



Special Meeting of Council

MINUTES

06 February 2018

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SHIRE OF BROOMEHILL - TAMBELLUP

Minutes of the Special Meeting of Council of the Shire of Broomehill-Tambellup held in the Tambellup Council Chambers on Tuesday 06 February 2018 commencing at 8.31am

1. ATTENDANCE AND APOLOGIES

Present:	Cr SJF Thompson	President
	Cr MC Paganoni	Deputy President
	Cr GM Sheridan	
	Cr ME White	
	Cr KJ Holzknecht	
	Cr CJ Letter	
	KB Williams	Chief Executive Officer (CEO)
	JA Stewart	Manager Corporate Services
	KP O’Neill	Manager of Finance and Assets
	PA Hull	Strategic Support and Projects Officer
	LK Cristinelli	Governance & Executive Assistant

Apologies: Cr Monica Nazzari

Leave of Absence: Nil

2. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President welcomed Councillors and the Chief Executive Officer and declared the meeting open at 8.31am.

3. PUBLIC QUESTION TIME

Nil

4. DECLARATION OF INTEREST

Nil

5.1 AUDIT REPORT FOR THE YEAR ENDING 30 JUNE 2017

Program:	Governance
Attachment:	Auditors Report & Management Letter
File Ref:	ADM0058
Author:	KP O’Neill Manager Finance and Assets
Date:	23 January 2018
Disclosure of Interest:	Nil

Summary: Council to consider the Auditors Report for the year ending 30 June 2017.

Background: In accordance with section 7.12A(3) of the Local Government Act 1995, Council is required to examine the Auditors report for the year ending 30 June 2017 and is to determine if any matters raised by the Auditors require action to be taken.

A copy of the Auditors Report is attached. The Annual Financial Report for the year ending 30 June 2017 forms part of the content of the 2016-2017 Annual Report, which will be adopted in a separate item.

Comment: Council’s Auditors, Lincolns, were onsite over two days on 25 and 26 October 2017 to undertake the annual audit for the year ending 30 June 2017.

The Independent Audit Report, which forms part of the Annual Financial Report in the 2016/17 Annual Report, contains no qualification; which is due to the integrity, quality and strength of the Shire’s financial recording and reporting systems and the staff maintaining these systems.

The Auditors Management Letter includes comment on Financial Ratios, (Annexure 1) and Audit Misstatements (Annexure 2).

Financial Ratios – Annexure 1

The Shires financial performance is measured by the seven ratios prescribed in the Local Government (Financial Management) Regulations 1996. Five of the ratios are reported at Note 19 (page 39) and two supplementary ratios in relation to Asset Management are reported on page 56 of financial report.

Annexure 1 to the Auditors Management Letter provides general comment on the financial ratios. Comment has been provided to highlight the impact on the current ratio from prepayment (and subsequent underpayment) of Financial Assistance Grants (FAGs) via the WA Local Government Grants Commission (WALGGC).

The WALGGC made advance payment of FAGs in June 2017 of \$939,041 (approximately 50%) from the 2017/18 allocation. This had a positive effect on the current ratio, which improved from 0.75 in 2015/16 to 2.45 in 2016/17.

For a number of years advance payment of FAGs have been received late in June for a significant portion of the coming financial years allocation. Early receipt of these grants increased operating revenue for the year,

which is used in the calculation of the current ratio. While the WALGGC continued to make advance payments there was minimal impact to the current ratio, however in 2015/16 advance payments were not made and resulted in operating revenue being heavily reduced for that financial year. This adversely affected the current ratio, which fell below the standard defined in Local Government Operational Guidelines Number 18 – Financial Ratios.

Current Ratio

This ratio is a measure of Council's short term liquidity, or its ability to meet its financial obligations as and when they fall due. The standard is met if the ratio is greater than 1.

Council's result of 2.45 exceeds the standard and is improved from the previous year. This is attributed to the advance payment of 2017/18 FAGs received in June 2017.

Asset Sustainability Ratio

This ratio indicates whether the Council is investing in renewal/replacement of its assets, to the degree at which the assets are being consumed (depreciating). The standard is met if the ratio is greater than 0.9.

Council's result of 2.75 exceeds the standard, and is consistent with prior years. This can be attributed to Council maintaining to undertake a fairly significant road construction and capital works program during the year.

