



Date: 18 July 2019

To: Shire President
All Councillors

Copy: Directors
Executive Manager
Managers
Staff

ORDINARY COUNCIL MEETING NOTICE AND AGENDA

An Ordinary Council meeting of the Shire of Waroona will be held at the Waroona Shire Offices on 23 July 2019 at 4.00pm to consider and resolve the matters set out in the attached Agenda.

A handwritten signature in black ink, which appears to read 'Ian Curley', is placed on a light blue rectangular background.

**IAN CURLEY
CHIEF EXECUTIVE OFFICER**

PUBLIC QUESTION TIME

AND

PUBLIC STATEMENT TIME

1. The order of business allows for a Public Question time and a Public Statement time at the beginning of the Meeting. The Presiding Member will announce these times.
2. If you wish to ask a Question or make a Statement about an Agenda Item BEFORE it is considered then it should be made at the Public Question and Public Statement Time at Item 4 on the Agenda Notice Paper in accordance with Council's Procedures and Guidelines for Public Question Time and Receiving Public Statements.
3. The visual or vocal recording of Council meeting proceedings is expressly prohibited, unless the prior approval of the Council has been given.

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AGENDA

1. **DECLARATION OF OPENING/ANNOUNCEMENTS**
2. **RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED**
3. **RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**
- 4.1 **PUBLIC QUESTION TIME**
- 4.2 **PUBLIC STATEMENTS**
5. **APPLICATIONS FOR LEAVE OF ABSENCE**
6. **DISCLOSURES OF MEMBERS' & OFFICERS' INTERESTS**

(Disclosure of interest MUST ALSO be made by the member or officer immediately prior to a matter, for which an interest is being disclosed, is dealt with.)
7. **PETITIONS/DEPUTATIONS/PRESENTATIONS**
8. **CONFIRMATION OF MINUTES**
- 8.1 **ORDINARY COUNCIL MEETING – 25 June 2019**

OFFICER RECOMMENDATION

That the Minutes of the Ordinary Council Meeting held 25 June 2019 be confirmed as being a true and correct record of proceedings.

- 9.0 **REPORTS OF OFFICERS AND COMMITTEES**
- 9.1 **DIRECTOR TECHNICAL SERVICES**

Nil
- 9.2 **DIRECTOR STRATEGIC DEVELOPMENT**

Nil

9.3 EXECUTIVE MANAGER PLANNING & BUILDING SERVICES

9.3.1 WAROONA RECREATION AND AQUATIC CENTRE – NEW OPERATING HOURS	
Reporting Officer / Officer's Interest:	Bronwyn Cooke, Recreation Centre Coordinator / Nil
Responsible Officer / Officer's Interest:	Leonard Long – Executive Manager Planning and Building Services / Nil
Proponent:	Not Applicable
Landowner:	Shire of Waroona.
Date of Report: 11 July 2019	File No.: 126/2
Previous Reference:	N/A
Policy Implications:	Policy Corp015 - Asset Management Policy Policy Corp020 - Shire Of Waroona Risk Management Policy Policy Corp 021- Risk Management
Statutory Implications:	N/A
Strategic Implications:	N/A
Financial Implications:	<i>See heading below</i>
LINKED TO STRATEGIC OBJECTIVE NUMBER (Strategic Community Plan-SCP): Theme 4: Society and community wellbeing and theme 5: "Assets, Resources, Financial Management & Sustainability"	

PROPOSAL SUMMARY

The proposed hours were presented to the Recreation Advisory Committee at their meeting held on 2 July 2019, at which meeting the committee resolved to request Council to consider changing the opening time for the Waroona Recreation and Aquatic Centre (WRAC) from 7:30am to 7:00am Monday to Friday with the closing time remaining the same.

The proposed hours would be:

Winter (April 1 to Oct 31)

- Monday to Friday - 7:00am – 8pm; and
- Saturday and Sunday – Closed.

Summer (November 1 to March 31)

- Monday to Friday – 7:00am – 9pm; and
- Saturday - Closed; and
- Sunday – 10am – 2pm.

BACKGROUND / INITIAL COMMENTS

At the Ordinary Council Meeting of 24 July 2018, item OCM18/07/065, Council resolved as follows:

*"MOVED: CR PURCELL
SECONDED: CR SNELL*

That in relation to the proposed Waroona Recreation and Aquatic Centre operating hours, Council resolves as follows:



1. To approve the following operating hours for the Waroona Recreation and Aquatic Centre:

- a) Winter (April 1 Oct 31)
- Monday to Friday: 7:30am – 8pm; and
 - Saturday and Sunday: Closed.
- b) Summer (November 1 – March 31)
- Monday to Friday: 7:30am – 9pm
 - Saturday: Closed; and
 - Sunday: 10am – 2pm.

2. That the new operating hours be monitored and reviewed in 12 months.

CARRIED 5/0”

PLANNING – STRATEGIC IMPLICATIONS

Nil

REFERRALS

Nil

STRATEGIC COMMUNITY PLAN ISSUES / IMPLICATIONS

- Theme 5 “Assets, Resources, Financial Management and Sustainability”.
- Theme 4: Society and community wellbeing. Strategies for future actions under this theme include the provision of recreation facilities.

FINANCIAL ISSUES / IMPLICATIONS

The proposed new operating hours would have a minimal impact on the operating costs of the WRAC which would be absorbed into the current budget.

POLICY ISSUES / IMPLICATIONS

The following policies have been considered:

- POLICY CORP015 - ASSET MANAGEMENT POLICY
- POLICY CORP020 - SHIRE OF WAROONA RISK MANAGEMENT POLICY
- POLICY CORP 021 - RISK MANAGEMENT

STATUTORY ISSUES

Nil.

