



AGENDA

FOR THE

ORDINARY MEETING
OF COUNCIL

TO BE HELD ON

TUESDAY, 27 MAY 2014

PLEASE READ THE FOLLOWING DISCLAIMER BEFORE PROCEEDING

Members of the public are cautioned against taking any action on Council decisions, on items in this Agenda in which they may have an interest, until such time as they have been advised in writing by Council staff.

NOTICE OF MEETING

PLEASE BE ADVISED THAT THE
ORDINARY MEETING OF COUNCIL
COMMENCING AT 4.00PM
WILL BE HELD ON
TUESDAY, 27 MAY 2014

IN THE OCEAN ROOM AT THE IRWIN REC,
RIDLEY STREET, PORT DENISON WA

A SITE VISIT TO THE OLD COUNCIL CHAMBERS / ADMINISTRATION
CENTRE SITE WILL BE HELD AT 3PM, 13 WALDECK STREET, DONGARA
PRIOR TO THE ORDINARY COUNCIL MEETING.



Darren Simmons
Chief Executive Officer

23 May 2014

DISCLAIMER

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

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**AGENDA FOR ORDINARY COUNCIL MEETING
TO BE HELD IN THE OCEAN ROOM, IRWIN REC
ON TUESDAY, 27 MAY 2014
COMMENCING AT 4.00PM**

PRESENT:	President	Cr S C Chandler
	Councillors	Cr I F West (Deputy President) Cr K J Hepworth Cr D R Kennedy - <i>via City of Fremantle (phone conference)</i> Cr R J Porteus Cr M T Smith Cr M Leonard
	Staff	Mr D J Simmons - Chief Executive Officer Mr G M Peddie – Director Corporate and Community Ms S van Aswegen – Director Planning and Infrastructure Mrs H M Sternick – Manager Corporate Services Mr F Neuweiler – Manager Community Safety Miss L E Tunbridge – Research and Projects Officer Ms E Greaves – Executive Assistant
GUESTS:		Mr Greg Goodwin, UHY Haines Norton (Council’s Auditors)
APOLOGIES:		Cr B C Scott

- 1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
- 2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**
- 3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

In response the enquiries raised by Mr John Rossiter at the Ordinary Council Meeting on 29 April 2014, relating to the Accounts for Payment – February and March 2014 the following points have been advised;

- Total Eden has acquired the company that has previously supplied the Shire’s grader blades which explains why a company that generally supplies gardening and reticulation products has been listed for this purchase.
- The Bunnings purchase for tiles and a clothesline on 16 December 2013 and Synthetic Turf for the Cemetery on 14 January 2014 were collected in conjunction with other business dealings held in Geraldton on those days and was the only supplier to provide what was specifically needed for that work / project at the time and couldn’t be sourced locally. Local suppliers are contacted for initial supply and quote when looking to purchase goods and services.
- As stated at the meeting, the Shire hired ML Communications to undertake telecommunication work as they were the only company authorised in the Midwest to undertake the specific works required. Jaycam has been employed to undertake other telecommunication work for the Shire and will continue to be provided with future opportunities as per Council’s Local Purchasing Policy.

4. PUBLIC QUESTION TIME
5. APPLICATIONS FOR LEAVE OF ABSENCE
6. PETITIONS
7. CONFIRMATION OF MINUTES
- 7.1 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 29 APRIL 2014

A copy of the Minutes of the Ordinary Council Meeting held on 29 April 2014 has been provided to all Councillors under separate cover and a hyperlink is provided below.

COUNCIL MOTION:

MOVED: Cr _____

SECONDED: Cr _____

That the Minutes of the Ordinary Council Meeting, held on 29 April 2014, be confirmed as a true and accurate recording of that meeting.

[Minutes of Ordinary Council Meeting held on 29 April 2014](#)

[Attachment Booklet of Ordinary Council Meeting held on 29 April 2014](#)

[CC03 Budget Review Attachment](#)

[CC05 Recreation Needs Analysis Attachment](#)

[PI04 Shire of Irwin Bicycle Plan](#)

8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

9. REPORTS

CORPORATE AND COMMUNITY

CC01 – 05/14

Subject: Accounts for Payment
Reporting Officer: Manager Corporate Services
Date of Report: 20 May 2014
File Reference: Minute Book
Voting Requirements: Simple Majority

Report Purpose:

To receive the list of accounts paid under delegated authority during April 2014.

