- support areas (meeting room, gym, crèche etc)

While not an urgent decision at this time, some indication from Council as to priority of stages for development would be useful. Given that the constant request for facilities is for a pool, and that court facilities do exist, although outside and not in top condition, it is suggested that priority should be given to the development of a 6 lane, 25 metre pool. Provision

should also be made for it to be roofed so as to become an indoor pool at some future date, should the demand/need arise.

As noted, there are existing court facilities that can be used. The experience of a number of towns is that a swimming pool is one of the major contributors to improvements in child health, school attendance and therefore educational improvements and behavioural improvement generally. Passive and active recreation activities are possible. Refer to the research done by Dr Fiona Stanley, Health Dept and others for communities such as Wiluna and Jigalong.

The difficulties of operating a pool should not be underestimated –

- as a rough guess, a pool alone will cost in the order of \$150-\$200,000 per year to operate
- this does not include funds being set aside for future maintenance, upgrade or replacement
- compliance with some fairly onerous and tough Guidelines (which are mandatory by Regulation)
- attracting and retaining qualified pool staff, and the inevitable backlash that will occur when the manager leaves and the pool has to be closed due to lack of qualified staff

Despite these issues, it is considered that the pool should be the priority over an indoor court area.

Financial position

Currently, the Recreation Facilities Reserve balance is \$55,496, with a Municipal Budget expenditure allocation of \$60,000 for development.

Development of a proposal for recreation facilities and all associated expenses, such as architectural fees, does fall within the criteria of the Country Local Government Fund (Royalties For Regions) Program. This matter is the subject of a separate report to this Council meeting.

As resolved, the approval of the Minister for Regional Development was sought to place the full amount of the CLGF grants to Yalgoo over the next 4 years to be placed to a Reserve specifically for the construction of recreation facilities, subject to appropriate safeguards to be agreed. The Minister has declined to approve the request. Accordingly, the CLGF monies can be spent on projects already within Council's future planning, but not yet commenced, and an equivalent amount Council's own funds put to Reserve.

As the Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG) has declined the application for funding of \$2 million for the proposed facilities, this means that the anticipated \$2.2 million of CLGF grants over the next 4 years are only about 50% of the total project estimated cost.

Grants through the Community Sporting and Recreation Facilities Fund will be essential for the projects capital costs.

Yalgoo is eligible for 43% funding under the CSRFF due to isolation, demographics etc. On a notional project cost of \$4M, this would amount to \$1.72M. Combined with the \$2,009,000 CLGF grants, this would still leave a shortfall of an estimated \$271,000.

It should be noted that the CSRFF is competitive funding, and is chronically over subscribed, usually by about triple the funds available.

Accommodation for a pool/facility manager would also be required, and is estimated at \$400,000 in 2009-2010, as indicated by tenders called earlier this year.

Accordingly, the capital or construction cost shortfall for the facility and required accommodation is estimated at a minimum of \$670,000. An allowance for inflation would also need to be added.

Operational funding

Operational funding is roughly estimated at \$150,000 per year for –

- staff (1.3 FTE) salaries and wages, including overtime etc	90,000
- chemicals and other consumables	9,000
- power and water	12,000
- building and grounds maintenance	10,000
- plant and equipment maintenance	15,000
- allowance / other	<u>14,000</u>
estimated total	150,000

Life Cycle Costing / Asset Management Planning

In addition to operational funding, Council would need to allocate a significant amount to Reserve, every year, without fail, to cover necessary upgrade of the facility, major maintenance/refurbishment etc, in 15-20 years time.

Even after refurbishment or upgrade the transfer to Reserve will need to continue. The transfer should only be discontinued if the facility is demolished.

It is suggested that the minimum annual amount should be calculated as being the historical cost for the construction of that proportion of the facility divided by the number of years of useful life.

- swimming pool – cost of \$3.2 million over 25 years or \$128,000 per year, plus
- court facilities – cost of \$800,000 over 15 years or \$53,000 for pool and courts
 - o Total annual cash transfer to reserve of \$181,000

These transfers need to be in addition to any interest earned on investment of the reserve. In effect, the interest earned will offset at least part of inflation, but will not establish the base capital funding needed.

Summary of costs

Estimated construction cost	4,000,000	
CLGF grants funds – maximum		2,009,000 (max.)
CSRFF 43% grant – if approved in total		1,720,000 (max.)
(Shortfall in facility construction costs)		(271,000)
Pool manager’s residence	400,000	
(Shortfall in facility and associated construction costs)		(671,000)
Operational costs	150,000 + per year	
Operational income (pool only)		7,000 per year
Transfer to Reserve – minimum (pool only)	130,000	
Transfer to Reserve – minimum (full facility)	180,000	
(net annual cost – pool only)		(273,000)
(net annual cost – full facility)		(323,000)

Future of the Mining Sector

The events of the past 12 months are clear evidence of the instability of the mining sector from year to year – there is no guarantee that a mining company will come, that they will be prepared to contribute, or that they will be long term in the area. Over the long term, the future of the mining sector is assured, but there can be short-term major fluctuations.

I believe that it is important that Council plan, fund, construct, and operate any facility as if there is no external subsidy from any source. Should funding become available, this needs to be treated as windfall money, and should not be critical to the success or operation of the facilities.

In effect, if Council cannot afford the project from existing guaranteed sources (rates, Financial Assistance Grants etc), then the project should not proceed.

Cue Water Playground

Information from the Shire of Cue regarding the construction of their new water playground facility, built by Water Features by Design, and its operational costs have been sought. Peter Money, CEO Shire of Cue, has advised that –

- the construction was approx. \$250,000 (next lowest tender was \$330,000)
- estimated annual running costs of \$10,000
- has been enormously well received by the children of the town with quite a few adults also using it on hot days
- no pooling of water – immediate run off into drains for treatment and recirculation
- operational from 6.00am to 9.00pm
- operation is by push of a button which runs the various items through a 15 minute cycle
- no manager – open and unfenced, but looking at low fencing to keep dogs out

Cue’s process was largely managed by their Project Officer, who may be available to co-ordinate or assist with design, suggestions etc for Yalgoo. From their experience, there has been quite a few minor changes that could be made to improve initial operations, maintenance and general usability.

While not previously eligible for Dept of Sport and Recreation grants, water playgrounds are now accepted for consideration.

Moving forward

As noted in comments above, Council has reached the point where there needs to be some difficult decisions made.

1. Swimming Pool

On the figures and estimates to date, Council cannot afford to build a swimming pool, regardless of the level of community demand. It will only become affordable when –

- all capital funding is in hand or secured
- operational funding is heavily subsidised by a long term agreement, preferably enforceable, and
- there is significant funds held in Reserve for future upgrade, refurbishment or replacement.

It is suggested that a water playground facility be pursued, with the view to having it operational by October/November 2010.

The facility should be designed in such a way, that future funding for a swimming pool construction, operation and asset lifecycle provision is assured, the components of the water playground can be incorporated into the pool design and layout.

Accordingly, it is suggested that all tenders be declined, as a change of scope from Swimming pool to water playground is a major change of intent, and could not be considered a minor variation.

Although the cost of a playground would exceed \$100,000, tenders may not have to be called, as there are several providers of playground equipment already in the CPS preferred supplier list –

- Miracle Recreation Equipment
- Playright

These two firms may have in-house design capabilities, so architectural services may not be required.

2. Court facilities

The current court facilities are in poor condition, often unsuitable for use during the day or late afternoon due to sun and angle. A fully enclosed facility remains prohibitively expensive at this stage, and a covered court area, with louvers to the upper portion of surrounding walls and lighting for night use is therefore suggested.

Roofing, semi enclosure by louvers and reliable lighting would enable the courts to be much more frequently and extensively used.

The cost to design, document and contract administration, based on the responses to tenders would be substantially under \$100,000, and tenders would therefore not need to be called for the design phase, but would still be required for the construction.

As the lowest tenderer, it is suggested that Alexander Planning Service be engaged for this aspect.

3. Funding

Council does not have sufficient funding guaranteed for construction, future refurbishment or on-going operation of either a swimming pool or enclosed court area.

It is suggested that –

- grant applications for construction of a swimming pool and enclosed courts still be pursued on the basis architect's estimates
- preliminary planning proceed on this basis, but full architectural drawings not be commenced,
- consideration not be given to construction of a pool or enclosed courts until such time as all construction funding is firmly committed or in hand,
- construction does not commence until such time as a minimum 50% of the estimated replacement cost of the swimming pool or enclosed courts, as appropriate, is actually held in reserve or secured by enforceable agreement.

It is recognised that some of these suggested requirements are circular – there needs to be some continuing consideration if there is to be an accurate estimate of construction cost each year, so as to determine the necessary Reserve level before construction commences.