LEGAL ISSUES / IMPLICATIONS

Nil.

COMMUNITY CONSULTATION

As per item (2) of the resolution, officers have over the past 12 months requested patrons to provide input with regard to the approved opening hours. As a result the Shire received a number of written and verbal requests to reconsider the opening time from 7:30am to 7:00am.

OFFICER'S FINAL COMMENTS / CONCLUSIONS

The proposed opening time would allow patrons that work shifts and start work early to use the pool and gymnasium facility. This may also led to a small increase in the revenue of the centre.

Appendices Attached:	No	Appendices Numbers:	N/A
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VOTING REQUIREMENTS

Absolute Majority

RECREATION ADVISORY COMMITTEE RECOMMENDATION

That in relation to the proposed Waroona Recreation and Aquatic Centre operating hours, Council resolves as follows:

- A. That they approve the new operating hours for the Waroona Recreation and Aquatic Centre as follows:**
- Winter (April 1 – Oct 31)**
- Monday to Friday - 7:00am – 8pm; and
 - Saturday and Sunday – Closed.
- Summer (November 1 to March 31)**
- Monday to Friday – 7:00am – 9pm; and
 - Saturday - Closed; and
 - Sunday – 10am – 2pm.
- B. That the new operating hours be monitored and reviewed in 12 months.**
- C. Delegates the Chief Executive Officer to consider applications to hold events at the Waroona Recreation and Aquatic Centre outside of the approved operating hours.**

9.3.2 LOT 15 RICHARDS ROAD, WAROONA – APPLICATION FOR DEVELOPMENT APPROVAL FOR ‘INDUSTRY NOXIOUS’ – EXPANSION OF EXISTING TRANSFER STATION AND TWO ADDITIONAL HARDSTAND TRANSFER AREAS.	
Reporting Officer / Officer's Interest:	Leonard Long; Executive Manager Planning and Building Services / Nil
Responsible Officer / Officer's Interest	Leonard Long; Executive Manager Planning and Building Services / Nil
Proponent:	Waroona Resources Pty Ltd
Landowner:	Waroona Resources Pty Ltd
Date of Report: 14/7/2019	File No.: TP2067
Previous Reference:	OCM 19/02/010
Policy Implications:	State Planning Policy 2.1 Peel-Harvey Catchment Policy; Environmental Protection (Peel Inlet – Harvey Estuary) Policy 1992; Environmental Protection Agency Guidance Statement 3 – Separation Distances Between Industrial and Sensitive Land Uses 2005; Peel Region Scheme Strategic Minerals and
Statutory Implications:	Planning and Development Act 2005; Environmental Protection Act 1986; Local Government Act 1995 Waste Avoidance and Resource Recovery Act 2007; Environmental Protection (Noise) Regulations 1997; Planning & Development (Local Planning Schemes) Regulations 2015; Peel Region Scheme 2003; Shire of Waroona Local Planning Scheme No. 7 1996
Strategic Implications:	Western Australian Waste Strategy 2012; Shire of Waroona Local Planning Strategy 2009; Shire of Waroona Strategic Community Plan 2017/18-2026/27;
Financial Implications:	<i>See heading below</i>
LINKED TO STRATEGIC OBJECTIVE NUMBER (Strategic Community Plan-SCP): <i>No.3 Land Use: Responsible Land Use Planning, and Protecting Rural Land</i>	

PROPOSAL SUMMARY

Council is requested to consider the development application (amended) for the expansion of the transfer station as well as two new hardstand transfer areas at Lot 15 Richardson Road, Waroona. (**Appendix 9.3.2A** - locality plan)

The application has been previously approved by Council subject to conditions. However, the applicant was not able to obtain the required clearing permit from the Department of Water and Environmental Regulation, resulting in the need to relocate and reduce the size of the transfer station expansion.

Shire officers recommend approval of the development application subject to conditions.



BACKGROUND / INITIAL COMMENTS

The lot currently operates as a Sand Quarry and a Class 1 Landfill, and borders onto other general farming lots ranging from 40ha – 218ha in size.

At its Ordinary Council Meeting of 26 February 2019, Council resolved as follows:

“That in relation to the applications for development approval and Extractive Industry Licence for expansion to the existing waste transfer facility and Extractive Industry at Lot 15 Richards Road Waroona, Council resolves to:

- A. *Approve the application for development application for the expansion of existing transfer station and the construction of two additional transfer stations, subject to the following conditions:*
1. *The development shall occur in accordance with the approved plans and specifications and these shall not be altered or modified without the prior written approval of the Shire of Waroona.*
- B. *Approve the application for planning consent for the Extractive Industry subject to the following conditions:”*

The subject application only amends the expansion of the existing waste transfer facility and additional two hardstand transfer areas previously approved by Council resolution OCM19/02/010(A), (shown above). The Extractive Industry approval as per Council resolution OCM19/02/010 item B (shown above) remains unchanged.

At the Ordinary Council Meeting of 26 February Council approved a 10000m² expansion to the existing transfer station including the development of an additional two hardstand transfer areas one for timber stockpiles awaiting shredding and mulching and another for concrete stockpiles awaiting crushing.

Prior to the commencement of works the applicant is required to obtain a clearing permit through the Department of Water and Environmental Regulation (DWER). DWER advised the applicant that it will not be able to approve the clearing permit for the 10000m² expansion of the transfer station in the location approved by Council due to its impact on the existing vegetation.