Officer's Recommendation:

That the Accounts paid during April 2014, represented by Municipal Cheque Numbers 30501-30523, EFT payment numbers 16030-16141 totalling \$570,859.35, Police Licensing Payment No's PL310314 – PL280414 totalling \$62,309.85, Credit Card Payment \$8,336.57 and Vehicle Lease Payment \$853.51, be received.

Attachments:

[Accounts for Payment – April 2014](#)

Background:

A list of accounts paid under delegated authority is attached showing all payments made during the months of April 2014.

Officer's Comment:

Nil

Financial Implications:

Nil

Statutory Implications:

13. Lists of accounts

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
 - (a) the payee's name;
 - (b) the amount of the payment;
 - (c) the date of the payment; and
 - (d) sufficient information to identify the transaction.
- (3) A list prepared under sub-regulation (1) or (2) is to be —
 - (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
 - (b) recorded in the minutes of that meeting.

Policy Implications:

Under Delegation C3 Council has delegated authority to the Chief Executive Officer to authorise all payments by Council.

Strategic Implications:

Strategic Community Plan – Outcome 4.2.1 Ensure compliance whilst embracing innovation and best practice principles.

CORPORATE AND COMMUNITY

CC02 – 05/14

Subject: Financial Statements for the Period Ending 30/04/2014
Reporting Officer: Manager Corporate Services
File Reference: Minute Book
Date Prepared: 20 May 2014
Voting Requirements: Simple Majority

Report Purpose:

To consider and receive the Monthly Financial Statements for the period 1 July 2013 to 30 April 2014

Officer's Recommendation:

That the Monthly Financial Statement for the period 1 July 2013 to 30 April 2014 as outlined in the Attachments Booklet – May 2014 under separate cover, be received.

Attachments:

[Financial Statements for the Period Ending 30/04/2014](#)

Background:

The Monthly Financial Report to the 30 April 2014 is prepared in accordance with the requirements of the Local Government Act and the Local Government (Financial Management) Regulations and includes the following:

- Statement of Financial Activity by Nature & Type
- Statement of Financial Activity by Program
- Major Variances
- Statement of Cash Flows
- Schedules 3 – 14 Budget vs Actuals Comparison
- Graphical Representation – Statement of Financial Activity
- Net Current Funding Position
- Cash and Investments
- Receivables
- Cash Backed Reserves
- Information on Borrowings
- Capital Disposals and Acquisitions
- Non Operating Grants and Contributions
- Trust Fund
- Budget Amendments
- Restricted Assets
- Port Denison Retirement Village Operating Statement

Officers Comment:

Nil

Financial Implications:

Nil

Statutory Environment:

The Local Government (Financial Management) Regulations provides as follows:

Section 34 Financial activity statement report

- (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 the month to which the statement relates;
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
 - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing -
- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - (b) an explanation of each of the material variances referred to in sub-regulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown -
- (a) according to nature and type classification;
 - (b) by program; or
 - (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub-regulation (2), are to be -
- (a) presented to the council -
 - (i) at the next ordinary meeting of the council following the end of the month to which the statement relates; or
 - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of the council after that meeting; and
 - (b) recorded in the minutes of the meeting at which it is presented.

Policy Implications:

Nil

Strategic Implications:

SCP Outcome 4.2.1 Ensure compliance whilst embracing innovation and best practice principles
SCP Outcome 4.3.3 Adopt best practice processes to achieve a high standard of governance and accountability.

CORPORATE AND COMMUNITY

CC03 – 05/14

Subject: 2014/15 Budget Adoption Timetable
Reporting Officer: Manager Corporate Services
File Reference: FM.BU.14.15
Date Prepared: 20 May 2014
Voting Requirements: Simple Majority

Report Purpose:

To consider the timetable for adoption of the 2014/15 budget and to hold a Special Council Meeting to set Differential Rates.

Officer's Recommendation:

That Council

- a) receives the timetable for 2014/15 budget adoption; and
- b) holds a Special Council Meeting on Tuesday, 10 June 2014 commencing at 4.00pm for the purpose of setting differential rates.
- c) holds a Special Council Meeting on Tuesday, 12 August 2014 commencing at 4.00pm for the purpose of adopting the budget.

Attachments:

[Department of Local Government and Communities Rating Policy – Differential Rates](#)

Background:

In August 2013 the Department of Local Government and Communities provided a Rating Policy - Differential Rates, which has changed the procedure for applying to the Minister for Local Government for approval to adopt a UV Rate in the Dollar which is more than twice the lowest UV Rate.