A Reserve fund of \$2 million, being 50% of the current estimated cost of a pool and covered court facility, will accrue approx. \$1 million in interest when invested over 10 years. A Reserve Fund of this size should ensure that there is not undue impact on rates, or reduction in services due to less funding being available.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 1/ COUNCIL DECISION

C2009-0608 Alteration of the Scope of the Project

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That the current scope of the project be altered to –

- a water playground facility, to be designed in such a way that components can be incorporated into a swimming pool complex if constructed in the future, and
- a covered court area, with provision for future enclosure and possible ancillary rooms such as gym, crèche etc

as the construction, operational and refurbishment costs are currently beyond the capacity of the Community to meet.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 2/ COUNCIL DECISION

C2009-0609 All Tenders Declined

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That, in view of the altered scope of the project, and as the variation could not be considered minor, as per the Functions and General Regulations r.20, that all tenders be declined, and the tenderers advised of the reasons for not proceeding.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 3/ COUNCIL DECISION

C2009-0610 Grants for Water Playground and Covered Courts

Moved Cr DE Anderson, Seconded Cr TK Iturbide

That –

- grants for the construction and operation of a water playground and covered court area be pursued,
- grants for the construction and operation of a swimming pool and enclosed courts facility as a long term aim, continue to be pursued.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 4/ COUNCIL DECISION

C2009-0611 Design and Costs of Water Playground

Moved Cr DP Morrissey, seconded Cr L Hodder

That information be sought regarding the costs and possible designs for a water playground from

- **Miracle Recreation Equipment**
- **PlayRight**
- **Water Features By Design**

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 5/ COUNCIL DECISION

C2009-0612 Design etc for Covered Court Facilities

Moved Cr DP Morrissey, Seconded Cr DE Anderson

That Alexander Planning Services be engaged for the design, documentation and contract administration for a covered court area, subject to the terms, conditions etc being generally in accordance with the tender declined.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 6/ COUNCIL DECISION

C2009-0613 Future Swimming Pool – No consideration until funding is secured

Moved Cr DE Anderson, Seconded Cr TK Iturbide

That –

- **consideration not be given to construction of a swimming pool or enclosed courts until such time as all construction funding is firmly committed or in hand, and**
- **this decision be incorporated into future strategic planning for the Shire.**

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 7/ COUNCIL DECISION

C2009-0614 Future Swimming Pool – Reserves to be held prior to Construction

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That –

- **once capital funding is fully secured, construction does not actually commence until such time as a minimum 50% replacement cost of the swimming pool and enclosed courts is actually held in Reserve specifically for replacement or refurbishment of the facilities, or the funds necessary secured by enforceable agreement, and**
- **this decision be incorporated into future strategic planning for the Shire.**

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 8/ COUNCIL DECISION

C2009-0615 Water Playground and Covered Courts – Construction Funding

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

**That the Shire's portion of funding for the water playground and covered courts facility be from the 2009-2010 and 2010-2011 allocations of the Country Local Government Fund (Royalties for Regions).
Motion put and carried 4/0**

11.2.2 FaHCSIA – Gaps and Needs Analysis

File:

Author: Niel Mitchell, CEO

Interest Declared: No interest to disclose.

Date: 11 June 2009

Attachments: p.42 Minister for FaHCSIA – re funding
(yellow) p.43 Yalgoo HCP Into the Future – Terms of Reference

MATTER FOR CONSIDERATION

To note the engagement of a consultant to research needs and gaps in children's and family services in Yalgoo.

BACKGROUND

The Healthy Community Program has to date been funded by FaHCSIA under the Indigenous Children's Program.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

STRATEGIC IMPLICATIONS

Direction for HCP whether administered by the Shire or by other organisation.

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Consultancy costs estimated at approx. \$5,000 – met through the FaHCSIA program

CONSULTATION

Brianna Higgins, Senior Project Manager, FaHCSIA
Rosemary Cant, Social Systems and Evaluation
Cr Anderson, Shire President

COMMENT

In the 4-5 years of operation to date, the HCP has been funded through FaHCSIA's Indigenous Children's Program. The Minister, Hon. Jenny Macklin MP, has announced that the ICP is to be discontinued and the principles integrated into a new Family Support Program. Funded organisations with continuing projects have a transition period, but new projects must comply with the new guidelines as from 1 July 2009. In discussion with Sister Mary Ryan of CentaCare Geraldton, the change from ICP to FSP fits their purposes and goals well.

As Council has approved in principle, the possibility of an external organisation taking over the children's services aspect of HCP, this would be an appropriate time to review the needs and gaps of the community, not just of children's services.

The Combined Universities Centre for Rural Health, in Geraldton, has carried out several consultancies over the past 12-18 months for the Shire, most recently, a full evaluation of the HCP over the previous 4 years, as required by FaHCSIA contract.

This consultancy, is broader than only children's services, and looking at family support needs, and is focussed on future directions so as to meet the guidelines and requirements of the new program. Grant funding commitment from the Minister for \$174,720.

In discussion with Brianna Higgins of FaHCSIA, a number of possible consultants were discussed. She advised that the professionalism of Social Systems and Evaluation is well regarded, as they have specialised in researching at communities, their needs, sustainability, and recommended programs for development. SSE are also in the final stages of a similar needs and gaps investigation for the whole of the Mid West Region, and have undertaken research on a very wide range of issues involving communities over the years (refer www.sse.com.au).

Terms of reference have been developed in consultation with Ms Higgins, and forwarded to SSE for a quote prior to their engagement.

Funding for the consultancy is under the HCP using FaHCSIA grant funding, and their final grant payment for 2008-2009 is due shortly.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION

That the engagement of Social System and Evaluation for a needs and gaps analysis of Yalgoo community at an estimated cost of \$5,000 and funded by FaHCSIA be endorsed.

COUNCIL DECISION

C2009-0616 Engagement of a Consultant

Moved Cr DE Anderson, Seconded Cr TK Iturbide

That the engagement of a Consultant for a needs and gaps analysis of Yalgoo community at an estimated cost of \$5,000 and funded by FaHCSIA be endorsed.

Motion put and carried 4/0

REASON FOR VARIATION

Social Systems and Evaluation not yet engaged as consultants fee is yet to be finalised.

11.3 FINANCE

11.3.1 Deputy CEO – ACTIVITY REPORT – Month of May 2009

File: N/A
 Author: Violet Rowel, Deputy CEO
 Interest Declared: No interest to disclose
 Date: 9 June 2009
 Attachments: None

Investments

Fund	Institution	Invested	Due	Interest Rate %	Amount Due	Govt guarantee
Municipal	NAB	varying		Up to 3%		Yes
Reserve	Suncorp	1,003,416.44	25 June 2009	4.25	1,006,687.85	Yes
	Suncorp	401655.24	25 June 2009	3.55	402,749.06	Yes

Comparative investment rates

NAB Cash Maximiser	3.00
Bankwest	3.07
WA Treasury	3.02
Macquarie Bank	3.00

Ranger duties

- Ranger visited 16th May 2009
- Patrols conducted
- Attended Wuruga Dam – baiting for reported Rottweilers roaming

2009/2010 Budget

Draft budget's will be mailed to Councillors towards the end of this month.

Meetings

- Simon Burns, Golden Stallion 3rd June 2009
- Sister Mary Ryan, Centrecare 9th June 2009

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0617 Deputy CEO – Activity Report

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That the Deputy CEO's Activity Report to 9 June 2009 be received.

Motion put and carried 4/0

11.3.2 FINANCIAL ACTIVITY STATEMENTS – MAY 2009

File:
Author: Violet Rowe, Deputy Chief Executive Officer
Interest Declared: No interest to disclose
Date: 12 May 2009
Attachments: None
Finance (green) p.1 Financial Activity Statements for April 2009
p.21 Balance Sheet
p.27 Income Statement Detail
p.37 Income Statement by Nature & Type
p.38 Income Statement Summary by Program
p.48 Material variances

MATTER FOR CONSIDERATION

Council to consider adopting the monthly financial statements for May 2009.

BACKGROUND

Amendments to the Local Government (Financial Management) Regulations 1996 that were gazetted on 20 June 2008 and became effective from 1 July 2008 have resulted in regulations 34 and 35 relating to monthly financial reports and quarterly/triennial financial reports being repealed and substituted with a new regulation 34. The new regulation 34 requires that local government report on a monthly basis and prescribes what is required to be reported with the intention of establishing a minimum standard across the industry.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 6.4–Specifies that a local government is to prepare such other financial reports as are prescribed.

Local Government (Financial Management) Regulations 1996

Regulation 34 states:

(1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d) for that month in 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);
- (b) budget estimates to the end of 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);
- (e) the net current assets at the end of the month to which the statement relates.

Sub regulations 2, 3, 4, 5 and 6 prescribe further details of information to be included in the monthly statement of financial activity.

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Reports showing year to date financial performance allow monitoring of actual expenditure, revenue and overall results against budget targets.

CONSULTATION

None

COMMENT

A copy of the Statement of Financial Performance is attached to this item including additional information that council deemed appropriate to receive.

The area's where material variances have been experienced, i.e. either 10% or \$5000 above or below budget, are commented on in attachment C4.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0618 Financial Activity Statements – May 2009

Moved Cr DP Morrissey, Seconded Cr L Hodder

That Council adopt the financial statements and material variances for the period ending 31 May 2009, as attached.

Motion put and carried 4/0

11.3.3 ACCOUNTS PAID DURING THE MONTH OF MAY 2009

File: N/A
Author: Violet Rowe, Deputy Chief Executive Officer
Interest Declared: No interest to disclose
Date: 8 June 2009
Attachments
Finance: p.39 listing of accounts paid
(green)

MATTER FOR CONSIDERATION

Authorisation of accounts paid during the month of May 2009

BACKGROUND

Accounts paid are required to be submitted each month.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996
Reg 13(1)–Requires that where the Chief Executive Officer has delegated power to make payments from the Municipal or Trust funds a list of accounts paid is to be prepared each month.

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Payment from Council's Municipal Account

CONSULTATION

None

COMMENT

Payments made during the month of May 2009 as per attached schedule.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0619 Accounts Paid During the Month of May 2009

Moved Cr DE Anderson, Seconded Cr L Hodder

That:

- 1. The Cheque Detail of payments covering vouchers EFT 1-38 totalling \$114,910.49 paid during the month of May 2009, be received;**
- 2. Cheque payments covering cheque numbers 11098- 11132 totalling \$9555.62 paid during the month of May 2009, be received; and**
- 3. Salaries and Wages totalling \$49,203.62 paid during the month of May 2009, be received.**

Motion put and carried 4/0

11.3.4 DIFFERENTIAL RATING 2009/2010

Dealt with prior to Item 11.1.1

11.3.5 FINANCIAL MANAGEMENT REVIEW

File:
 Author: Niel Mitchell, CEO
 Interest Declared: No interest to disclose
 Date: 8 June 2009
 Attachments: p.48 Auditors Report – Financial Management Review

MATTER FOR CONSIDERATION

To consider the Auditors Report of the Financial Management Review carried out in February 2009.