The applicant has since worked with DWER and received verbal confirmation that by reducing the size of the expansion of the transfer station from 10000m² to 8000m² and relocating it immediately west of the currently approved location, the clearing permit may be considered for approval. The relocation of the transfer station expansion requires the applicant to obtain a fresh development approval, which is also required by DWER prior to the final determination of the clearing permit. In addition to the changes required to the expansion area of the transfer station, the applicant has also applied to ‘swap’ the uses of the approved hardstand areas. (**Appendix 9.3.2B**).

As per the original approval of Council (OCM 19/02/010, Item 9.3.5), the expanded transfer station as well as the two hardstand transfer areas will have a 5m high earthen bund construct along the perimeter of the transfer station and hardstand transfer areas. The bund will be constructed of native soil and replanted for stabilisation and buffering purposes.

The hardstands are proposed to be constructed from compacted limestone and developed as follows:



1. The expansion to the existing transfer station hardstand is proposed to be extended by an additional 8000m² immediately south of the existing transfer station and will as previously approved be setback 45m from the southern lot boundary.
2. A timber storage and mulching hardstand transfer area (previously approved as the concrete storage hardstand) is proposed to be 54,000m² in area and be located adjacent to an existing dam, setback 40m from the southern lot boundary.
3. A concrete storage and crushing hardstand transfer area (previously approved as the timber storage hardstand) is proposed to be 97,000m² in area and be setback 160m from the western lot boundary and 40m from the southern boundary.

Previous Applications

The following approvals and licences have been issued on the subject lot.

- Planning consent (TP1766) and extractive industry licence (EI27) were issued on 25 September 2015.
- Planning consent (TP1328) and extractive industry licence (EI27) were issued on 24 August 2010.
- Planning consent for a class 1 landfill site (TP1234) was issued on 9 December 2009.
- Planning consent (TP1214) and extractive industry licence (EI27) were issued on 24 March 2009.
- A three lot subdivision (SD132394) was approved on 27 November 2006.

PLANNING – STRATEGIC IMPLICATIONS

Local Planning Strategy (LPS)

The subject lot is located within the Agricultural Precinct of the LPS and designated General Agriculture. The objective of the General Agriculture classification is to provide for the continued use of the area for a range of agricultural pursuits and low-key tourist establishments.

REFERRALS

Internal Referrals

The development application (as amended) has been referred internally with any requirements included in the recommendation.

STRATEGIC COMMUNITY PLAN ISSUES/IMPLICATIONS

Shire of Waroona Strategic Community Plan 2017/1/8-2026/27

This item relates to Theme 3: Land Use – Responsible Land Use Planning and Protecting Rural Land.

FINANCIAL ISSUES/IMPLICATIONS

The required application fee has been received.

POLICY ISSUES/IMPLICATIONS

The development applications have been assessed against the following state policies and where appropriate conditions have been included in the recommendation.

- State Planning Policy 2.1 Peel-Harvey Catchment Policy;
- Environmental Protection (Peel Inlet – Harvey Estuary) Policy 1992;
- Environmental Protection Agency Guidance Statement 3 – Separation Distances Between Industrial and Sensitive Land Uses 2005;
- Peel Region Scheme Strategic Minerals.

STATUTORY ISSUES/ENVIRONMENT/IMPLICATIONS

The proposal has been assessed against the following, and where appropriate conditions have been included in the recommendation:

- Planning and Development Act 2005;
- Environmental Protection Act 1986;
- Local Government Act 1995
- Waste Avoidance and Resource Recovery Act 2007;
- Environmental Protection (Noise) Regulations 1997;
- Planning & Development (Local Planning Schemes) Regulations 2015;
- Peel Region Scheme 2003;
- Shire of Waroona Local Planning Scheme No. 7 1996

LEGAL ISSUES/IMPLICATIONS

See statutory issues.

COMMUNITY CONSULTATION

The application was circulated to all the adjoining property owners with no submission received.

OFFICER'S FINAL COMMENTS/CONCLUSIONS

Land Use and Zone Objectives

As stated in Clause 3.13.1 of the Local Planning Scheme, the objective of the Rural zones is to preserve the rural character of the district's farming lands and to ensure that they continue to contribute materially to the district's economy. A Transfer Station is a prescribed use which is categorised as a "Noxious Industry". However, this land-use will contribute to the districts economy and can therefore be considered to be consistent with the objective of the zone.

Impact on Adjoining Owners

The buffer distance between the transfer stations and sensitive land-uses is determined on a 'case by case' basis. This determination is guided by the Environmental Protection Agency Guidance Statement 3 – Separation Distances Between Industrial and Sensitive Land Uses 2005. The closest residence is 1,200m from the area proposed to be used for the transfer station on the lot. Mulching green waste and crushing concrete are the recycling processes that will be conducted at the hardstand transfer areas, and may produce noise and / or dust pollution. Conditions are included in the recommendation to ensure best practice approaches to emissions management are in place prior to operation.



Environmental Impact

The applicant proposes to clear an 8000m² (as opposed to the previously approved 10000m²) area for the expansion of the existing transfer station hardstand. Whilst the proposed clearing is not expected to determinately impact the aquatic and riparian vegetation and fauna associated with the inland lake, the clearing of the 8000m² is subject to the approval by DWER.

Waste

The Western Australian Waste Strategy ‘*Creating the Right Environment*’ 2012 aims to increase the proportion of waste diverted from landfill through strategic planning, regulatory measures, economic incentives and community education and engagement. The strategies and targets are aimed at increasing the proportion of waste diverted from landfills through recycling.