A timetable has been created to advise Council of the timeframe for the adoption of the 2014/15 budget.

Officers Comment:

Budget Review and Adoption Timetable:

10 June 2014	Council adopt the rates in the dollar for differential rating
13 June 2014	Advertise adopted rates in the dollar for differential rating
4 July 2014	Public notice submissions relating to advertised rates closes
7 July 2014	Apply to the Minister for Local Government seeking approval to impose differential rating
8 July 2014	Council review the Draft Budget at Forum
12 August 2014	Council holds a Special Council Meeting on Tuesday, 12 August 2014 for the purpose of adopting the budget

In other years Council has adopted to advertise the differential rates at its May Council meeting, this year Council's staff has only just received the Unimproved Valuation Roll from the Valuer General, therefore not giving officers sufficient time to analyse the valuations and complete rates modelling in time for the May meeting.

Previously Council has applied to the Minister for Local Government seeking approval to impose a differential rate during the 21 day public notice period, this is no longer acceptable to the Minister. Staff now have to wait until the submission period has closed before being able to apply for his approval.

The budget timetable may be affected if the Minister for Local Government's approval is not received by Budget Adoption date.

Financial Implications:

No financial impact, the report is for informative purpose.

Statutory Environment:

Local Government Act 1995 Section 6.33

Local Government Act (Financial Regulations) 52A

Department of Local Government and Communities Differential Rating Policy of August 2013

Policy Implications:

Nil.

Strategic Implications:

SCP Outcome 4.2.1 Ensure compliance whilst embracing innovation and best practice principles

SCP Outcome 4.3.3 Adopt best practice processes to achieve a high standard of governance and accountability.

CORPORATE AND COMMUNITY

CC04 – 05/14

Subject: Interim Audit Report
Reporting Officer: Manager Corporate Services
File Reference: FM.AD.13.14
Date Prepared: 20 May 2014
Voting Requirements: Simple Majority
Guest: Council's Auditor, Greg Godwin, will be attendance to address Council on the Interim Audit Report

Report Purpose:

To consider the information contained the Interim Audit Report for 2013/14.

Officer's Recommendation:

That Council receives the interim audit report and notes the Manager Corporate Services responses to the matter raised.

Attachments:

[Interim Audit Report](#)

Background:

Council's auditors, UHY Haines Norton, visited Council's offices in March and undertook an interim audit of Council's records in accordance with the Audit Specifications.

Officers Comment:

A copy of the interim audit report is attached for information and consideration.

In the report, items have been noted that were raised with management at the time.

1. The Shire's investment policy allows Council to invest in items prohibited by Financial Management Regulation 19C.

Response

Council did not, at any time, breach the Financial Management Regulation 19C. Amendments have subsequently been made to the Investment Policy to ensure that it complies with the requirements of Regulation 19C and being presented to Council for adoption as part of the Policy Manual Review.

2. Whilst reviewing the annual and primary returns of Councillors and Staff we noted 4 of 13 returns reviewed contained sections which had been left blank.

Response

In future all returns will be reviewed to ensure that any otherwise blank sections are completed with N/A or Nil.

3. The rate notice or accompanying information did not include a brief statement that rebates under the Rates and Charges (Rebates and Deferrals) Act 1992 are funded by the Government of Western Australia.

Response

This will be rectified for the next financial year.

Also included in the report is the status of the Shire meeting the requirements of Fair Value Accounting, as mandated by Financial Management Regulation 17A, a local government in Western Australia must show all of the assets in its financial report at fair value by 30 June 2015.

The report also notes a number of reminders of items to be undertaken prior to year end.

Financial Implications:

No financial impact, the report is for informative purpose.

Statutory Environment:

Local Government Act 1995 Part 7

Local Government Act (Financial Regulations)

Policy Implications:

Changes to Policy F4 Management of Investment

Strategic Implications:

SCP Outcome 4.2.1 Ensure compliance whilst embracing innovation and best practice principles

SCP Outcome 4.3.3 Adopt best practice processes to achieve a high standard of governance and accountability.

CORPORATE AND COMMUNITY

CC05 – 05/14

Subject: Draft Community Development Plan
Reporting Officer: Manager Community Services
Date of Report: 19 May 2014
File Reference: CM.PL.2
Voting Requirements: Simple Majority

Report Purpose:

To present to Council the Shire of Irwin Community Development Plan Draft Report for comment and consent for advertising.