BACKGROUND

A Financial Management Review is required to be carried out at least every four year. The last FMR was done by UHY Haines Norton in June 2004.

STATUTORY ENVIRONMENT

Financial Management Regulation –
 - r.5 (2)(c) and Financial Management Review must be carried out at least ever 4 financial years.

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

CONSULTATION

None

COMMENT

The Financial Management Review is required every four years. As an Interim Audit and 2 special reports had been requested from the auditors, they were asked to carry out the FMR at the same time.

As Section 3 of the FMR Report is a summary of recommendations of Section 4, the CEO comments refer to that Section 4 to 23.

Ref	AMW comment summary	CEO comment
4.1	Outstanding bank reconciliation items	Closer attention to be paid to outstanding cheques, however, unpresented cheques are not legally stale until 12 months after issue. At month end, there should not be any unresolved deposits, receipts, journal entries etc.
4.2	Bank reconciliation reports – records and signing off	Noted and had been already implemented in September 2008
5.1	Debtor account control reconciliation	Noted
5.2	Long outstanding debtors	These are monitored closely, and as noted the bulk are rates. The DEC invoice noted, has been the subject of discussion with them for some months due to changeover of their staff (payment in lieu of rates) General debtors (excluding rates) rarely need referral to debt collectors as per policy. Rates outstanding have now been reviewed, reminder and instalment letters sent and where necessary referred to debt collectors.
5.4	Accounts receivable sub-ledger	With Quickbooks, it is not sufficient to receipt income to the specific debtor, it must also be allocated against a particular invoice. Should the incorrect receipting program be used, and a slightly different name entered, there is no prompt to use the correct procedure. To be monitored regularly

6.1	Authorisation of EFT transactions	While the process recommended by the auditors would be simpler and faster, the decision has been made to stay with individual print-outs and authorisation for greater control and awareness of payments. It may seem a lot of extra work, but in fact it is no more than what is normally done for the issue of a cheque.
6.2	Invoices - allocations to accounts	Noted. Where able, greater detail is now being put on office copies of purchase orders issued.
7.1	Employee Reimbursements	Noted, and improvements implemented
7.2	Payroll prepared	Unfortunately, with such a small staff, there is very limited opportunity for second or third people to be trained. At the time in question, Hayley was the only staff member familiar with the Quickbooks system, as the Deputy CEO had only commence recently and the PA (experience in Wiluna) had not yet commenced. Noted, but there will be times it is unavoidable.
7.3	Employee advances	No advances are being made in cash, but if necessary will be done by EFT, subject to authority to deduct from the employee's next pay. Since January 2009, cash advances have been requested several times, declined on each occasion, and made by EFT only once when it was realised that it would take 24 hours to clear.
7.4	Employee Files	To be attended to, and improvement to be made. HR consultant advice regarding recommended sections obtained.
7.5	Employee housing contracts	Currently being rectified
8.1	Rate notices	The current rate notices have been in use for several years, but the requirement to notify that alternative arrangements to instalments may be made, has always been a part of the Local Govt Act. New rate notices to be printed including the statement omitted.
8.2	Rates sub-ledger reconciliation	Two rates systems are used – - Rates on Line which gives the required details and prints the required information on the rates notice - debtors account in Quickbooks Reconciliation of the two is required more frequently.
9	Fees and Charges	Noted
10	Cost allocations	Noted
11	Administration allocations	A full review of the administration allocations has been completed (together with PWO rates) and will apply from for 2009-2010 Year.
12.1	Public Works Overheads and Plant Allocations	We have been aware of major deficiencies for some time, in calculation of the public works overheads rate, employees not having PWO allocated against their salaries, and in the calculation plant operation cost rates etc These matters are now corrected, with some very substantial increases in allocation rates. For example, until March 2009, the PWO rate was 60%, and had not been applied to all employees. After advice from UHYHN, the DCEO made a journal entry to clear the account to \$0, and the PWO rate was increased to 80% which was felt to be adequate, but had not been able to be verified in detail. In preparation for 2009-2010 Budget, the whole process was closely scrutinised, several employees noted with either the incorrect or 0% rate, and the allocation rate will be lifted to 136%. Similar effort has been put to the plant operation costs, with some quite large variations on what was expected, both up and down.
12.2	PWO verification	Note comments previous. Further work is needed to improve the processes, as the current system is relatively complex and should be able to be simplified.
13	Purchase orders – price and allocation to be written - use of separate books? - unmatched orders	Noted, and price and allocation being written where able. With only two frequent signers of purchase orders, separate books are not considered necessary To be followed up
14	Job Costing	Noted, but considered that extensive simplification can be made
15	Minutes of Meetings	Noted
16	Material Variances Reporting	Policy now adopted and reporting as directed
17	Budgets	Noted

18	Plan for the Future	Other than omitting the statement of opportunity for elector involvement, it is considered that the Plan for the Future complies with legislation. A new Plan for the Future is due to be prepared in 2009-2020, as required by the LG Act, being 2 years since the adoption of the previous Plan.
19.1	Register of Delegations	Inaccuracies noted for correction in the next Delegations Review due in November 2009
19.2	Tender Register	Errors noted, and corrections to Tender 2007-09 made
19.3	Annual Returns	Issues regarding dates, and signing before year end noted.
20	Private Works	Private works are not common, and we have actively avoided them where possible over the past 2 years, due to the crews workload. Current processes require improvement, despite auditors finding no issues
21	Policy Manual - Plant Replacement - Stocktaking of Fixed Assets	Noted – - Plant – the specific items are currently considered each year during the budget process, however, the general principles of both when an item should be considered, as well as maintenance of the Reserve Account need to be addressed - Fixed Assets – to be investigated and recommendation made to Council
22	General Ledger Chart of Accounts	Despite Auditors comments, major simplification, and elimination of duplicate accounts is needed, as is improved consistency for accounts within the sub-programs
23.1	Accounting Instruction Manual	Noted The issues of constant turnover and change will always plague the Shire, and a Manual would be of great assistance to ensure thoroughness and consistency. Neither the Auditors nor UHYHN are aware of any Shire they do work for that have one, and it seems to be a document popular in concept but scarce in actuality.
23.2	General Journals	Noted and implemented
23.3	Cash on Hand - float and waiting banking - banking - processes and forms	- the two cash on hand are now separated, individually reconciled and held in separate custody - being done more frequently - fully reviewed and changes implemented as noted in separate report
23.4	Fuel	- processes fully reviewed and changes implemented as noted in separate report - number of cards to be reduced from 23 to 7, each to be held in the custody of a specific person, and the system altered so that signature is required when used.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0620 Financial Management Review

Moved Cr DE Anderson, Seconded Cr DP Morrissey

That –

- **the Financial Management Report of the Auditors be noted, and**
- **the comments of the CEO be received.**

Motion put and carried 4/0

11.3.6 DRAFT POLICY 2.5 – LAND UNDER ROADS

File:
Author: Violet Rowe, Deputy Chief Executive Officer
Interest Declared: No interest to disclose
Date: 8 June 2009
Attachments: p.73 Draft Policy 2.5
(yellow)

MATTER FOR CONSIDERATION

Council to consider resolving that the value of land under roads acquired before 1 July 2008 not be recognised.

BACKGROUND

The Australian Accounting Standards Board 1051.8 (AASB 1051.8) Land Under Roads acquired on or before 30 June 2008 in Western Australia need not be recognised, however the Council must make an election to indicate this.

STATUTORY ENVIRONMENT

Accounting Standard AASB 1051 Land Under Roads, Section 8

8. *An entity may elect to recognise (including continue to recognise or to recognise for the first time), subject to satisfaction of the asset recognition criteria, or not to recognise (including continue not to recognise or to derecognise) as an asset, land under roads acquired before the end of the first reporting period ending on or after 31 December 2007.*

A full copy of Accounting Standard AASB 1051 can be found at –
<http://www.aasb.gov.au/Pronouncements/Old/Current-standards.aspx>.

Local Government Act (Financial Management) Regulations, 1996 –

- r.4. Effect of AAS
 - (2) If a provision of the AAS is inconsistent with a provision of these regulations, the provision of these regulations prevails to the extent of the inconsistency.
- r.16. Accounting for land under local government's control
 - The annual financial report of a local government —
 - (a) is not to include as an asset —
 - (i) Crown land that is a public thoroughfare, the responsibility for managing which is vested in the local government; or

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

New Accounting Policy required

FINANCIAL IMPLICATIONS

Electing not to recognise the value of land under roads acquired prior to 1 July 2008 will avoid the complex, lengthy and most likely costly process of retrospectively identifying, assessing and measuring land under roads acquired in previous reporting periods.

Land under roads acquired from 1 July 2008 will need to be accounted for in accordance with AASB 116 – Property, Plant and Equipment. This will mean its cost will most likely be its fair value at date of acquisition. The recognition of this land will in time inflate the value of infrastructure assets recognised in the Balance Sheet.

CONSULTATION

Bill Thomas, Auditor Anderson Munro & Wylie
UHY Haines Norton
Niel Mitchell, CEO

COMMENT

AASB 1051 gives council the choice to recognise or not land under roads acquired prior to 30 June 2008. The process would require the capitalisation of all land under roads, which would then appear as a non-current asset in the Shire of Yalgoo's balance sheet.