In addition, the State Planning Strategy 2050, states:

“There is now a presumption against siting putrescible landfills on the coastal plain or other environmentally sensitive areas.”

“To reverse the trend of steadily growing rates of waste generation in Western Australia, action will be taken to reduce waste to landfill, and increase resource recovery and waste avoidance.”

Vehicle access

The area on Lot 15 is accessed via a private road constructed along the eastern boundary of the lot. The access road provides access to the site from Buller Road. An additional 10 truck movements are expected per day to accommodate the proposed expansion of the transfer station and additional two hardstand transfer areas.

Noise and dust suppression

Noise is managed by restricting operating hours to be during daylight Monday to Saturday only. The bulk of excavation, screening and loading operations occur within the existing approved pit in order to reduce noise emissions to surrounding residents, the closest of which is approximately 1,200m south of the pit.

On-ground dust suppression is achieved via wetting down as necessary. An advice note is included to require that a portable water tank be located on site at all times for the purpose of dust suppression. Dust is also suppressed at the access of the lot where the road is sealed, approximately 200m east of the intersection of Buller Road and Richardson Road.

Stormwater management

Stormwater that occurs within the active pit area and other areas of disturbance dissipates through the sandy soil. Concrete culverts along Richardson Road prevent stormwater runoff from the access road.

Conclusion

A transfer station provides opportunity to divert waste from landfill and attain targets outlined by the State Waste Strategy. Provided best practice management of emissions from processing activities are engaged and given the state targets for waste diversion, it is recommended that the proposed Transfer Station be approved subject to appropriate conditions.

Appendices Attached:	Yes	Appendices Numbers: 9.3.2A,B
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VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDTION

That in relation to the application for development approval for ‘Industry Noxious’ – expansion of existing transfer station and additional two hardstand transfer areas at Lot 15 Richards Road, Waroona, Council resolves to:

- A. Approve the development application for the expansion of existing transfer station and the construction of two additional hardstand transfer stations, subject to the following conditions:**
 - 1. The development shall occur in accordance with the approved plans and specifications and these shall not be altered or modified without the prior written approval of the Shire of Waroona.**
 - 2. Except as otherwise approved by the Shire of Waroona, the hours of operation of the hardstand transfer stations, including the movement of trucks in or out of the site, shall be restricted to:**
 - a. The hours of 6:00am – 5:00pm Monday to Friday, and 7:00am – 12:00pm Saturday, with no operations permitted on Sundays and Public Holidays.**
 - 3. All stormwater and drainage run-off shall be contained on site or connected to a Shire stormwater legal point of discharge to the specification and satisfaction of the Shire of Waroona.**
 - 4. Prior to the commencement of the use the applicant shall provide the Shire of Waroona with the design details of the earth bund walls.**
 - 5. The developer shall prevent the generation of visible particulates (including dust and debris) from access ways, trafficked areas, stockpiles and machinery from crossing the boundary of the subject site by using where necessary appropriate dust suppression techniques including but not limited to the installation of sprinklers, utilisation of water tankers, mulching, or by the adoption and implementation of any other suitable land management system in**



accordance with the Department of Environment and Conservation's dust management guidelines dated March 2011.

5. The applicant shall:
 - a. Implement measures to avoid the risks of spills or leaks of chemicals including fuel, oil or other hydrocarbons; and
 - b. Ensure that no chemicals or potential liquid contaminants are disposed of on site
6. Stockpiles of sand shall not be located on the high ridgelines of the property and stored in an east/west configuration (i.e. stockpiles to be located so that they are not open to wind erosion);
7. A minimum separation distance of 1.5m between the maximum excavation depth and the highest known groundwater level shall be maintained at all times;
8. Prior to the commencement of the use the operator shall enter into an agreement with the Shire of Waroona, prepared at the operators cost, by which the operator agrees to financially contribute to the following:
 - a. Repair and maintenance of the local road network to be used by heavy vehicle traffic generated by transfer stations; and
 - b. Local road network upgrades required to accommodate heavy vehicle traffic generated by the transfer stations.
9. The Shire reserves the right to direct that cartage over particular roads may be redirected from time to time and in case of road failure or potential road failure, may direct that cartage over designated roadways cease entirely for the period specified

ADVICE TO APPLICANT:

1. With regard to condition 4, a section through the earth bund walls showing the lengths and heights is required. If the proposal contains excavation of more than 0.5m, a form BA20 is required to be signed by the adjoining property owners.
2. With regard to the agreement required in condition 8 is to address the following matters:
 - a. The rate and frequency of contributions and the length of road for which the contribution is required;
 - b. The provision of heavy vehicle movement numbers and/or tonnages of material to the Shire by the operator for the purpose of calculating the contributions;

- c. **The preparation of a report by the operator detailing the intended routes to be used by heavy vehicle traffic generated by the approved use and any necessary works to upgrade these routes; and**
- d. **The contribution level and method of calculating contributions required for any necessary upgrades to the local road network to accommodate heavy vehicle traffic generated by the approved use;**
- 3. **The applicant is advised that compliance is required with the Environmental Protection (Noise) Regulations 1997 at all times during the operation of the Extractive Industry.**
- 4. **The applicant is to seek all other necessary approvals required for the operation of the approved use, including but not limited to Clearing Permits, Works Approvals and removal of Vegetation Conservation Notices where applicable.**
- 5. **Prior to any crossings or works within the DBNGP corridor or any proposed haul roads adjacent to the corridor, the proponent must seek approval from the DBNGP Land Access Minister to ensure the pipeline is not affected.**
- 6. **All personal who will be working on the site must attend a DBP Safety Awareness Presentation.**