Officer's Recommendation:

That Council consents to the Draft Community Development Plan Report prepared by Building Better Communities Consultants, as presented in Attachment Booklet – May 2014 under separate cover, being advertised for a period of 21 days for public comment, and thereafter consider any submissions and the final adoption of the amended document.

Attachments:

[Draft Shire of Irwin Community Development Plan Report](#)

Background:

The Community Engagement Process undertaken in the development of the Shire of Irwin Strategic Community Plan (SCP) 2012 – 2022 outlined the community desire for “Plenty of facilities in all age groups. Good retirement homes, good medical facilities. Good sporting facilities and entertainment”. 1.4.1 of the adopted SCP “Develop and implement a Community Development Plan” is an important strategy in achieving these outcomes.

Advertising of the Shire of Irwin Community Development Plan Consultants Brief resulted in 11 submissions, of these Building Better Communities were appointed.

The brief to the consultants was to take an integrated and co-ordinated approach to long term focus for Community Development and provide an opportunity to develop strong partnerships that will guide the Shire of Irwin over the next five years. In line with meeting the expectations and needs of the community it was proposed that the Community Development Plan engage the following key focus areas:

- Seniors and Aged Care Services;
- Community Events;
- Youth;
- Volunteer Program;
- Families;
- Arts and Culture.

The community engagement consultation process resulted in 202 people being engaged on the community aspirations for this plan. This included:

- Community Workshops;
- Stakeholder Meetings;
- Telephone Interviews;
- Online Community Survey: and
- Online Youth Survey.

The Senior Management Group was provided an opportunity to review and discuss the Draft Community Development Plan at a Senior Management Meeting in April 2014 and officers were consulted further in the lead up to the preparation of this report.

Mr Garry Fisher from Building Better Communities presented the Draft Community Development Plan to Council at the Council Forum in May 2014.

Feedback received at the Council Forum identified that outcomes from the Strategic Community Plan 2012 – 2022 have been identified as actions in the Draft Community Development Plan. This resulted in an amendment being made to the Message from the Shire President in the Draft Community Development Plan.

The draft Community Development Plan encompasses various outcomes identified in the Strategic Community Plan 2012-2022 these outcomes are listed below:

- 3.2.2 Identify services and programs for families;
- 3.2.3 Investigate the options of a new library facility, including co-location opportunities with CRC;
- 3.3.1 Partner with Global Care and other providers to develop ageing in place accommodation and facilities;
- 3.3.4 Investigate future facilities for Senior Citizens;
- 3.4.1 Monitor and investigate the demand for youth programs and facilities;
- 3.4.2 Support youth programs;
- 3.4.3 Partner and support the District High School and other educational facilities;
- 3.5.1 Continue to advocate for improved facilities and access to services, including doctors and allied health professionals;
- 3.5.3 Continue to support the Dongara Medical Centre;
- 3.6.3 Investigate the feasibility of an Arts and Cultural Centre;
- 3.6.4 Support arts, culture and recreation programs through a Community Grants Scheme;
- 3.7.1 Develop a Community Sponsorship and Funding Strategy;
- 3.7.2 Host events to acknowledge volunteers;

Officer's Comment:

It is recommended that the attached draft Community Development Plan be adopted and advertised for a period of 35 days for public comment. All feedback received from the community and other stakeholders will be tabled and presented to Council for final adoption of the amended plan.

An adopted Community Development Plan will enable the Shire of Irwin to take an integrated and co-ordinated approach to long term planning of our community development needs for the key focus areas and assess the need for additional facilities and programs to meet the long term needs of the Shire's growing population.

Financial Implications:

The adoption of the Draft Community Development Plan contains projects that are funded in the 2013/14 budget as well as planned projects that are incorporated in the Corporate Business Plan and Long Term Financial Plan. The Draft Community Development Plan also contains recommendations for new projects that are presently unfunded and will require additional funding to be obtained for their implementation.

Statutory Environment:

Local Government Act 1995

Policy Implications:

Nil

Strategic Implications:

SCP Outcome 1.4.1 Develop and Implement a Community Development Plan

PLANNING AND INFRASTRUCTURE

PI01 – 05/14

Subject: Stage Two of Council Chamber Renovations
Reporting Officer: Manager Community Safety
Date of Report: 19 May 2014
File Reference: FM.TE.5
Voting Requirements: Simple Majority

Report Purpose:

To seek Council consent to advertise the tender for Stage two of the Council Chambers renovation.