AASB 1051- Land Under Roads

AASB 1051.8

“An entity may elect to recognise (including continue to recognise or to recognise for the first time), subject to satisfaction of the asset recognition criteria, or not to recognise (including continue not to recognise or to derecognise) as an asset, land under roads acquired before the end of the first reporting period ending on or after 31 December 2007”

This means that in Western Australia local governments can continue to ignore the value of any land under roads acquired prior to 30th June 2008. However in order to do so, Councils must make an election before 30 June 2009 in accordance with AASB 1051.9 below:-

AASB 1051.9

“An entity shall make a final election under paragraph 8 effective as at the first day of the next reporting period following the end of the first reporting period ending on or after 31 December 2007.

Any adjustments that arise from a final election that is made effective as at that first day shall be made against the opening balance of accumulated surplus (deficiency) of that next reporting period”

UHY Haines Norton (Accountants) recommends councils make a final election not to recognise land under roads acquired before 30 June 2008.

The Auditors are not aware of any benefit the Shire would gain from electing to account for the value of land under roads and they made comment it would create more accounting work for the Shire.

In determining whether land under roads should be recognised as an asset there is a conflict between accounting Standard AASB 1051 and Financial Management Regulation 16. In accordance with Financial Management Regulation 4(2) in circumstances where there is such a conflict, the Financial Management Regulation prevails to the extent of any inconsistency.

This inconsistency has the potential to cause issues for local government auditors as they are obliged to qualify financial reports where there is material non-compliance with the Australian Accounting Standards. Electing to not recognise land under roads acquired before 1 July 2008 will reduce the level of conflict between the Standards and the Regulations, and therefore the likelihood of a qualified Audit Report.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0621 Draft policy 2.5 Land Under Roads

Moved Cr DP Morrissey, Seconded DE Anderson

That the Draft Policy 2.5 Land Under Roads, as attached, be adopted and included in the Policy Manual.

Motion put and carried 4/0

11.3.7 RESERVE TRANSFERS

File:
 Author: Violet Rowe, Deputy CEO
 Interest Declared: No interest to disclose
 Date: 10 June 2009
 Attachments: None

MATTER FOR CONSIDERATION

Council to approve transfer of funds to Reserve Accounts from the Municipal Account.

BACKGROUND

Council sets aside money for use in future financial years by way of reserve funds.

Currently we operate the following Reserve funds.

- Long Service Leave Reserve
- Plant Reserve
- Building Reserve
- Yalgoo-Ningham Road Reserve
- Sport Complex Reserve
- Community Amenities Maintenance Reserve
- HCP Reserve
- Housing Maintenance Reserve
- Yalgoo Morawa Road Reserve
- General Roads Reserve

As we near the end of the financial year it is time to perform the budgeted reserve transfers that have not yet occurred.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s. 6.11 – Provides that where a local government wishes to set aside money for purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

The transfer of funds from Municipal Account will reduce the cash surplus and allow for a more sustainable Yalgoo

CONSULTATION

Niel Mitchell, CEO

COMMENT

Currently, the Municipal account financial position for 30 June 2009, would appear to be extremely healthy –

Current	\$823,800
Less	\$245,000 Expected creditors (footpaths, depo lunch room, gazebos, housing, sundry)
	\$35,000 Wages
	\$435,707 Transfers to Reserves
Add	\$ 670,000 Expected debtors (R4R, flood damage, footpath grant, sundry)

Anticipated balance \$778,093 as at 30 June 2009

It needs to be noted that Country Local Government Funds (Royalties for Regions) which accounts for \$380,331 of income is required to be spent on approved projects, and is therefore effectively tied funds.

Table 1 below reveals the Reserve transfers that were budgeted for in the 2008/2009, but have not yet taken place. The Shire has not had to draw on the budgeted Reserve transfers to Municipal because sufficient money held in Municipal at any one time. It is recommended that only the amounts set aside to be transferred to reserve (A) occur and not the transfers from reserve to municipal (B).

Table 1 – Reserve transfers budgeted for not yet made

Reserve	Budgeted Amount Set aside/transfer to Reserve (A)	Budgeted Amount used/transfer from Reserve (B)	Net result of budgeted transactions (A-B)	Recommended action
Building Reserve	\$200,000		\$200,000	Transfer \$200,000 to Building Reserve
Housing Maintenance Reserve	\$12,000		\$12,000	Transfer \$12,000 to Housing Maintenance Reserve
Sports Complex Reserve	\$40,000	\$25,000	\$15,000	Transfer \$40,000 to Sports Complex Reserve
Community Amenities Maintenance Reserve	\$40,000	\$35,000	\$5,000	Transfer \$40,000 to Community Amenities Maintenance Reserve
Long Service Leave Reserve	\$5,000		\$5,000	No transfer to be made as current accumulation is well in excess of calculated liability.
Plant Reserve	\$222,560	\$78,853	\$143,707	Transfer \$143,707 to Plant Reserve
		Total amount to be transferred	\$380,707	

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0622 Transfers to Reserves – Budgeted

Moved Cr DP Morrissey, Seconded Cr L Hodder

That council approve the following transfers totalling \$435,707 from Municipal to Reserve Accounts –

- i) \$200,000 to the Building Reserve**
- ii) \$12,000 to the Housing Maintenance Reserve**
- iii) \$40,000 to the Sports Complex Reserve**
- iv) \$40,000 to the Community Amenities Maintenance Reserve**
- v) \$143,707 to the Plant Reserve**

Motion put and carried by Absolute Majority 4/0

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION 2/ COUNCIL DECISION

C2009-0623 Creation of Superannuation Back-pay Reserve Account

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That –

- a Reserve Account be created named Superannuation Back-pay Reserve for the purpose of paying any superannuation back-pay costs, and**
- the CEO, in consultation with the DCEO and President, be authorised to transfer funds up to \$200,000 from Municipal to the Reserve, subject to sufficient funds being retained in the Municipal Account as 30 June 2009 to meet commitments and as required by contract obligations.**

Motion put and carried by Absolute Majority 4/0

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION 3/ COUNCIL DECISION

C2009-0624 Transfer to Reserves – Additional Surplus Funds

Moved Cr DE Anderson, Seconded Cr TK Iturbide

**That the CEO, in consultation with the DCEO and President, be authorised to transfer any additional surplus funds to appropriate Reserve Accounts, subject to sufficient funds being retained in the Municipal Account as 30 June 2009 to meet commitments, and as required by contract obligations
Motion put and carried by Absolute Majority 4/0**

11.4 ADMINISTRATION

11.4.1 CEO – ACTIVITY REPORT – May/June 2009

File: N/A
 Author: Niel Mitchell, CEO
 Interest Declared: No interest to disclose
 Date: 11 June 2009
 Attachments: None

Use of Common Seal

21 May Instrument of Authorisation
 Request for delegated authority from MRWA to erect, alter etc traffic management signs

Use of Delegated Authority not elsewhere reported

None

WALGA Annual Convention

The Annual Convention is being held at the Perth Convention and Exhibition Centre on 6 to 8 August. Accommodation is at the Somerset Apartments, 185 St George's Terrace, easy walking distance to PCEC.

Minister for Families, Housing, Community Services and Indigenous Affairs – HCP

The Minister has confirmed funding of \$174,720 over the next 2 years for the HCP. Previously the funding was under the Indigenous Children's Program, but is now incorporated into the new Family Support Program

Healthy Community Project

CentraCare of Geraldton have indicated their interest in principle, and on 9 June 2009, I met with Sister Mary Ryan to discuss options. She advised that it is their intention to move ahead with a submission to Council, and is hoping that a firm proposal will be able to be prepared in time for the June 2009 Council meeting. There remains a number of matters for Council to consider. No definite start date has been discussed, as there are a number of steps still to be taken.

Ms Brianna Higgins of FaHCSIA, is aware of the possibility of CentaCare's involvement, and is strongly supportive of CentaCare as they already deliver a number of FaHCSIA programs in other towns, both residential and visiting. – Carnarvon, Exmouth, Mullewa etc.

Economic Development Mentors

I met with Malcolm Smith of the Geraldton Small Business Centre on 5 June, and one of the topics we covered was mentoring of economic opportunities. He advised that he has access to funding for this, and we discussed the possibility of a mentor for the arts ladies in town, to assist them with the development of a local group to market their artwork. In June 2008, they had a fairly cohesive group, had chosen a name, and were on the verge of making some real strides towards making contacts for sales. The group has met with Wayne McDonald, MWDC, regarding the proposed Mt Magnet Arts Centre on a number of occasions, but a mentor will help them to become established as a viable, independent contributing group both to Mt Magnet, but also to Geraldton and hopefully elsewhere.

Mr Smith has been requested to contact Mr McDonald to gain some more background on the Yalgoo group, and integration with the Mt Magnet Arts Centre. He will also provide some further information regarding the funding and mentoring. A name has been suggested to him for a possible mentor.

The aim is to have someone who will walk with the local group, advise and assist where able, but also to preserve their identity, to ensure that maximum self determination and their own direction is maintained so that the local group has control over what happens..

Once there is a reasonably firm proposal, hopefully a meeting of the Yalgoo ladies, Mr Smith and the mentor can be arranged.

WACHS Mid West – Community Nurse

I met with Ms June Doyle, Murchison Regional Manager on 3 June, and she advised –

- WACHS are still working to recruit a replacement for Victoria Thomas
- a possibility has been identified, confirmation is still several weeks away.
- relief staff are being sought but it is difficult with qualified people in very short supply

Reduction in number of Elected Members

There has been verbal advice that the proposal to reduce numbers has been recommended by the Local Government Advisory Board, however, no formal advice has been received to date, nor an indication of whether the reduction is to take immediate effect or not.