9.4 DEPUTY CHIEF EXECUTIVE OFFICER / DIRECTOR CORPORATE SERVICES

9.4.1 PAYMENT LISTING FOR THE MONTH OF JUNE 2019	
Reporting Officer / Officer's Interest:	Kathy Simpson, Finance Officer / Nil
Responsible Officer / Officer's Interest	Ashleigh Nuttall – Manager Corporate Services / Nil
Proponent:	N/A
Landowner:	N/A
Date of Report: 16/7/19	File No.: 1/3
Previous Reference:	N/A
Policy Implications:	<i>See heading below</i>
Statutory Implications:	<i>See heading below</i>
Strategic Implications:	<i>See heading below</i>
Financial Implications:	<i>See heading below</i>
LINKED TO STRATEGIC OBJECTIVE NUMBER (Strategic Community Plan-SCP): No. 6 "Active Civic Leadership, Good Governance, & Excellence in Management"	

PROPOSAL SUMMARY

The purpose of this report is to present the listing of payments made from the Shire's Municipal and Trust funds throughout the month of June 2019.

BACKGROUND / INITIAL COMMENTS

The attached appendix lists the payments from Council Municipal and Trust funds for the month applicable as per requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

As per Regulation 13 of the Local Government (Financial Management) Regulations 1996 the following information is required to be presented to Council;

- The Payee's name;
- The amount of the payment;
- The date of the Payment; and
- Sufficient information to identify the transaction

PLANNING – STRATEGIC IMPLICATIONS

Nil

REFERRALS

Nil

STRATEGIC COMMUNITY PLAN ISSUES/IMPLICATIONS

The relevant Strategic Community Plan issue area is number 6 Good Government: Active & Responsible Civic Leadership, & Excellence in Management.

FINANCIAL ISSUES/IMPLICATIONS

Nil

POLICY ISSUES/IMPLICATIONS

Nil

STATUTORY ISSUES/ENVIRONMENT/IMPLICATIONS

Local Government Act 1995 – Section 6.4 and Local Government (Financial Management) Regulations 1996 – Section 13

LEGAL ISSUES/IMPLICATIONS

Nil

COMMUNITY CONSULTATION

Nil

OFFICER'S FINAL COMMENTS/CONCLUSIONS

All payments made from Council's Municipal and Trust account were completed in accordance with the adopted budget.

That Council receive the payment listing for the period as per the appendices.

Appendices Attached:	Yes	Appendices Numbers:	9.4.1
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VOTING REQUIREMENTS

Simple Majority

<u>OFFICER RECOMMENDATION</u>		
That Vouchers numbered:		
<u>ACCOUNT</u>	<u>CHEQUE NOS.</u>	<u>TOTAL \$</u>
Municipal	Cheques 9213 - 9240	\$31,599.87
Trust (Cheque/EFTs)	Chq: 11221-11223 EFT 30235, 30336, 30485, 30486	\$3,010.52
Electronic Transfers Municipal Fund	EFT 30154 to 30425	\$1,067,922.23
Direct Wages	01/06/19 – 30/06/19 inclusive	\$174,531.60
Direct Debits	01/06/19 – 30/06/19	\$38,715.67
GRAND TOTAL:		<u>\$1,315,779.89</u>
and attached at Appendix 9.4.1 be endorsed.		



9.4.2 MONTHLY STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019	
Reporting Officer / Officer's Interest:	Ashleigh Nuttall – Manager Corporate Services; Nil
Responsible Officer / Officer's Interest	Ashleigh Nuttall – Manager Corporate Services; Nil
Proponent:	N/A
Landowner:	N/A
Date of Report: 16/7/2019	File No.: 1/1
Previous Reference:	N/A
Policy Implications:	<i>See heading below</i>
Statutory Implications:	<i>See heading below</i>
Strategic Implications:	<i>See heading below</i>
Financial Implications:	<i>See heading below</i>
LINKED TO STRATEGIC OBJECTIVE NUMBER (<i>Strategic Community Plan-SCP</i>): <i>No 6 Good Government: Active & Responsible Civic Leadership, & Excellence in Management</i>	

PROPOSAL SUMMARY

The purpose of this report is to present the financial position of Council as at the reporting date as per requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulation 1996.

BACKGROUND / INITIAL COMMENTS

The monthly financial report recognises the financial position of Council at the reporting date and contains the following information;

- a) Annual budget estimates taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c) of the Local Government Act 1995;
- 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 statements relate;
- d) The material variance between the comparable amounts referred to in the paragraphs (b) and (c); and
- e) The net current assets at the end of the month to which the statement relates.

The following information is included in the report;

- o Statement of Financial Activity by Programme
- o Statement of Financial Activity by Nature and Type, and
- o Statement of Financial Position
- o Note 1 – Significant Accounting Policies
- o Note 2 – Graphical Representation
- o Note 3 – Net Current Funding Position
- o Note 4 – Cash and Investments
- o Note 5 – Major Variances
- o Note 6 – Budget Amendments
- o Note 7 – Receivables
- o Note 8 – Grants & Contributions
- o Note 10 – Capital Disposals and Acquisitions
- o Note 11 – Significant Capital Projects

- Note 12 – Trust
- Note 13 - Borrowings

PLANNING – STRATEGIC IMPLICATIONS

Nil

REFERRALS

Nil

STRATEGIC COMMUNITY PLAN ISSUES/IMPLICATIONS

The relevant Strategic Community Plan issue area is number 6 Good Government: Active & Responsible Civic Leadership, & Excellence in Management.