Officer's Recommendation:

That Council:

1. **Endorses the building plans approved by the Shire of Irwin Administration Centre Refurbishment Committee, as presented in Attachment Booklet – May 2014 under separate cover; and**
2. **Notes the actions of the CEO to invite tenders.**

Attachments:

[Building Plans for Council Chambers Renovations](#)

Background:

Council received funding to undertake the Council Chamber renovation in two stages. Stage one, which included mainly external works is nearing completion. The tender for Stage two, the internal fit-out, is now ready for advertising, as presented in Attachment Booklet – May 2014 under separate cover.

Officer's Comment:

The eastern section of the building will be taken up by seven offices and a meeting room, whilst the Council Chambers have been moved to a central location within the building. The renovations allow for the utilisation of the latest technological communication appliances.

The renovations will ensure that Council's administrative facilities will be adequate for the next 20 years and will enhance the Shire of Irwin's standing in the region.

Financial Implications:

Royalties for Regions Funding (\$394,200) and annual Budget 2014/2015

Statutory Environment:

Section 3.57 of the Local Government Act 1995 – Tenders for providing goods and services.

Policy Implications:

F1 Localised Purchasing
F2 Purchasing

Strategic Implications:

SCP Outcome 3.1 High quality and well maintained community infrastructure.

OFFICE OF THE CEO

CEO01 – 05/14

Subject: Delegations Register and Policy Manual Review
Reporting Officer: Executive Assistant
Date of Report: 16 May 2014
File Reference: CM.PO.1
Voting Requirements: Simple Majority

Report Purpose:

For Council to review the updated Delegations Register and Policy Manual for adoption.

Officer's Recommendation:

That Council;

- a) **Adopts the Delegations Register dated May 2014 as presented in Attachment Booklet – May 2014 under separate cover.**
- b) **Adopts the Policy Manual dated May 2014 as presented in Attachment Booklet – May 2014 under separate cover.**

Attachments:

[Delegations Register 2014](#)
[Policy Manual 2014](#)

Background:

Local Governments are required to keep a register of delegations and to review the delegations at least once every financial year, as per Local Government Act 1995 s5.18 and s5.46. These delegations include those from Council to the Chief Executive Officer and Committees, and the Chief Executive Officer to other staff. Council has not yet reviewed the Register this financial year.

The Senior Management Group was provided an opportunity to review and discuss the Delegations Register and Policy Manual at a Senior Management Meeting in April 2014 and officers were consulted further in the lead up to the preparation of this report.

Officer's Comment:

There is no formal requirement for Council to review the Policy Manual however a full comprehensive review was conducted in June 2013, and we would like to continue this as best practice to ensure Council have a relevant and current policy stance each year that reflects the ongoing changes within local government and our community.

DELEGATIONS REGISTER

Below are the recommended changes made to Council's Delegation Register;

- **CEO3 Payment Authorisation** includes the addition of the Manager Corporate Services to check and authorise a list of payments to be made by EFT.
- **Stop Work Orders** has been deleted as s401A of the Local Government (Miscellaneous Provisions) Act has been deleted and this authorisation is now covered in the new Building Act 2011 and in Council's Policy – Statutory Appointments.
- **CEO7 Home Occupations Renewals, CEO8 Subdivision Clearance Approvals, CEO9 Approval / Refusal of Development Application, CEO11 Oversized Sheds – Rural Smallholdings Zone and CEO12 Subdivision Referrals from WAPC** have been amended to reference the Shire of Irwin Local Planning Scheme rather than Town Planning Scheme.
- **CEO13 Authority to Invest** has been amended to reference the relevant Council Policy *Management of Investments*.
- **CEO15 Authority to Appoint an Acting CEO** was adopted by resolution of Council on 1 May 2012 but missed from inclusion in the Delegation Register document previously and is therefore added now.

- **Issue of Building Permits and Second Hand Dwellings and Buildings** have been deleted due to the changes within the Building Act 2011 and the deletion of s374 of the Local Government (Miscellaneous Provisions) Act 1960.
- **STAFF1 Powers and Duties – Health Act** has been amended to better encompass the responsibilities required of the Manager Community Safety to implement the provisions on the Health Act 1911.
- **ON3 Subdivision Clearance Approvals** has been updated to reference the Local Planning Scheme rather than Town Planning Scheme
- **ON4 Approval / Refusal of Development Applications** has been updated to reflect the authority provided in Delegation CEO09 and relevant responsibility delegated to Manager Planning Services.
- **ON6 Approved Purposes for the Release of Information** has been added following an amendment to Regulation 29B regarding the prevention of businesses obtaining copies of local government-held information with the intent of using it for commercial purposes.
- **ON7 Authority to Invest** has changed to reference the relevant Council Policy as provided with the Draft for Council's consideration.