Meetings

3 June	June Doyle, WACHS Mid West – re: replacement
4 June	with the President, met with the President and CEO, Shire of Dalwallinu – re: structural reform
5 June	Malcolm Smith, Small Business Centre Geraldton – re: business mentors etc
5 June	Susan Smith, Regional Librarian, City of Geraldton-Greenough – re: new LISWA Agreement, public libraries stocktake
8 June	Craig Turley, OZ Minerals – re: final step in sale of OZ to Minmetals is expected to be approved by the shareholders on 16 June 2009
9 June	Sister Mary Ryan, Geraldton Centacare – re: HCP

Future commitments

23 June	Brendin Flanigan and Mark Canny, Mid West Development Commission, and Malcolm Smith, Geraldton Small Business Centre
26 June	Meeting in Mt Magnet with Commissioner for Police, and representatives of Shire of Mt Magnet, Sandstone, Cue and Yalgoo
5 August	WALGA Roads Forum
6-8 August	WALGA Annual Convention

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0625 CEO Activity Report– May/ June 2009

Moved Cr TK Iturbide, Seconded Cr DE Anderson

That the CEO’s Activity Report for the month to 11 May 2009 be received.

Motion put and carried 4/0

11.4.2 FIREBREAKS NOTICE 2009-10

File: B5-3
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 27 May 2009
Attachments: p.74 Firebreaks Order – draft
(yellow)

MATTER FOR CONSIDERATION

To consider the Firebreaks Notice for 2009-10.

BACKGROUND

Each year, a Firebreaks Order has been issued as a fire preventative measure.

STATUTORY ENVIRONMENT

Bush Fires Act 1954 –

- s.33 – authority to require fire preventative measures

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

CONSULTATION

None

COMMENT

The Firebreaks Order last year was adopted too late for inclusion with the rates notice.

The attachment is essentially the same as adopted in August 2008, with deletions scored through, and the insertions in slightly fainter text and underlined. Dates have been removed so that it becomes a standing Order of Council, and does not need to be reviewed annually.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0626 Firebreaks Notice 2009/10

Moved Cr DP Morrissey, Seconded Cr DE Anderson

That the draft Firebreaks Order for 2009-10 be adopted.

Motion put and carried 4/0

ADJOURNMENT

The meeting adjourned at 2.15pm and resumed at 2.27pm with all who were in attendance before the adjournment being present at the resumption.

11.4.3 EMPLOYEE INSURANCES

File:
Author: Niel Mitchell, CEO
Interest Declared: Employee who would be covered if these insurance were taken up.
Date: 8 June 2009
Attachments: none

MATTER FOR CONSIDERATION

To consider whether or no to take up additional employee insurances.

BACKGROUND

Each year, various insurances are taken out for property, plan, liabilities, indemnity employee and other insurances.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Additional insurance costs

CONSULTATION

Local Government Insurance Services

COMMENT

Most insurances are carried forward form year to year, but in recent years, tow additional options have become available –

- Salary Continuance –
 - o Covers salary costs associated with the inability of an employee to perform their usual work due to accident or illness
 - o Nominated key staff – CEO, DCEO, Works manager etc
 - o Approx. premium for just these three staff would be the order of \$4,000 in 2009-2010
 - o Consider the costs to replace this person with a short term contractor
 - o Policy reimburses the salary of the absent employee to the employer
 - o 100% of costs for a specified period (up to 2 years)
 - o Does not cover anything pre-existing or associated with a pre-existing condition
 - o 1 or 2 week waiting period
 - o Benefits/cover ceases at age 65

Essentially to protect against having to hire in relief staff

- Income Protection –
 - o Cover applies to injuries/sickness which occur outside working hours
 - o Applies to nominated groups of staff or all staff, not individuals
 - o Premium is 0.75% of salaries – to cover all staff in 2009-2010 would be approx. \$6,900
 - o Policy reimburses 80% of salary costs for the specified period (up o 2 years)
 - o Does not cover anything pre-existing or associated with a pre-existing condition
 - o 10 day waiting period
 - o Benefits/cover ceases at age 65

Provides an income for the employee if ill or injured for more than 10 days.

The two types of insurance seem to be basically the same, cover the same sorts of events/risks, have the same exclusions, but one is 100% versus 80% of costs, and one is far more expensive that the other.

Both enable Council to continue paying the employee even if all accruals run out, and there is no entitlement to payment under the Awards. A person could have many weeks sick leave or none accrued, but after the waiting period, claim can be made. If sick leave is available to be paid, the insurance then cuts in, preserving any remaining accrual for the employee. If there is no sick leave accrual, there is minimal time without any pay.

LGIS considers that these insurances are of benefit to the employee, and constitute a benefit that should assist recruitment and retention, since if injured or illness there is a guaranteed income for the employee for up to 2 years.

The insurances do not constitute a taxable fringe benefit to the employee.

However, Council's exposure to such an event needs to be considered –

- both insurances exclude pre-existing illnesses or injury, and as a person gets older, these do tend to become more likely
- how much more likely are staff to prefer Yalgoo or to stay longer, knowing that this insurance has been taken out?
- what is the likelihood of injury or illness out of working hours? It could be argued that our remoteness means a greater exposure to vehicle accident, or longer before medical treatment can be obtained, potentially making injury or illness worse and recovery longer
- will absenteeism increase, with staff relying on the insurance to cover any need for an extended period off work

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0627 Employee Insurances

Moved Cr DE Anderson, Seconded Cr DP Morrissey

That Income Protection insurance, to cover all employees, at an estimated cost of \$6,900 in 2009-2010 be taken up.

Motion put and LOST 0/4

11.4.4 COUNTRY LOCAL GOVERNMENT FUND

File:

Author: Niel Mitchell, CEO

Interest Declared: No interest to disclose

Date: 11 June 2009

Attachments: p.39 Minister for Regional Development
(yellow)

MATTER FOR CONSIDERATION

Review of intended projects for the CLGF (Royalties for Regions).

BACKGROUND

In February 2009, Council resolved that all CLGF grant funding be placed to a Reserve for the purpose of construction of a swimming pool and enclosed court facilities.

Since that time the Minister for Regional Development has advised that this is not acceptable.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

STRATEGIC IMPLICATIONS

Funding for future infrastructure.

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Allocation of grant funding

CONSULTATION

None

COMMENT

In February 2009 (ref: C2009-0223) it was resolved –

That the approval of the Minister for Regional Development be sought to –

- place all funds received under the Royalties For Regions Country Local Government Fund into a Reserve Fund, including all interest earned,
- the Reserve specified for the construction of Recreation Facilities (swimming pool and sports court facility) on Reserve 35346,
- with the intention that the funds to be used as soon as possible, once all necessary funding is in place for the construction of the facilities, estimated to be 2 to 4 years, and
- subject to such conditions as the Minister considers appropriate as to future use on alternative projects other than the specified purpose of the Reserve Fund.

Accordingly, it is necessary to review the intended projects for which the grants funds are intended.

The funding expected is in Year 1, nearly the full amount (of the \$100M total Fund) will be distributed directly to Local Governments, dropping to approx. two thirds in 2010/2011 and then to 50% in each of the final two years. The remainder of the funding is to be distributed to rural areas through a variety of schemes aimed at lifting the infrastructure.

For Yalgoo, the direct amounts we should receive are –

Year 1	760,662	confirmed
Year 2	488,000	estimated
Year 3	380,000	estimated
Year 4	<u>380,000</u>	estimated
TOTAL	2,009,000	estimated

There are several options –

- the simplest and most direct is to select projects which clearly fit the requirements, and fund these directly from the grant funds. These would be new projects, either the commencement of the project or a new stage of a project, and in addition to what is generally planned, for example –
 - o hall upgrade
 - o new recreation facilities
 - o building construction – public, Shire use eg Depot), housing
- an alternative is to fund a complying project that Council would be undertaking in any event, and re-direct Council’s own funds to Reserve. Such projects could include –
 - o road construction – reform and resheet as this is considered new work, and not preservation work such as reseal
 - o next development stages of the caravan park, Community Park etc.

if the funding is used to replace existing planned work, it is essential that the Council funds released be put to a Reserve or otherwise directed to infrastructure improvements. The released funds must not be used as “operational” monies, as this will create a false level of capability. The CLGF funds are windfall monies, and must not be assumed to be continuing, and should not be relied on for the long term.

It is suggested that the funds be directed towards clearly identifiable, complying new infrastructure, and Council own funds remain directed to existing plans and programs –

i) contribution to broadband services for Yalgoo	20,000		
ii) depot office / lunchroom	35,000		
iii) water playground (subject to Item 11.2.1)	270,662		(Council contribution may be needed)
iv) covered court facilities	400,000		(Council contribution may be needed)
architect fees	35,000	760,662	
v) If funds permit – improvements to Yalgoo and Paynes Find aerodromes (matching Shire component to Regional Aerodromes Safety Program)	30,000		(Application made only if surplus likely)
vi) Caravan park caretaker / town mtce staff residence	400,000		
vii) Paynes Find – Travellers rest area, children’s Playground and associated infrastructure	90,000	490,000	Yr 2
viii) Two 4 room transportable at caravan park	380,000	380,000	Yr 3 (Council contribution may be needed)
ix) Shire Hall upgrade	380,000	380,000	Yr 4 (Council contribution may be needed)

As a higher priority is completed, any surplus funding can be applied to the next priorities. Projects (iv) and following will be over multiple years, so there may be several projects running concurrently. It will be important to ensure that future funding is guaranteed, before committing to a project, and being left stranded with work unfinished, and a shortfall of funding.