FINANCIAL ISSUES/IMPLICATIONS

Nil

POLICY ISSUES/IMPLICATIONS

Accounting policies - Policy 3.1.1 to Policy 3.1.7

STATUTORY ISSUES/ENVIRONMENT/IMPLICATIONS

Local Government Act 1995 – Section 6.4 and Local Government (Financial Management) Regulations 1996 – Section 34

LEGAL ISSUES/IMPLICATIONS

Nil

COMMUNITY CONSULTATION

Nil

OFFICER'S FINAL COMMENTS/CONCLUSIONS

That Council receive the monthly statement of financial activity for the period as per the appendices.

Appendices Attached:	Yes	Appendices Numbers: 9.4.2
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VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That Council receive the Monthly Statement of Financial Activity for the period 1 July 2018 to 30 June 2019 as presented.



9.4.3 2017/18 AUDIT REPORT – SIGNIFICANT ADVERSE TRENDS	
Reporting Officer / Officer's Interest:	Brad Vitale, Corporate Compliance Officer; No interest
Responsible Officer / Officer's Interest	Laurie Tilbrook, Deputy CEO/Director Corporate Services; No interest
Proponent:	Shire of Waroona
Landowner:	Not Applicable
Date of Report: 12/07/2019	File No.: 15/1
Previous Reference:	OCM19/02/013
Policy Implications:	CORP022 – Legislative Compliance
Statutory Implications:	Local Government Act 1995
Strategic Implications:	Strategic Community Plan 2018/19 – 2027/28
Financial Implications:	See heading below
<p>LINKED TO STRATEGIC OBJECTIVE NUMBER (<i>Strategic Community Plan</i>): <i>No. 5 Assets, Resources, Financial Management and Sustainability “Responsible stewardship of assets, effective resources supervision, and pursuit of best practice financial management and sustainability”</i> <i>No. 6 Good Governance “Active civic leadership and excellence in management”</i></p>	

PROPOSAL SUMMARY

Council is requested to consider the significant adverse trends in the 30 June 2018 financial position of the Shire of Waroona, as presented in the audit report of Mr Timothy Partridge (Partner, AMD Chartered Accountants), and endorse the resulting intended actions.

BACKGROUND / INITIAL COMMENTS

At the Ordinary Council Meeting held 27 November 2018, Council made the following resolution in relation to the Shire’s annual financial statements and audit report:

COUNCIL RESOLUTION

OCM18/11/111

MOVED: CR MASON

SECONDED: CR SNELL

1. *That the Annual Financial Statements for the books of account for the Shire of Waroona, for the 2017/2018 financial year, as appended be received.*
2. *That the Audit Report for the books of account for the Shire of Waroona, for the 2017/2018 financial year, as appended be received.*
3. *That Council records its appreciation to the Finance Staff on the excellent presentation of the Council’s accounts.*

CARRIED 6/0

In the section *Report on Other Legal and Regulatory Requirements* of the audit report, Mr Partridge reported as follows:

In accordance with the Local Government (Audit) Regulations 1996 we report that:



- (i) *In our opinion, the following matters indicate significant adverse trends in the financial position or the financial management practices of the Shire of Waroona:*
- a. *Asset sustainability ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of 0.8 for the last three years (2016: 0.677, 2017: 0.502 and 2018: 0.532); and*
 - b. *Operating surplus ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of zero for the last three years (2016: -0.615, 2017: -0.352 and 2018: -0.497).*

(see Appendix 9.4.3 – Note 26 Financial Ratios - excerpt from 2017/18 Annual Financial Statements)

Section 7.12A(4) of the *Local Government Act 1995* requires local governments to report on matters identified as significant by the auditor and indicate what action(s) the local government has taken or intends to take in respect of the matters.

When meeting with the Finance and Audit Committee on 18 December 2018, Mr Partridge outlined the audit process to Councillors and highlighted the contents of 2017/18 audit and management reports, both of which were highly successful. In accordance with changes implemented by the Office of the Auditor General, Councils that do not reach the benchmarks set with relation to the financial ratios will now be reported in the Audit Report. Council did not reach the benchmarks set for the asset sustainability ratio and the operating surplus ratio. Mr Partridge made note that a majority of Councils are unable to reach all seven ratio benchmarks.

It was advised by the Department of Local Government that the current ratios and benchmarks are being reviewed with the intent to create more realistic ratios relevant to Council's size. Industry leaders and professionals have proposed that the future ratios should be set on a sliding scaled based on the size of the council. Advice was given to Council that constant improvement of the Council's ratios is recommended and should be a factor when updating asset management plans and long term financial plans.

Although the significant adverse trends were recognised and reported on by Council, there was no indication of what action(s) the Shire has taken or intends to take in respect of the below Department standard asset sustainability ratio and operating surplus ratio.

PLANNING – STRATEGIC IMPLICATIONS

Nil.

REFERRALS

Referred to the Finance and Audit Committee.

STRATEGIC COMMUNITY PLAN ISSUES / IMPLICATIONS

The relevant Strategic Community Plan key focus area are:

Number 5 – Assets, Resources, Financial Management and Sustainability “Responsible stewardship of assets, effective resources supervision, and pursuit of best practice financial management and sustainability”

Number 6 – Good Governance, “Active civic leadership and excellence in management”

POLICY IMPLICATIONS

CORP022 – Legislative Compliance

To ensure that the Shire of Waroona complies with legislative requirements, and has appropriate processes and procedures to ensure such compliance occurs. The desired objective is to formally support the achievement of 95+% legislative compliance within the relevant timeframes.