POLICY MANUAL

Summary points are provided below on the main additions / amendments as determined by Planning and Infrastructure;

- **Genetically Modified Food** has been developed following the discussions held at the April 2014 Special Council Meeting in establishing a position on the commercial release of genetically modified food.
- **Minimum Aesthetic Value of New Dwellings and Grouped Dwelling Developments** have been removed from the Manual as decisions are guided by Council's Local Planning Scheme No.5 and R-Codes. Any guidance from Council, beyond what is already allowed for in the R-Codes, should be stipulated within changes to the Local Planning Scheme.
- **Protection of Kerb/Footpath & Clearing of Road and/or Drains** has changed responsibility from 'Building' to 'Works'.
- **Shade Cloth Enclosures, Fencing, Occupational Health and Safety, Home Occupations** have been deleted as they are covered by the relevant statutory Acts, Scheme, Laws or R-codes.
- **Pylon Signs and Secondhand Dwellings and Buildings and Minimum Aesthetic Value of Transportable Site Offices on Industrial Zoned Lots** has changes responsibility from 'Building' to 'Planning'.
- **Verge Treatment** has changed responsibility from 'Planning' to 'Works'.

Corporate and Community have made the following additions / amendments to the Policy Manual;

- **Asset Management** was adopted by Council in May 2012 but not included in Council's Policy Manual and has therefore been consolidated with this document.
- **Management of Investments** has been amended to align with the requirements of the Local Government Act 1995 s6.14, Trustees Act 1962 Part iii Investments and the Local Government (Financial Management) Regulations 1996 Regulation 19, 28 and 49 as recommended by Council's auditors.
- **Tourism** has been deleted as these objectives have now been identified in the Shire of Irwin Tourism Development Plan which has been adopted by Council.
- **Dongara Public Library** has been included to ensure Council commitment to providing a free and accessible library services to Irwin residents.

Financial Implications:

Nil

Statutory Environment:

Local Government Act 1995 s5.18 and s5.46

Policy Implications:

As outlined

Strategic Implications:

SCP Outcome 4.2.1 –Ensure compliance whilst embracing innovation and best practice principles.

OFFICE OF THE CEO

CEO02 – 05/14

Subject: Response to Commission of Audit Report
Reporting Officer: Chief Executive Officer
Date of Report: 20 May 2014
File Reference: GS.PR
Voting Requirements: Simple Majority

Report Purpose:

For Council to formalise their position on recommendations 5 and 22 of the Commission of Audit Report.

Officer's Recommendation:

That Council:

- 1. Opposes recommendations 5 and 22 (and that regarding the Regional Development Australia Committees) of the Commission of Audit report;**
- 2. Requests the WALGA Northern Country Zone to support the Shire in opposing recommendations 5 and 22; and**
- 3. Authorises the Shire President and CEO to make representations to Ms Melissa Price MP, Federal Member for Durack and others regarding its concerns to the Commission's recommendations.**

Background:

The Shire President of Morawa (and Chair of the WALGA Northern Country Zone) Cr Karen Chappel advised members of the Zone by email on 11 May 2014 of a report on the Australian Local Governments of Australia (ALGA) website regarding the impact of the Commonwealth Government's Commission of Audit on Local Government. In particular, the report highlights:

Commonwealth funding for local councils would end under the recommendations of the Commission of Audit Report released on Thursday 1 May.

The Federal Budget, to be handed down in 12 days time is expected to pick up some of the 86 recommendations, with others to be adopted in coming months.

The recommendations seek to return the Budget to surplus through substantial savings and would also see the Commonwealth Government give up \$25 billion of income tax revenue and end its involvement in an enormous range of areas and pass responsibility to the states.

Of major concern to ALGA are the recommendations in Volume 2 (recommendations five and 22) that the Commonwealth end its funding for local government, including the Financial Assistance Grants (FAGs) program and the Roads to Recovery (R2R) program. The Report also recommends an end to Regional Development Australia Committees and that the Commonwealth leaves regional development issues to the state and local government.