The proposed projects should also be reviewed from year to year as priorities may change. Elected members may also have other projects for consideration.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0628 Country Local Government Fund

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That the following projects be notified to the Dept of Local Government and Regional Development as the intended projects for Year 1 of the Country Local Government Fund program –

i) contribution to broadband services for Yalgoo	20,000
ii) depot office / lunchroom	35,000
iii) water playground (subject to Item 11.2.1)	270,662
iv) covered court facilities	400,000
architect fees	<u>35,000</u>
YEAR 1 TOTAL	760,662

Motion put and carried 4/0

11.4.5 MRVC – Contribution to Vermin Fence Upgrade

File:
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose.
Date: 11 June 2009
Attachments: None

MATTER FOR CONSIDERATION

To consider making a contribution to the Murchison Region Vermin Council for the upgrade of the vermin proof fence.

BACKGROUND

The MRVC met in Mt Magnet recently, and one of the topics discussed was the possibility of upgrade of at least a portion of the fence.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

STRATEGIC IMPLICATIONS

Upgrade of the vermin proof fence

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Contribution of \$20,000

Funding from Country Local Government Fund – Regional Component

CONSULTATION

David Burton, CEO Shire of Mt Magnet

COMMENT

At the MRVC meeting on Monday 8 June 2009, it was requested that the MRVC approach all the Councils to see if they would be able to access some of the regional funding under the Country Local Government Fund, for repairs and replacement of the vermin fence. If all the Shires are prepared to allocate a small portion of the regional funding towards the fence as a regional project, the MRVC can start looking at a major upgrade project for the fence rather than just repairs on repairs. Yalgoo's proportion of the CLGF Regional Fund is \$273,058. If each of the 5 Shires involved in the MRVC contributes \$20,000 each year for the next 3 years, it will amount to a \$500,000 upgrade of the fence.

The repair of the fence does not qualify as an infrastructure project under the CLGF guidelines, but upgrade and replacement may qualify.

Either as a Shire funded project with CLGF covering other infrastructure costs, or as either a Shire project or Regional project under CLGF, some contribution should be able to be made.

Mr Burton has indicated that they would be seeking \$20,000 from each Council, potentially for each of the next three years, resulting in a major upgrade and improvement to the fence.

Cue has considered the proposal, and has agreed to contribute \$20,000 for the CLGF Regional component. Other Councils are yet to meet.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0629 MRVC – Contribution to Vermin Fence Upgrade

Moved Cr TK Iturbide, Seconded Cr DE Anderson

**That \$20,000 be allocated in the 2009-2010 Budget from the Country Local Government Fund
Regional component.**

Motion put and carried 4/0

12. NOTICE OF MOTIONS

12.1 PREVIOUS NOTICE RECEIVED

None

12.2 FOR CONSIDERATION AT THE FOLOWING MEETING

None

13. URGENT BUSINESS

ADMISSION OF URGENT BUSINESS

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION / COUNCIL DECISION

C2009-0630 Admission of Urgent Business

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That Council admits the following additional matters for discussion and decision –

13.1 – DLGRD – Structural Reform

13.2 – Healthy Community Project – Centacare Proposal

13.3 – Write-off of Rates and Sundry Debtors

Motion put and carried 4/0

13.1 DLGRD – STRUCTURAL REFORM

File:
 Author: Niel Mitchell, CEO
 Interest Declared: No interest to disclose
 Date: 15 June 2009
 Attachments: None

MATTER FOR CONSIDERATION

To consider response to the Local Government Advisory Board request for information relating to the application for funding to engage a consultant to research the implications of amalgamation on Yalgoo communities.

BACKGROUND

Council approved the application for funding for the research at the May 2009 meeting of Council, and the terms of reference were agreed with the President in consultation with the Deputy President.

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

CONSULTATION

Vicky Nazer, DLGRD

COMMENT

In an email dated 12 June 2009, Ms Nazer advised –

1. *Just confirming that the assessment panel considering the funding assistance applications has asked that each application make reference to each of the four principles outlined in **Stage 3 - Preparation of Reform Submission**, on pages 10 and 11 in the **Structural Reform Guidelines** (copy attached).*
2. *Those four principles are –*
 - 3.1 - *Amalgamation;*
 - 3.2 - *Representation;*
 - 3.3 - *Regional Grouping; and*
 - 3.4 - *Transition Timeline*
3. *Regarding **3.1 Amalgamation**, I note that, although Council does not support amalgamation, the consultant will nonetheless be asked to, amongst other things, investigate and identify anticipated impacts of amalgamation – positive, negative and neutral; and will be asked to suggest possible strategies to ameliorate negative impacts. Could you please confirm that the consultant will similarly investigate possible boundary changes?*
4. *Regarding **3.2 Representation**, I note that Yalgoo already has fewer than 9 councillors (currently 7, with a request from you now before the Minister to reduce this to 6). In relation to representation, then, could you please confirm that the consultant will give some consideration to any representation issues that might arise from any possible amalgamation or boundary change?*
5. *Regarding **3.3 Regional Grouping** – could you please confirm that the consultant will examine current regional groupings and determine if any other configuration is preferred?*
6. *Regarding **3.4 Transition Timeline** – could you please confirm that the consultant will consider the transitional arrangements that would arise from any possible changes?*

Some of these matters have been discussed informally, however, in order to respond to the LGAB request, I consider that a formal resolution is appropriate.

Comments on the points raised by Ms Nazer on behalf of the Board are as follows –

Amalgamation –

- although Council opposes amalgamation, an external review may reveal matters that can be implemented, without amalgamation, for the benefit of the community, through either individual Shire effort or co-operation with others
- Council has previously commented on a preference that the Shire not be split up and dispersed to various neighbours. However, if amalgamation is forced, depending on the other local governments involved, there would be value in considering some boundary change. For instance, if amalgamated with Mullewa, the Paynes Find area should perhaps be considered for Mt Magnet, Dalwallinu or Perenjori, given the distance, and lack of community with Mullewa.

Representation –

- The Minister has now approved the reduction in number of elected members from 7 to 6 with immediate effect. It now just needs to get through Executive Council and be published in the Government Gazette to take effect.
- Should Yalgoo be amalgamated, almost any grouping that relies on one vote one value, as will be required within 2 years of amalgamation, will see the voice of Yalgoo severely reduced. Bearing in mind the Minister’s requirement for elected representation to be reduce to between 6 and 9 Councillors –

If amalgamated with –	The rest would likely have	Yalgoo would likely have
Morawa	5	2
Morawa, Perenjori	3, 3	1
Morawa, Perenjori, Mullewa	2, 2, 3	1
Mullewa	6	2
Mullewa and Murchison	6, 1	2
Murchison	3	4
Mt Magnet	4	2
Mt Magnet, Sandstone	4, 1	2
Mt Magnet, Sandstone, Cue	4, 1, 3	2

It is not possible to design a system where Yalgoo would retain a reasonable voice in the decision making process.

Frequently, the suggestion is put forward of parish or community councils being established, in order to advise the local government on matter affecting their specific area. Their likely range of authority, delegations, duties etc, would probably be very little different if any, to the existing arrangements for committees of Council. IF implemented, this suggestion –

- o establishes two tiers of local government, instead of one tier as at present
- o does not give the local community any effective voice in decision making, since they are advisory,
- o even if they did have delegated authority, the parish council can be over-ridden by the local government
- o while sub-ordinate councils may have a voice, in reality, they are not decision makers, and have little influence for their area, since the local community’s vote in the decision making forum, is overwhelmed by the rest of the local government, and directed by the parent Council.

Accordingly, the concept of parish councils is likely to lead to greater politicisation of local government generally, as people trade their votes for future benefit to their specific community.

- In the mid to late 1700’s the phrase “no taxation without representation” was coined in the USA, prior to their independence from Britain.

In every instance of amalgamation, Yalgoo would be over-taxed in proportion to representation.

<u>Rates levied (2009 Loc Gov Directory)</u>	
Mullewa	1,355,100
Murchison	111,000
Mt Magnet	882,700
Sandstone	557,300
Cue	896,000
Morawa	889,300
Perenjori	1,369,100
YALGOO	890,000

- As an example of the significant deterioration of representation of the region that amalgamation would force on the Shires, is the future of the Murchison Country Zone. As a grouping of six Shires, we exercise 1 vote in the State Council. If there are amalgamations in this region, it is certain that the boundaries and constitution of WALGA would be re-written, to exclude the Murchison from having direct representation. The five “agricultural” Country Zones, would also be significantly affected.
- Representation is one of the sleeping giants of the amalgamation push. Country Councils should be left in no doubt whatsoever, that the boundaries of WALGA, State Departments etc, will have to be re-drawn as amalgamations will not always fit the current boundaries, and the new centres of community for the larger local government. In the case of the Murchison region, it is certain that we will lose out. I cannot envisage any situation where there is sizeable amount of change to this area, where our representation and voice as a region will be preserved and most definitely, will not be enhanced.

Regional Grouping –

- The Minister has made a very pertinent comment in that regional groupings should not be seen as an alternative to amalgamation, although in the context he has used it, the meaning is that amalgamation is the priority, and a regional grouping is not a defence. A regional grouping is not an alternative to amalgamation, and in many respects, it has greater power than a single council covering the same area.

A clear example of this is the Murchison Country Zone of WALGA, where as a regional grouping of six Shires, we wield far more influence politically than if we were amalgamated into just one or two larger local governments. I am certain that if the MCZ were to become one or two Councils, a meeting in Cue would have nowhere the number of parliamentarians in attendance.

- The question could be read that a regional grouping is fixed, Council should remain willing to form regional grouping with any other Council that would benefit the local community. While Yalgoo’s main interests may be mining, the Shire does have a pastoral history, and so has more in common with Shires to the north and east. However, there is no reason would a regional grouping could not be made with Morawa (as with the Health Scheme) or Perenjori for a development corridor in the southern part of the Shire adjoining their eastern boundary.