FINANCIAL IMPLICATIONS

Nil.

STATUTORY IMPLICATIONS

Local Government Act 1995

Part 7, Division 4, s. 7.12A – Duties of local government with respect to audits

- (4) A local government must —
- (a) Prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) Give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.

LEGAL IMPLICATIONS

Nil.

COMMUNITY CONSULTATION

Community consultation is not required when completing the compliance audit.

OFFICER’S COMMENTS / CONCLUSIONS

The Shire has commenced addressing the significant adverse trends identified by the auditor with the recruitment of a Corporate Compliance Officer to assist with meeting the Department’s standards, in addition to other organisational legislative and statutory requirements. Particular attention will be focused on the Integrated Planning and Reporting Framework, notably the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan, Asset Management Plans and Workforce Plan, which all influence the audit report and compliance with required standards and legislation.

The two ratios that were identified as not meeting the Department's standards are explained as follows, with recommendations for Council to consider to assist in addressing the matter.

Asset sustainability ratio

This ratio is an approximation of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. This indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. It is calculated by dividing capital renewal and replacement expenditure by depreciation.

Operating surplus ratio

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. It is calculated by dividing the difference between operating revenue (excluding grants and contributions for the development or acquisition of assets) and operating expense by the own source operating revenue (revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets).

Conclusion

The Shire has been successful in receiving non-operating grants (\$1,809,331 in 2017/18) which has assisted in offsetting the Shire's increasing annual expenditure, of which depreciation expense for its assets (\$3,480,388 in 2017/18) is a major factor. This expense has increased by 50% since 2013 as Council has revalued its assets in accordance with the *Local Government Act 1995* revaluation for fair value regulations. However, even with these grants, the Shire has been unable to achieve an operating surplus ratio of zero and asset sustainability ratio of 0.8 in the past three years. Without a significant change to the operating revenue, operating expenses, non-current assets and reliance on non-operating grants, Council will be reporting on this matter every year – which is likely to be the norm rather than the exception for small regional local governments. It is worth noting that out of the 16 Regional Agricultural Medium local governments, only 7 were able to achieve the Asset Sustainability Ratio standard, and only 1 was able to achieve the Operating Surplus Ratio standard. Out of the 139 local governments across the state, only 73 were able to achieve the Asset Sustainability Ratio standard, and only 31 were able to achieve the Operating Surplus Ratio standard.

In recent years officers have addressed this matter with the Council on many occasions particularly during budget deliberations.

There are two possibilities to assist with the operating surplus ratio, which Council may select one of, or a combination of the two:

1. Increase operating revenue through an increase in rates, fees and user charges, and service charges; and/or
2. Decrease operating expenses through a decrease in employee costs, materials and contracts, utility charges, depreciation on non-current assets, interest expenses and insurance expenses.

To avoid an increase in rates and fees and charges to the community, Council may wish to focus on decreasing the depreciation costs on its assets as this is a common issue with both ratios. This could be achieved by decreasing the number of assets owned and/or increasing lease fees to equal the minimum annual maintenance expense.

Furthermore to this approach, Council may wish to consider offering lessees the following options:

1. Council encourages lessees to co-locate and dispose of remaining assets; and/or
2. Council continues to own the asset and be responsible for the maintenance as per an agreement with the lessee, however the lease fee be equal to the minimum annual maintenance expense to cover the cost.

The major review of the Shire’s Corporate Business Plan, Long Term Financial Plan, Asset Management Plans and Workforce Plan this financial year will also assist with this matter. As Councillors are aware the intent of the Long Term Financial Plan is to demonstrate gradual improvement over the life of the plan

Regardless of the exact strategy Council chooses to take, it is crucial that Council takes the action to investigate ways to improve the asset sustainability ratio and operating surplus ratio.

Appendices Attached:	Yes	Appendices Numbers: 9.4.3
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VOTING REQUIREMENTS

Simple Majority.

<p><u>OFFICER RECOMMENDATION</u></p> <p>That Council endorses the report and continues to investigate strategies to improve the Asset Sustainability Ratio and Operating Surplus Ratio, and ensure continual improvement in the Long Term Financial Plan towards meeting benchmarks.</p>
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9.5 CHIEF EXECUTIVE OFFICER

9.5.1 ALCOA WAROONA SUSTAINABILITY FUND	
Reporting Officer / Officer's Interest:	Ian Curley Chief Executive Officer, Chairperson of AWSF Advisory Committee
Proponent:	Alcoa Waroona Sustainability Fund Advisory Committee
Date of Report: 4 July 2019	File No.: AWSF File
Previous Reference:	OCM19/02/015, OCM18/06/059
Policy Implications:	N/A
Statutory Implications:	AWSF Deed of Agreement
Financial Implications:	N/A
LINKED TO STRATEGIC OBJECTIVE NUMBER (<i>Strategic Community Plan-SCP</i>): E, No. 6 "Active Civic Leadership, Good Governance, & Excellence in Management"	

PROPOSAL SUMMARY

To consider and give effect to the recommendations of the Alcoa Waroona Sustainability Fund Advisory Committee to approve of 3rd grant funding round from the Alcoa Waroona Sustainability Fund (AWSF) in accordance with the AWSF Deed of Agreement.

BACKGROUND/INITIAL COMMENTS

The AWSF is a fund established and contributed to by Alcoa of Australia Ltd and administered by the Shire of Waroona. The funds are held in the Shire's Trust Account and totalled \$1,952,863.94 as of 21/06/2019.