The Federal Government provides a total of \$2.2 billion per annum to councils across the country through the FAGs program. It is the Government's cornerstone program for local communities. The end of the program, which was put in place almost 40 years ago, would have a catastrophic impact on the level of local infrastructure and services in every local community.

The Audit Commission has proposed that the FAGs would no longer be necessary as sufficient revenue would be available to state governments which could then determine whether any funds are passed on to councils. Given the priorities which state governments face in areas such as health, education and public transport, individual councils may well find it challenging in securing sufficient funds to meet local infrastructure and service needs.

The end of the R2R program, which both major parties had promised to extend to 30 June 2019, would strip \$350 million a year in road funding from local communities with potentially devastating consequences for productivity, road safety and general access, particularly in regional

communities. The promised Bridges Renewal Program is also at risk under the Report's recommendations.

Cr Chappel's initial comments includes that she thought this would be a matter of discussion at the ALGA conference with members from WA attending and it was something that "we will need to ensure comes through the LGs to the Zone so that the State has a strong position against these recommendations".

In response to Cr Chappel's email, Ian Carpenter the Mayor of the City of Greater Geraldton in an email on 12 May 2014 comments that this is a very serious matter, and although the Commission of Audit was advice to the Government, had the potential to be adopted. Mayor Carpenter then went on to explain the impact that implementing recommendations 5 and 22 would have on local governments. Mayor Carpenter also suggested that perhaps the Zone asks WALGA to seek advice from zones by email who in turn could seek the advice of zone LGs by email and not to wait for the next NCZ meeting. He also intends raising this matter through the Regional Capitals Alliance.

In addition to the above, Mayor Carpenter provided a copy of an email he had sent on the 9 May 2014 to Mayor Troy Pickard, the President of WALGA stating "Given the serious ramifications the loss of FAGS and R2R funding would cause to all LG's and small LG's in particular, will WALGA be taking this matter up as an immediate priority? I'm sure most would not wish to have this funding in the hands of the state".

A number of CEO's also responded to Cr Chappel's email on 12 May 2014 including the CEO of Perenjori and CEO of Mingenew that they were happy to assist and the CEO of Morawa with a response from the CEO of Carnamah on the current and previous Federal Governments' position on funding to Local Government.

President Collingwood from the Shire of Chapman Valley also advised by email on 13 May 2014 that his Shire would seriously consider attending the ALGA conference regarding this matter.

Officer's Comment:

The key principle regarding recommendations 5 and 22 is that the Commonwealth should give the States access to the Commonwealth Personal Income Tax base and that the Commonwealth lower its Personal Income Tax rates to allow room for the States to levy their own income tax. The impact of lower revenue for the Commonwealth would be offset through an equal reduction in funding in other financial assistance payments to the States.

The premise is that this in turn would see the States make greater use over the longer term of access to the Personal Income Tax base to fund their expenditure responsibilities including support for local government (page 109 Phase Two Commission of Audit Report).

Roads to Recovery Funding (R2R)

The Deputy Prime Minister (Warren Truss) and in his capacity as the Minister for Infrastructure and Regional Development (this portfolio is also responsible for local government) gave a speech to the National Press Club on 30 April 2014 regarding infrastructure and regional development. A copy of the speech can be found on his website (<http://www.warrentruss.com/speeches.php?id=156>).

In this speech he did advise that the Government has renewed its commitment to Roads to Recovery and locked this in at \$1.75billion over the next five years. Also, \$300m has been set aside for the Black Spot (road) Programme and also \$300m for the Bridges Renewal programme.

In regards to Roads to Recovery, the Deputy Prime Minister points out in his speech:

- Labor and the Greens are the ones playing games with this funding. To date, they have opposed legislation regarding the next lot of R2R. He goes on to say, if the legislation is not passed by the Senate by 30 June, 2014 – then the programme will be road kill. Please note that the author has not had time to substantiate that this is the case regarding the opposition parties. However, the Bill

to amend the *Nation Building Program (National Land Transport) Act 2009* to provide for the extension of R2R is currently before Parliament;

- That of the 17 seats that gave the coalition government at the last election, 11 of these came from the regional areas. This is a very pointed comment, and may well be aimed not only at the opposition parties, but the coalition partner as well.

It should also be remembered that many politicians on both sides of the political fence have time and time again at the National Roads Congress and other forums espoused long and hard the virtues of the Roads to Recovery Programme including the minimal cost involved to administer the program (2.5 FTEs).