However, it is assumed that the Minister is seeking advice as to the formation of groups such as the MCZ, the Murchison grouping of the Mid West Development Commission, etc. In this instance, Yalgoo’s ties lie primarily with the other Murchison Council, particularly Mt Magnet and Sandstone.

- While the consultant may research the matter of regional groupings, their conclusion is likely to be for Yalgoo to remain with the other Murchison Shires as the primary group.

Transition Timeline –

Since –

- Council does not agree with amalgamation, but is strongly opposed,
- having just reduced the number of elected members from 7 to 6 in line with the Minister’s request, and
- wishing to maintain our primary regional grouping with the other five Murchison Shires

it is considered that there is no need for a transition period or transitional arrangements.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0631 Response to LGAB concerning Structural Reform queries

Moved Cr DE Anderson, Seconded Cr DP Morrissey

That the Local Government Advisory Board be advised –

a) Amalgamation –

- although Council opposes amalgamation, an external review may reveal matters that can be implemented, without amalgamation, for the benefit of the community, through either individual Shire effort or co-operation with others
- if amalgamation is forced, depending on the other local governments involved, there may be value in considering some boundary change.

b) Representation –

- the Minister has now approved the reduction in number of elected members from 7 to 6 with immediate effect
- should Yalgoo be amalgamated, almost any grouping that relies on one vote one value, as will be required within 2 years of amalgamation, will see the voice of Yalgoo severely reduced.
- It is Council’s opinion that it is not possible to design a system where Yalgoo would retain a reasonable voice in the decision making process.
- In relation to the “Parish Council” model, Council is of the view that it –
 - o Is very little different if any, to the existing arrangements for committees of Council
 - o establishes two tiers of local government, instead of one tier as at present
 - o does not give the local community any effective voice in decision making, since they are advisory,
 - o even if they did have delegated authority, the parish council can be over-ridden by the local government
 - o while sub-ordinate councils may have a voice, in reality, they are not decision makers, and have little influence for their area, since the local community’s vote in the decision making forum, is overwhelmed by the rest of the local government, and directed by the parent Council.
 - o is likely to lead to greater politicisation of local government generally, as people trade their votes for future benefit to their specific community
- in every instance of amalgamation, Yalgoo would be over-taxed in proportion to representation.
- amalgamation would severely curtail representation of Yalgoo within a larger local government and the Murchison region generally in forums such as the WA Local Government association, Mid West Development Commission etc
- representation is one of the sleeping giants of the amalgamation push, as the boundaries of WALGA, State Departments etc, will have to be re-drawn, since the amalgamations will not always fit the current boundaries, and the new centres of community for the larger local government. In the case of the Murchison region, it is certain that we will lose out.

c) Regional Grouping –

- a regional grouping is not an alternative to amalgamation, and in many respects, it has greater influence than a single council covering the same area,
- while Yalgoo’s main interests may be mining, the Shire does have a pastoral history, and so has more in common with Shires to the north and east,
- Council is willing to form regional operational groupings with any other Council that would benefit the local community.

d) Transition Timeline –

- Council does not agree with amalgamation, and remains strongly opposed,
- the number of elected members has been from 7 to 6 in line with the Minister’s request, and
- it is therefore considered that there is no need for a transition period or transitional arrangements.

Motion put and carried 4/0

13.2 HEALTHY COMMUNITY PROJECT – Centacare Proposal

File:
Author: Niel Mitchell, CEO
Interest Declared: No interest to disclose
Date: 17 June 2009
Attachments: p.11 Centacare – letter
p.12 emails to / from FaHCSIA

MATTER FOR CONSIDERATION

To consider the transfer of delivery of children’s services from the Shire to Centacare Geraldton.

BACKGROUND

Council has previously considered the possibility of transfer of children’s service from the Shire to an external organisation

STATUTORY ENVIRONMENT

Local Government Act 1995 –

- s.3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Contractual obligations with the Dept for Families, Children’s Services and Indigenous Affairs

STRATEGIC IMPLICATIONS

Continuation of HCP

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Transfer of grant funding to Centacare – \$174,720 FaHCSIA funds committed for next 2 years

Allocation of a portion of OZ Minerals Community Benefit payment as per MOU

Contribution from Council of cash and in-kind support for office, accommodation, operations

Saving of FBT on the unit, as the resident would not be an employee of the Shire

CONSULTATION

Ms Brianna Higgins, FaHCSIA

Sister May Ryan, Centacare Geraldton

Ms Rosemary Cant, Principal, Social Systems and Evaluation

Prof. Daniella Stehlik, Curtin University Research Centre for Stronger Communities

COMMENT

At the April 2009 meeting of Council the following resolutions were made –

C2009-0407 Transfer of Children services/ Family Support to a Suitable Organisation

That Council agrees in principle to the transfer of children’s services / family support aspects of the Healthy Community Project to a suitable organisation, subject to the agreement of Dept for FaHCSIA, and final endorsement by Council of an acceptable proposal.

C2009-0408 Transfer of HCP Funds to the accepted Proposed Organisation

Should an acceptable proposal be received, the following funding will be transferred to the organisation –

- Dept of FaHCSIA funding, and
- a minimum of 60% of the OZ Minerals Community Benefit community benefit contribution (\$30,000 in 2008-09)

C2009-0409 Continuation of Support for Children’s Service/ Family Support

That Council continue to support children’s service / family support activities undertaken by providing free of charge to the organisation –

- office – space, consumables and utilities at the Hall
- vehicle – maintenance and operation
- accommodation – excluding electricity

C2009-0410 Public consultation prior to transfer to suitable organisation

That if a potential acceptable proposal is received, then in conjunction with the proposer, a public consultation process be designed and carried out prior to sign off of the transfer.

Acceptable organisation and activities

Although Centacare have not provided a full outline of proposed activities, in discussion with Sister Mary, she was quite enthusiastic about some of them, but did note, that if they are responsible to FaHCSIA for the program, then they need to reserve the right to discontinue some, redirect others as they see fit. From their letter,, there will be additional services that the community will be able to access through the range of service Centacare deliver elsewhere.

Given that the funding is from FaHCSIA, and that they control who accesses that funding, and it is not the Shire which controls it, this would seem to be a reasonable position to take. In the same way that the Shire has had to have an approved budget and activities program, Centacare will also need to meet the same criteria.

The funding from FaHCSIA is not as of right, but subject to contract conditions, many of which we have struggled to meet. Council may recall some of the effort of the past few years, and the willingness at times to walk away from these requirements, and run a program completely from the Shire's own resources.

FaHCSIA are very familiar with Centacare, and from discussions, would seem to be very pleased with the prospect of dealing with them. They have confirmed by email that Centacare would be a good fit with their requirements, both under the ICP or FSP.

Funding and support

When all is said and done, the grant funding is not actually the Shire's to control, but FaHCSIA's. FaHCSIA have indicated their willingness to novate (transfer the entitlement to funding) from the Shire to Centacare.

Council has previously agree in principle to a minimum of 60% of OZ Minerals Community Benefit funding (\$50,000 in 2008-2009). 60% of OZ Minerals Community Benefit contribution in 2009-2020 is estimated at \$30,720.

Total cash funding to Centacare would therefore be in the order of \$118,080 in 2009-2020.

Council has also agreed in principle to provide in-kind support of vehicle, office and accommodation. These would not be a large cost, perhaps in the order of \$8,000 to \$10,000 per year – a substantial reduction on previous financial commitments when 2 staff were employed.

It is strongly recommended that Council remain willing to contribute cash to Centacare, perhaps by engaging them to provide specific activities that Council wishes to see run, to ensure the continued success. This commitment may need to be given to ensure a full range of activities, but should also be subject to mutual agreement.

Public consultation

As noted in Item 11.2.2 of the Agenda it is proposed that a consultant be engaged with FaHCSIA funding to do some "gaps and needs" research for the change of funding required over the next 2 years. Two organisations have been requested to submit proposals.

Public consultation regarding the possibility of Centacare can be incorporated into this process. Given the commitments of the two organisations requested to submit a proposal, it could be several months prior to any report being available and therefore handover.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 1/ COUNCIL DECISION

C2009-0632 Novation of FaHCSIA Grant Funding to Centacare Geraldton

Moved Cr TK Iturbide, Seconded Cr L Hodder

That, subject to public consultation with the community, Council agree to the novation of the current funding contract with Dept for Families, Housing, Children’s Service and Indigenous Affairs from the Shire of Yalgoo, to Centacare Geraldton.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 2/ COUNCIL DECISION

C2009-0633 Shire Support for Centacare – Scope

Moved Cr TK Iturbide, Seconded Cr L Hodder

That Council –

- **enter into the appropriate tenancy agreements to provide office space and a 2 bedroom unit, at nil rental to Centacare Geraldton,**
- **tenancy of the office space and the unit is for the duration of the funding from FaHCSIA to run deliver services under the Indigenous Children’s Program or Family Support Program –**
 - o **initially to 30 June 2011,**
 - o **renewable by mutual agreement at that time**
 - o **Council to have regard to the impact on the services and therefore community, of non-renewal of either office space or residential accommodation,**
- **rental charge on both office and unit to be nil, with all out-goings met by the Shire other than electricity consumption at the unit**

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 3/ COUNCIL DECISION

C2009-0634 HCP Vehicle and Equipment – Use and Ownership

Moved Cr DE Anderson, Seconded DP Morrissey

That –

- **all equipment, including the vehicle, purchased by grant funding remain in the ownership of the Shire for the specific use by Centacare for delivery of the activities, for the duration of their useful life**
- **replacement of equipment purchased with grant funding, except the vehicle, to be the responsibility of Centacare at the appropriate time, as Council cannot exercise rights of ownership over these items,**
- **future replacement of the vehicle is to be negotiated at the appropriate time, in good faith, having regard to the financial contributions made to the vehicle by various funding organisations, and by the Shire,**

Motion put and carried 4/0

Note – Vehicle use should not be unrestricted private use, and some guidelines will need to be negotiated/ agreed. While recognising that some private use may be permitted by Centacare as the responsible organisation, the intent of this is to ensure –

- maximum access is maintained for HCP use, staff and volunteers, and
- maximum funding for activities is available.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 4

That Council make an allocation of \$20,000 in the 2009-2010 budgets, indexed each successive year according to the rates increase, for the purpose of funding –

- office – space, consumables and utilities at the Hall
- vehicle – maintenance and operation
- accommodation – excluding electricity
- various activity expenses – hire of hall facilities, hire of Community Bus etc
- balance to be available for the general activities of Centacare in Yalgoo, not met by FaHCSIA, OZ Minerals, or other grants or sponsorship.