The AWSF is governed by a Deed of Agreement and the deed states its purpose is "to fund facilities and projects with enduring value for the communities surrounding the Wagerup refinery. Funds from the AWSF will be allocated to community organisations, initiatives, processes and activities that contribute to the local government region known as the Shire of Waroona".

The AWSF Committee is established under the deed and operated under the Terms of Reference for the Committee. The Deed states "an Advisory Committee will be established by Alcoa and the Shire in accordance with this deed and the terms of reference to advise the Shire in making distributions for the purpose of the AWSF. The Advisory Committee will have the power to make recommendations to the Shire in regard to the granting of funds from the AWSF. Provided the implementation of a recommendation of the Advisory Committee would not, in the Shire's reasonable opinion, result in the Shire being in breach of its obligations under this deed or under any Law, the Shire must give effect to the recommendation".

The Deed allows for grant funding to be made, provided that at all times the capital balance is not less than 50% of the contributions made by Alcoa.

STRATEGIC COMMUNITY PLAN ISSUES/IMPLICATIONS

The relevant Strategic Community Plan issue area is number 6 "Active Civic Leadership, Good Governance, & Excellence in Management".



FINANCIAL ISSUES/IMPLICATIONS

There is no cost of Council, other than the minimal costs of administering the fund.

COMMUNITY CONSULTATION

Grant application forms and guidelines were advertised publicly and applications closed on 31 May 2019.

OFFICER'S FINAL COMMENTS/CONCLUSIONS

Council approved of the AWSF grant guidelines and application forms at the February 2019 Ordinary Council meeting and, following advertising of the grant round, the AWSF Advisory Committee met on 21 June 2019 to deliberate over the applications and have made the following recommendations to the Council for endorsement.

A matrix of all applications received is included at **Appendix 9.5.1**

There was an overwhelming response to the call for applications with many eligible projects being put forward. 23 applications were received with each being scrutinized by the AWSF Advisory Committee.

An upper limit on funding was not set prior to applications being called, however the AWSF Advisory Committee has recommended that 3rd round grants allocations total \$310,000. The grant guidelines stated that it is expected that no individual application will be less than \$10,000 nor exceed \$50,000. Applications for funding in excess of \$50,000 may be accepted only where the application has demonstrated a well-developed project of high community value.

Appendices Attached:	Yes	Appendices Numbers:	9.5.1
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VOTING REQUIREMENTS

Simple Majority



RECOMMENDATION FROM THE AWSF ADVISORY COMMITTEE 21.6.19 MEETING

A. That the Alcoa Waroona Sustainability Fund Advisory committee recommends to the Council that the total grant funds available for dispersion in the 2019 grant round be \$310,000, and approval of the following funding applications:

1. Waroona Bowling & Social Club Inc	\$30,000
<i>towards upgrade of bar shutters and B green lighting</i>	
2. Shire of Waroona (Playground Upgrade)	\$40,000
<i>Towards upgrade of playground equipment in various Waroona parks</i>	
3. Waroona Community Men’s Shed Inc	\$20,000
<i>towards installation of a solar power system on new premises</i>	
4. Shire of Waroona (Waroona Youth Precinct)	\$50,000
<i>towards creation of Waroona youth precinct</i>	
5. Waroona West Volunteer Bushfire Brigade	\$50,000
<i>towards site works for new fire station</i>	
6. Waroona Community Lights Committee (Pt1&2 of Stage 3)	\$30,000
<i>towards stage 3 Centennial Park, school artwork & small gazebos</i>	
7. Quambie Park Inc	\$40,000
<i>towards solar power on new units</i>	
8. Waroona Agricultural Society (Extension only)	\$50,000
<i>towards main extension of society clubrooms</i>	

B. That the Alcoa Waroona Sustainability Fund Advisory committee recommends to Council that the following applications not be approved, as they do not meet the expected minimum \$10,000 grant amount criteria:

Waroona Lions Club on behalf of Waroona Action Group	\$8,528
Bunbury Diocesan Trustees on behalf of Waroona Op Shop	\$6,383
Leo Club of Waroona	\$3,000
Waroona Community Resource Centre	\$7,000
Waroona Community Resource Centre	\$6,628

C. That the Alcoa Waroona Sustainability Fund Advisory committee recommends to Council that the following applications not be approved:

Waroona Lions Club	\$35,000
Waroona Football & Netball Club	\$22,000
Waroona Aboriginal & Torres St Islander Corp	\$50,000
Preston Beach Progress Assn	\$41,578
Waroona Golf Club Inc	\$21,020
Waroona District High School	\$35,000
FRAGYLE	\$30,000
Preston Beach Golf Club Inc	\$250,000
Peel CCI for Waroona Business Support Group	\$103,900
St Joseph’s School Waroona	\$100,000



- D. That approved grantees be advised that an acquittal process is required and that it be similar to the requirements for the Shire's Small Grants Program.**
- E. That all granted funds remain in the AWSF account until such time as the funds are required for payment of the subject of the grant. Any interest accrued on the funds is to remain for the use and purpose of the AWSF. The grantee is to satisfy the Shire of Waroona CEO that the project has progressed to a point that payment is required before funds are to be released. At least 6 months advance notice is required for the release of funds.**

10. CONFIDENTIAL REPORTS

Nil

**11. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN,
OR FOR CONSIDERATION AT NEXT MEETING**

12. NEW BUSINESS OF AN URGENT NATURE/REPORTS & INFORMATION

12.1 ELECTED MEMBERS

12.2 OFFICERS

13. CLOSURE OF MEETING