Debt Service Cover Ratio

This ratio measures Council's ability to service debt out of its uncommitted or general purpose fund available for its operations. A basic standard is achieved if the ratio is greater than 2, and advanced standard is met if the ratio is greater than 5.

Council's result of 23.28 exceeds the standard and is a significant improvement from the previous year, despite raising the loan for the Tambellup Pavilion. The improvement can be attributed in part to the receipt of the FAGs advance payment.

Council currently has three loans with the WA Treasury Corporation and the total repayments (principal and interest) are approximately \$136,600 per annum.

Operating Surplus Ratio

This ratio indicates Council's ability to cover its operational costs through its own source revenue efforts and have revenue available for capital funding or other purposes. A basic standard is met between 0 and 0.15. An advanced standard is met over 0.15.

This ratio is a key indicator of a Council's performance and is often used to measure financial sustainability. The ratio has improved from the previous year and the 2017 result of 0.30 exceeds the standard.

Own Source Revenue Coverage Ratio

This ratio is the measurement of a local government's ability to cover its costs through its own revenue efforts. A basic standard is met if the ratio is between 0.4 and 0.6. An Intermediate standard is achieved if the ratio is between 0.6 and 0.9. An Advanced standard is achieved if the ratio is greater than 0.9.

Council's 2016 result of 0.48 meets the basic standard. Smaller rural Councils have limited rate bases and revenue raising opportunities than larger Councils.

The following two ratios are audited to the extent that the values are accurately represented in Council's Asset Management Plan and Long Term Financial Plan. Council's Auditors are not required to undertake a complete audit of these plans or the figures used to determine the ratios.

Asset Consumption Ratio

This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The standard is met if the ratio is greater than 0.5. The standard is improving if the ratio is between 0.6 and 0.75.

Council's result of 0.665 meets the standard and is consistent with previous years. This is a direct result of the revaluation of Assets at fair value and the allocation of depreciation, particularly Infrastructure which has by far had the most significant impact on the ledgers.

Asset Renewal Funding Ratio

This ratio is a measure of the ability of a local government to fund its projected asset renewal/replacements in the future. The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

Council's result of 0.89 indicates that the projections for asset renewal included in the Long Term Financial Plan offset the current consumption of assets. This ratio will improve as the Long Term Financial Plan and Asset Management Plans are reviewed and aligned.

Audit Misstatements – Annexure 2

Annexure 2 has highlighted 'Corrected Misstatements' which were noted during the course of undertaking the audit and reviewing the financial statements. The misstatement has arisen from the revaluation of the Shires investment in the Local Government House Unit Trust at 30 June 2017. WALGA did not advise Councils of the current valuation of the units until December 2017, hence the revaluation was omitted from the financial statements provided to the auditor on 30 September 2017.

The Shires investment decreased by \$113,101 which required amendments to the financial statements. Information in relation to the Local Government House Unit Trust is reported in Note 6 Financial Assets and Note 13 Revaluation Surplus.

A legislative requirement associated with this audit report is that Council is required to meet (which can be by way of telephone) with the auditor at least once in every year. Councils Auditor, Russell Harrison, attended the meeting of the Audit Committee on 9 March 2017. At this point the Auditor has been “pencilled in” to meet with the Council in conjunction with the 15 March 2018 Council meeting.

Consultation: Chief Executive Officer
Lincolns

Statutory

Environment:

*Local Government Act 1995 – Part 6 Financial Management; and
Local Government (Financial Management) Regulations 1996*

- Defines the processes and procedures that apply to the recording and reporting of financial matters.

*Local Government Act 1995 – Part 7 Audit; and
Local Government (Audit) Regulations 1996*

- Defines the audit of the financial accounts of local governments, including the appointment of auditors and the conduct of audits.

Local Government Act 1995

7.12A. Duties of local government with respect to audits

- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —*
- (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and*
- (b) ensure that appropriate action is taken in respect of those matters.*

Policy Implications: There is no policy in relation to this item.

Strategic

Implications:

Strategic Community Plan 2012-2022

Being Well Governed

Provide leadership for the Community through transparent, accountable and representative local government.

Council has determined that one of the measures for this commitment is receipt of an unqualified audit.

Asset Management

Implications:

There are no implications for the Asset Management Plan.

Financial

Implications:

The Auditors Report provides assurance that the financial systems of the Council have been independently reviewed and are functioning reliably.