COUNCIL DECISION

C2009-0635 Shire Support for Centacare – Budget Provision 2009-2010

Moved Cr TK Iturbide, Seconded Cr L Hodder

That Council

- a) **make an allocation of \$20,000 in the 2009-2010 budget, indexed each successive year according to the rates increase, for the purpose of funding –**
 - **office – space, consumables and utilities at the Hall**
 - **vehicle – maintenance and operation**
 - **accommodation – excluding electricity**
 - **various activity expenses – hire of hall facilities, hire of Community Bus etc**
 - **balance to be available for the general activities of Centacare in Yalgoo, not met by FaHCSIA, OZ Minerals, or other grants or sponsorship,**
- b) **request Centacare that provision be made for a brief written or in person report be made to Council every two months, so as to be able to remain informed of activities, developments or issues, as they arise.**

Motion put and carried 4/0

13.3 WRITE OFF – SUNDRY DEBTORS

File:
 Author: Violet Rowe, CEO
 Interest Declared: No interest to disclose
 Date: 10 June 2009
 Attachments: none

MATTER FOR CONSIDERATION

Write off of sundry debtors and administrative coding errors.

BACKGROUND

Several debtors currently exist considered unrecoverable or have been incorrectly allocated.

STATUTORY ENVIRONMENT

Local Government Act 1995 –
 - s.6.12 (1)(c) – a Local Government may write off monies due to them.

STRATEGIC IMPLICATIONS

None

POLICY IMPLICATIONS

None

FINANCIAL IMPLICATIONS

The write off of \$1,496.59 will more accurately reflect Council's rate debtors' balance in the financial statements for the year 2008/2009

CONSULTATION

Niel Mitchell, CEO

COMMENT

Council has delegated authority to the CEO to write off minor fees, charges and interest in relation to rates, and sundry debtors, to a value of \$30.00. There is no delegated authority to write off rates.

Sundry Debtors write-off

This financial year		
Tamisha Hodder	\$250.00	Bond refund of \$350 was refunded to Tamisha Hodder. Tamisha is certain the bond of \$350 was paid in full although only records can be found for \$100 paid.
Anne Jones	\$57.80	Rates outstanding from balance at 30th June 2006. Attempts have been made to get in contact with Anne Jones with no success.
Anthea Simpson	\$4.50	Underpayment of learners permit. Attempts to recover have been unsuccessful.
Total	\$312.30	

The administrative write offs are required in order to reconcile various sub-ledgers. The funds have actually been received, however, the system does not allow for correction of some coding / allocation errors.

Write off's due to administrative error

Last Financial Year		
Craig Hodder	233.85	money received but allocated incorrectly
Cash sales	\$5.00	money received but allocated incorrectly
Cash deposit	\$100.45	money received but allocated incorrectly
Cash sale	\$5.00	money received but allocated incorrectly
Cash sale	\$25.00	money received but allocated incorrectly
Total	\$369.30	

This financial year		
Patrick Hodder	\$2.20	Monies received for photocopying but allocated to municipal account not cash float
A McSparran	\$38.00	Monies received for licensing but allocated to incorrect account
Various Licensing	\$405.49	Monies received but allocated incorrectly
Total	\$445.69	

VOTING REQUIREMENTS

Absolute majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0636 Write-off Sundry debtors

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That the following amounts be written off –

- **Sundry debtors write off** **\$254.50**
- **Rates write off** **\$ 57.80**
- **Administrative write-off from 2007/2008 year** **\$369.30**
- **Administrative write-off from 2008/2009 year** **\$445.69**

Motion put and carried by Absolute Majority 4/0

14. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

STATUTORY ENVIRONMENT

Refer separate attachments

CLOSURE OF THE MEETING TO THE PUBLIC

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0637 Close the Meeting to the Public

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That the meeting be closed to the public to discuss the following matters –

- 14.1 Interim Audit Special Report – Cash**
- 14.2 Interim Audit Special Report – Fuel**
- 14.3 Occupational Superannuation on Overtime**

Motion put and carried 4/0

The meeting was closed to the public at 3.24pm.

Remaining in the meeting were – Cr DE Anderson, Cr DP Morrissey, Cr TK Iturbide, Cr L Hodder and Mr N Mitchell.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0638 Re-open the Meeting to the Public

Moved Cr TK Iturbide, Seconded Cr L Hodder

That the meeting be re-opened to the public.

Motion put and carried 4/0

The meeting was reopened to the public at 4.08pm.

14.1 INTERIM AUDIT SPECIAL REPORT – CASH

Reason for confidentiality –

- Local Government Act 1995 –
 - o s 5.23 (2)(a) – A matter affecting an employee or employees.
 - o s.5.23 (2)(f)(i) – if disclosed may impair effectiveness of investigations

Interest Declared: N. Mitchell, CEO – An employee with access to safe and keys.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0639 Interim Audit Special Report – Cash

Moved Cr DP Morrissey, seconded Cr L Hodder

That –

- the Report of the Auditor advising of the results of their investigation, and
- the report of the CEO advising of –
 - o the circumstances of the cash discrepancy,
 - o actions subsequently taken to correct and improve processes, and
 - o of formal report now made to the Police,

be received.

Motion put and carried 4/0

14.2 INTERIM AUDIT SPECIAL REPORT – FUEL

Reason for confidentiality –

- Local Government Act 1995 –
 - o s 5.23 (2)(a) – A matter affecting an employee or employees.
 - o s.5.23 (2)(f)(i) – if disclosed may impair effectiveness of investigations

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/ COUNCIL DECISION

C2009-0640 Interim Audit Special Report – Fuel

Moved Cr DP Morrissey, seconded Cr DE Anderson

That –

- the Report of the Auditor advising of the results of their investigation, and
- the report of the CEO advising of –
 - o the circumstances of the alleged theft,
 - o actions subsequently taken to correct and improve processes, and
 - o of formal report now made to the Police,

be received.

Motion put and carried 4/0

14.3 OCCUPATIONAL SUPERANNUATION ON OVERTIME

Reason for confidentiality –

- Local Government Act 1995 –
 - o s 5.23 (2)(a) – A matter affecting an employee or employees.

Interest Declared: N. Mitchell, CEO – Financial interest as an employee who may benefit

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 1/ COUNCIL DECISION

C2009-0641 Australian Taxation Office – Private Ruling

Moved Cr DP Morrissey, seconded Cr DE Anderson

That the ruling of the Australian Taxation Office in relation to payment of 9% superannuation guarantee on earnings be noted.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 2/ COUNCIL DECISION

C2009-0642 UHY Haines Norton – Opinion

Moved Cr DE Anderson, seconded Cr TK Iturbide

That the opinions of UHY Haines Norton in relation to payment of 9% superannuation guarantee on earnings be noted.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 3/ COUNCIL DECISION

C2009-0643 Back Payment of 9% Superannuation Guarantee on Overtime

Moved Cr TK Iturbide, Seconded Cr DP Morrissey

That back payment of 9% superannuation guarantee –

- be made to 1 July 2003, where records exist for all affected staff
- such back payment to be calculated –
 - o on the Ordinary Time Earnings (as then defined by the Australian Taxation Office), therefore excluding bonuses, lump sum payments on termination etc
 - o less superannuation guarantee payments already made
- this arrangement to apply until the conclusion of the pay period ending on 29 June 2009.

Motion put and carried 4/0

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION 4/ COUNCIL DECISION

C2009-0644 Continuation of 9% Superannuation Guarantee on Overtime

Moved Cr DE Anderson, Seconded Cr DP Morrissey

That payment of 9% superannuation guarantee be paid on –

- **all earnings of all staff, pre-tax, pre-salary sacrifice, including overtime payments,**
- **applicable earnings are as defined by the Australian Taxation Office, therefore including various leave, bonuses etc, but excluding lump sum payments on termination etc.**
- **this arrangement to apply from the commencement of the pay period starting on 30 June 2009.**

Motion put and carried 4/0

15. NEXT MEETINGS

15.1 SPECIAL MEETING

It is planned that the Draft Budget papers will be ready for distribution to Councillors before the end of June 2009, for review and comment.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION

That a Special Meeting of Council to review the draft 2009-2010 Budget be held on Tuesday 14 July 2009.

COUNCIL DECISION

C2009-0645 Special Meeting

Moved Cr DP Morrissey, Seconded Cr TK Iturbide

That a Special Meeting of Council to review the draft 2009-2010 Budget be held on Wednesday 15 July 2009, commencing at 1.00pm.

Motion put and carried 4/0

15.2 ORDINARY MEETING

The next Ordinary Meeting of Council is due to be held on Thursday, 23 July 2009, commencing at 11.00 am.

16. MEETING CLOSURE

There being no further business, the President declared the meeting closed at 4.12pm.

DECLARATION

These minutes were confirmed by Council at the Ordinary Meeting held on _____.

Signed: _____
Person presiding at the meeting at which these minutes were confirmed