The Deputy Prime Minister then went on to announce a Community Development Program worth \$342m and the rolling out next year of \$1 billion National Stronger Regions Fund. The assumption here is that either Regional Development Australia (RDA) or equivalent would manage this funding.

Further to the above, in the 2014/15 Commonwealth Budget handed down on 13 May 2014, it clearly shows the Government's commitment to Roads to Recovery, including the Forward Estimates under Programme 1.1 Infrastructure Investment (Department of Infrastructure and Regional Development).

Financial Assistance Grants (FAGS)

The Financial Assistance Grants (FAGS) is key funding that the Commonwealth provides to Local Government across Australia. The funding provided is determined by the Commonwealth Grants Commission under the *Local Government (Financial Assistance) Act 1995* using what is referred to horizontal fiscal equalisation and allocated to the States/Territories for redistribution to the local governments.

The former Prime Minister, Gough Whitlam was the architect of FAGS and had it implemented as a key funding program because he was concerned with how the States and Territories were handling Local Government from a funding view point.

The Howard Government was also very active in trying to find ways to get funding in a more streamlined fashion to Local Government, hence the establishment of the Roads to Recovery Programme and the support for VROCs (as a less formalised way of getting money to bypass the States etc. Some VROCs have/were successful and others were not).

It should also be noted, that from a WA perspective, the calculation for the allocation of the CLGF is based on the same methodology used for FAGS. So, the methodology is quite sound.

In the 2014/15 Commonwealth Budget handed down on 13 May 2014, it clearly shows the Government's commitment to FAGS, including the Forward Estimates under Programme 3.2 Local Government (Department of Infrastructure and Regional Development). This funding in effect is frozen for three years before indexing is resumed.

In hand with the above, there has been the discussion, and support, since 2008 for the financial recognition of Local Government within the Constitution. This is so that FAGS, R2R and other programs can continue to Local Government and has been clearly supported on both sides of the political fence at the Commonwealth level.

The author also notes that both the Treasurer and the Prime Minister have said on a number of recent news reports that the Commission of Audit is just that, and many of the recommendations, politically – would be hard to implement.

Regional Development Australia Committees

With regard to the future of the Regional Development Australia committees (page 91 Phase Two Commission of Audit Report), the author is not sure what this means at this point. It may mean that the Government will leave RDAs alone or that Infrastructure Australia may take over the role of regional development. The other matter to consider is that a number of RDAs in Western Australia work closely with the Regional Development Commissions to secure key outcomes.

Conclusion

As such, it is quite right to say that many local governments will suffer, and indeed will not survive without the current level of Commonwealth funding provided through FAGS and Roads to Recovery, including a number with the Northern Country Zone.

Despite the assurances of the Treasurer and the Prime Minister regarding the outcomes of the Commission of Audit, it would be appropriate, as a number of respondents to Cr Chappel's email have indicated, to seek a resolution on this matter regarding Local Government so that it does not have the opportunity to become government policy.

A meeting of key personnel from within the Northern Country Zone with the Hon. Melissa Price as the local member is a must, but also a meeting in due course with the Hon. Warren Truss and the Hon. Jamie Briggs (the Assistant Minister for Infrastructure and Regional Development), and perhaps even the Prime Minister (as the Infrastructure Prime Minister). Although this issue regarding concerns with the Commission of Audit recommendations to remove key local government funding would have been appropriate for debate at this year's ALGA Conference, motions for consideration were due on Thursday 17 April 2014.

However, this matter can still be addressed at the ALGA State Conference being held in Canberra on 15-18 June 2014 in which both the Shire President and Chief Executive Officer have previously been authorised by Council to attend. In order to be considered, Local governments must submit motions by close of business Monday 9 June 2014, it would also be appropriate to advise the Northern Country Zone of the same.

Financial Implications:

The withdrawal of key Commonwealth funding will have a substantial impact on the financial health of the Shire.

Statutory Environment:

The Australian Constitution: The Commission of Audit including recommendations 5 and 22 attempt to redefine the role of the Commonwealth, States/Territories and Local Government.

Policy Implications:

Nil.

Strategic Implications:

SCP Strategy 4.5.1 – Continue to lobby government and industry on key issues, as required.

In general terms, many outcomes required under the Strategic Community Plan (SCP) and the Corporate Business Plan would be affected.

10. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

12. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION

Nil

13. MATTERS BEHIND CLOSED DOORS

Nil

14. CLOSURE

There being no further business, the Presiding Member declared the meeting closed at

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