Workforce Plan

Implications: There are no implications for the Workforce Plan.

Voting

Requirements: Simple Majority

Council Decision: *180201*

Moved Cr White, seconded Cr Sheridan

“That Council accepts the Auditors Report for the year ending 30 June 2017.”

CARRIED 6/0

Officer

Recommendation: *“That Council conduct its annual meeting with the Auditor in conjunction with the 15 March 2018 Ordinary Meeting of Council.”*

Council Decision: *180202*

Moved Cr Holzknacht, seconded Cr Letter

“That Council conduct its annual meeting with the Auditor on the 15 March 2018 and advertise the reschedule of the Ordinary Meeting of Council to 10.00am.”

CARRIED 6/0

Reason For Change to Recommendation:

To show the change of time for the Ordinary Meeting of Council on the 15 March 2018.

5.2 ANNUAL REPORT FOR 2016-2017

Program:	Governance	
Attachment:	Copy of the draft Annual Report 2016-2017	
File Ref:	ADM0340	
Author:	KB Williams	Chief Executive Officer
	KP O'Neill	Manager Finance and Assets
Date:	03 January 2018	
Disclosure of Interest:	Nil	

Summary: Council to:-

1. adopt the 2016-2017 Annual Report;
2. confirm the date for the annual electors meeting.

Background: The Local Government Act 1995 requires that a local government is to prepare an annual report for each financial year. Council must adopt the Annual Report which includes the audit report prior to holding the Annual Electors Meeting.

The 2016-2017 Financial Report, as prepared by staff, has been audited by Council's Auditor, Russell Harrison of Lincolns and Council has dealt with this matter earlier in the meeting.

The Local Government Act 1995 section 5.53 states that the Annual Report must contain the following:

- A report from the President
- A report from the Chief Executive Officer
- An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year
- The financial report for the financial year
- Such information as may be prescribed in relation to the payments made to employees
- The auditor's report for the financial year
- A matter on which a report must be made under section 29(2) of the Disability Services Act 1993
- details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - the number of complaints recorded in the register of complaints; and
 - how the recorded complaints were dealt with; and
 - any other details that the regulations may require; and
- Such other information as may be prescribed

Comment: The attached draft of the Annual Report addresses the requirements of the Act and is presented for Council comment and acceptance.

The Local Government Act 1995 requires that a Council is to hold an annual electors meeting within 56 days of accepting the Annual Report.

Once Council has adopted the Annual Report, the Chief Executive Officer is required to give local public notice of the availability of the report.

Consultation: Nil

Statutory

Environment:

Sections 5.53 to 5.55 of the Local Government Act and Administration Regulations 19B and 19CA apply to the Annual Report processes.

19B. Information about numbers of certain employees to be included (Act s. 5.53(2)(g))

For the purposes of section 5.53(2)(g) the annual report of a local government for a financial year is to contain the following information —

- (a) the number of employees of the local government entitled to an annual salary of \$100 000 or more;*
- (b) the number of those employees with an annual salary entitlement that falls within each band of \$10 000 over \$100 000.*

19CA. Information about modifications to certain plans to be included (Act s. 5.53(2)(i))

(1) This regulation has effect for the purposes of section 5.53(2)(i).

(2) If a modification is made during a financial year to a local government's strategic community plan, the annual report of the local government for the financial year is to contain information about that modification.

(3) If a significant modification is made during a financial year to a local government's corporate business plan, the annual report of the local government for the financial year is to contain information about that significant modification.

Part 6 - Financial Management of the Local Government Act 1995 and the Financial Management Regulations define the processes and procedures that apply to the recording and reporting of financial matters.

Part 7 – Audit of the Local Government Act 1995 and Audit Regulations deals with audits.

Policy Implications: Nil

Strategic

Implications:

This issue is not dealt with in the Plan

Asset Management

Implications:

There are no Asset Management Implications for Council

Financial

Implications: This issue has no financial implications for Council

Workforce Plan

Implications: There are no Workforce Plan Implications for Council

Voting Requirements: An Absolute Majority is required for the acceptance of the Annual Report.

Simple majority required to accept the second recommendation.

Council Decision: *180203*

Moved Cr Sheridan, seconded Cr White

“That Council, by an Absolute Majority, accepts the Annual Report, including the audited Financial Statement for the year ending 30 June 2017.”

***CARRIED 6/0
By Absolute Majority***

Officer

Recommendation: *“That Council holds the general meeting of electors on.....”*

Council Decision: *180204*

Moved Cr Paganoni, seconded Cr Letter

“That Council holds the general meeting of electors on Wednesday 21 February 2018 at 6.00pm.”

CARRIED 6/0

Reason For Change to Recommendation:

To show Council’s preferred date for the Annual Electors Meeting to be held.

5.3 PROPOSED TELECOMMUNICATIONS TOWER – LOT 3606 BROOMEHILL-GNOWANGERUP ROAD, BROOMEHILL

Program:	Planning	
Attachment:	Site Plans	
File Ref:	ADM0205	
Author:	KB Williams	Chief Executive Officer
Date:	16 January 2018	
Disclosure of Interest:	Nil	

Summary: For Council to consider an application for a Telecommunications Tower proposed to be developed at Lot 3606 Broomehill-Gnowangerup Road, Broomehill.

Background: An application for the development of a Telecommunications Tower was received on 19 December 2017.

The proposed development consists of a 60 metre lattice tower and associated equipment to provide mobile telecommunications to the locality. The development constitutes part of the Mobile Blackspot Programme, a project that endeavours to improve mobile telecommunications services in regional areas.

Comment: Zoning

The subject lot is zoned for ‘Farming’ land uses under the Shire of Broomehill Local Planning Scheme No 1 (‘the Scheme’).

Description of Application

The applicant is seeking a planning approval to develop a telecommunications tower with antennas, equipment hut, security fencing and access driveway.

The tower is a lattice frame with a height of 60 metres.

The proposed tower is located on the Broomehill-Gnowangerup Road, and some 13 kilometres from Broomehill.

Relevant Scheme Provisions

Clause 5.1 of the Scheme Requires development Consent for all development:

5.1 DEVELOPMENT OF LAND

5.1.1 Subject to clause 5.1.2 a person shall not commence or carry out development of any land zoned under the Scheme without first having applied for and obtained the planning consent of the Council under the Scheme.

The proposed land use is not included in the Zoning Table, however Council must still determine the application. Clause 3.2.5 of the Scheme allows for Council to consider a 'Use Not Listed' in the zoning table:

3.2.5 If the use of land for a particular purpose is not specifically mentioned in the Zoning Table and cannot reasonably be determined as falling within the interpretation of one of the use categories the Council may:

- a) determine that the use is not consistent with the objectives and purposes of the particular zone and is therefore not permitted; or*
- b) determine by absolute majority that the proposed use may be consistent with the objectives and purpose of the zone and thereafter follow the advertising procedures of clause 7.2 in considering an application for planning consent.*

The following Scheme Provisions relate to the objectives of the Farming Zone:

5.13 FARMING ZONE

Objectives:

- a) The Council intends the predominant form of rural activity in the Farming Zone will continue to be based on large farming units. It will generally be opposed to the fragmentation of farming properties through the process of subdivision.*
- b) The Council may recommend approval for subdivision in the Farming Zone for use of the land for more intensive forms of rural production but only where the application as submitted to the Commission is accompanied by the following:*
 - i) identification of soil types, availability and adequacy of water supply, and any areas of salt affected land;*
 - ii) evidence of consultations by the proponent with Agriculture Western Australia on the suitability of the proposed lot(s) and lot size for the intended land use;*
 - iii) the proponent entering into an Agreement with the Council to proceed with the intended land use;*
 - iv) details of stream protection where appropriate; and*
 - v) such other matters as may be requested by the Council.*
- c) The Council does not recognise precedent resulting from subdivision created in the early days of settlement of the District as a reason for it to support further subdivision in the Farming Zone.*

- d) *The Council will favourably consider applications for adjustment of lot boundaries where the application if approved will not result in the creation of one or more additional lots.*

Development of the proposed telecommunications tower is small in scale, and it is considered that the proposed use will not detrimentally impact the use of the land for broad-hectare farming. The proposed use is therefore considered to be consistent with these objectives.

A definition of Telecommunications Infrastructure is contained in the Model Scheme Text as follows:

“Telecommunications Infrastructure” means land used to accommodate any part of the infrastructure of a telecommunications network and includes any line, equipment, apparatus, tower, antenna, tunnel, duct, hole, pit or other structure used, or for use in connection with, a telecommunications network.

The proposed development is consistent with this definition.

Clause 3.2.5 requires that Council first determine the use is consistent with the objectives of the Scheme and then follow the advertising procedures of clause 7.2 in considering an application for planning consent.

Clause 7.2 of the Scheme provides as follows:

7.2 ADVERTISING OF APPLICATIONS

7.2.1 Where an application is made for planning consent to commence or carry out development which involves an "SA" use the Council shall not grant planning consent to that application unless notice of the application is first given in accordance with the provisions of this clause.

7.2.2 Where an application is made for planning consent to commence or carry out development which involves an "AA" use, or for any other development which requires the planning consent of the Council, the Council may give notice of the application in accordance with the provisions of this clause.

7.2.3 Where the Council is required or decides to give notice of an application for planning consent the Council shall cause one or more of the following to be carried out:

- a) *notice of the proposed development to be served on the owners and occupiers of land within an area determined by the Council as likely to be affected by the granting of planning consent stating that submissions may be made to the Council within twenty-one days of the service of such notice;*

- b) *notice of the proposed development to be published in a newspaper circulating in the Scheme Area stating that submissions may be made to the Council within twenty-one days from the publication thereof;*
- c) *a sign or signs displaying notice of the proposed development to be erected in a conspicuous position on the land for a period of twenty-one days from the date of publication of the notice referred to in paragraph b) of this clause.*

7.2.4 After expiration of twenty-one days from the serving of notice of the proposed development, the publication of notice or the erection of a sign or signs, whichever is the later, the Council shall consider and determine the application.

It is recommended that the proposed use is consistent with the Scheme objectives and can be approved, and that Council determine as such and advertise the proposed development.

To expedite decision making, Council can delegate the ‘final’ approval to the CEO after advertising subject to there being no objections to the proposal, or reconsider the item at a future Council meeting.

The Council can, by absolute majority, determine that the application is consistent with the objectives of the Scheme and grant approval, subject to advertising the proposed development.

Consultation:

As per Clause 3.2.5, Council cannot approve the proposed development without advertising in accordance with Clause 7.2.

This is different from Scheme 2 (and consequently the approval issued for identical development in December 2017) as Scheme 2 allows for development approval without advertising.

Given advertising is required for 21 days it is proposed to grant delegation to the CEO to approve the application. If objections are received the application will be referred back to Council for determination.

Statutory

Environment:

Shire of Broomehill Town Planning Scheme No 1.

Policy Implications:

Nil

Strategic

Implications:

This issue is not dealt with in the Plan

Asset Management

Implications:

There are no asset management implications for Council

Financial

Implications: The applicant has paid the planning fee of \$768.00

Workforce Plan

Implications: There are no workforce plan implications

Voting Requirements: Absolute Majority.

Council Decision: 180205

Moved Cr White, seconded Cr Paganoni

“That Council,

- 1. Pursuant to the Planning and Development Act 2005, and Clause 3.2.5 of Local Planning Scheme No 1 hereby determines that the proposed development for a Telecommunications Tower, Antennas and Equipment Hut on Lot 3606 Broomehill-Gnowangerup Road, Broomehill as lodged by Planning Solutions on behalf of Service Stream Mobile Communications is consistent with the objectives of Town Planning Scheme No 1;*
- 2. Resolves to advertise the application in accordance with Clause 7.2 of the Scheme; and*
- 3. Grants delegated authority to the Chief Executive Officer to issue approval to the proposed development at completion of advertising, subject to their being no negative comments or objections during advertising, with any approval issued will be subject to the following conditions:*
 - 1. The term of this approval is limited and expires 2 years from the date of the determination of the application or within any extended period of time for which the Shire of Broomehill-Tambellup has granted written consent;*
 - 2. All development will be in accordance with the approved development plans which form part of the approval;*

ADVICE NOTES:

- 1. The applicant has a right of review under Part 14 of the Planning and Development Act 2005. An application for review must be submitted with the State Administrative Tribunal within 28 days of the determination;*
- 2. There is a requirement to comply with the Aboriginal Heritage Act 1972 with regard to aboriginal heritage sites.”*

CARRIED 6/0
By Absolute Majority

Reason For Change to Recommendation:

6. CLOSURE

There being no further business, the President thanked Councillors and the Chief Executive Officer for their attendance and declared the meeting closed at 9.13am.