

# COUNCIL MEETING

## MINUTES



For the Ordinary Meeting of Council held on

**19 JULY 2017**

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# MINUTES

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Shire President, Cr Cunningham declared the meeting open at 3:04pm. The Shire President alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

## 2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

### 2.1 ATTENDANCE

President	Cr JT (Twynam) Cunningham
Deputy President	Cr CY (Colin) Egerton-Warburton
Councillors	Cr DJ (David) Adams
	Cr PM (Peter) Beech
	Cr ER (Ruth) Bigwood
	Cr P (Peter) Denton
	Cr PL (Phil) Horrocks

Chief Executive Officer	Mr PB (Peter) Northover
Acting Manager of Finance & Administration	Mr P (Phillip) Rowe
Manager of Works	Mr JE (Jeff) Alderton
Personal Assistant to Chief Executive Officer	Miss KM (Kellie) Evans

Members of the Public

### 2.2 APOLOGIES

Councillor	Cr TC (Tom) Standish
Manager of Finance & Administration	Mrs PA (Trish) Standish

### 2.3 APPROVED LEAVE OF ABSENCE

Councillor	Cr HC (Helen) Parsons
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## 3. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil

## 4. PUBLIC QUESTION TIME

### 4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

### 4.2 PUBLIC QUESTIONS

Nil

## 5. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

## 6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

## 7. DISCLOSURE OF INTEREST

Nil

**8. MATTERS FOR WHICH MEETING MAY BE CLOSED**

Nil

**9. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**9.1 ORDINARY MEETING – 21 JUNE 2017**

**Motion 01072017**

**Moved Cr Beech, seconded Cr Adams that the minutes from the ordinary meeting of Council held on 21 June 2017, be confirmed as a true and correct record.**

**Carried 7/0**

## 10. REPORTS OF OFFICERS

### 10.1 FINANCE & ADMINISTRATION

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#### 10.1.1 LIST OF PAYMENTS

**RESPONSIBLE OFFICER:** Phillip Rowe – Acting Manager of Finance and Administration

**REPORT AUTHOR:** Jodi Vitler – Finance Administration Officer

**FILE REFERENCE:** FM2

**APPLICANT:** N/A

**DATE OF REPORT:** 11 June 2017

**ATTACHMENTS:** List of Payments – 15 June 2017 to 7 July 2017

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#### **Purpose**

The purpose of this report is to advise the Council of payments made during the period 15 June 2017 to 7 July 2017.

#### **Background**

Nil

#### **Officers Comment**

Nil

#### **Statutory Environment**

Local Government (Financial Management) Regulation 13 states:

##### *13. List of accounts*

(1) If the local government has delegated to the Chief Executive Officer the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the Chief Executive Officer 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.

#### **Policy Applicable – Implications**

Council Policy 4.8 – 'Purchasing', states that:

*"The Chief Executive Officer is delegated authority to make payments from the Municipal Fund or the Trust Fund. Each payment from the Municipal Fund or the Trust Fund is to be noted on a list compiled for each month showing:*

- a) The payee's name*
- b) The amount of the payment*
- c) The date of the payment*
- d) Sufficient information to identify the transaction.*

*The list referred to above is to be presented to the Council at each ordinary meeting of the Council and is to be recorded in the minutes of the meeting at which it is presented.*

*It is considered appropriate to delegate this authority to the Chief Executive Officer as the payment of accounts is the final process after debts have been incurred through other processes and systems in place."*

### **Financial Implications**

There are no financial implications for this report.

### **Risk Implications**

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Inadequate Supplier/Contract Management

The **impact** of the risk is Financial, Non-Compliance and Reputational.

The **consequences** of these risks are considered to be Major

The **likelihood** is Rare

Hence the **risk rating** for this item is Low

Risk mitigation includes the Council having strong financial policies and procedures in place and the requirement to report to the Council on a monthly basis.

### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 4: Leadership - Demonstrate, Strong Governance, Leadership and Organisational Growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

### **Consultation**

Consultation was not required for this report.

### **VROC Implications**

There are no strategic VROC implications from this report

### **Voting Requirements**

Simple Majority

### **OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 02072017**

**Moved Cr Adams, seconded Cr Beech that the payment of accounts totalling \$ 395,893.39 as per the attachment be noted:**

- **Electronic Funds Transfers EFT 7812 to EFT 7901 - \$233,038.29;**
- **Municipal Fund Cheque No's 12014 – 12021 - \$44,447.61;**
- **Internal Account Transfers (Payroll) - \$99,298.00;**
- **Direct Debit - \$19,109.49.**

**Carried 7/0**

<b>10.1.2</b>	<b>CRANBROOK GOLF CLUB – REQUEST FOR LOAN FOR REFURBISHMENT OF CLUBHOUSE</b>
<b>RESPONSIBLE OFFICER:</b>	Peter Northover – Chief Executive Officer
<b>REPORT AUTHOR:</b>	Peter Northover – Chief Executive Officer
<b>FILE REFERENCE:</b>	A1026
<b>APPLICANT:</b>	Cranbrook Golf Club
<b>DATE OF REPORT:</b>	13 July 2017
<b>ATTACHMENTS:</b>	1. Letter from Cranbrook Golf Club 2. Cranbrook Golf Club Financial Statements

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### **Purpose**

The purpose of this report is for the Council to consider a request from the Cranbrook Golf Club for a loan to cover the cost of refurbishments to the Clubhouse.

### **Background**

The Cranbrook Golf Club has received a grant from the Great Southern Development Commission (GSDC) for an amount of \$13,752.92 for the refurbishment of the Clubhouse, which includes replacement of the windows and doors, the installation of new carpet and painting of the clubhouse. The total cost of the project is \$18,077.12, with the shortfall of \$4,324.20 funded by a previously approved Shire contribution of \$2,787.88 and a cash injection by the club for the balance.

### **Officers Comment**

The Shire has received a letter from the Cranbrook Golf Club requesting a loan of \$5,000 to cover a short term cash flow problem as a result of the grant conditions imposed by the GSDC, which requires all work to be completed before the grant funding is made available to the club.

The Club has indicated that it has cash on deposit of \$9,066.67 that it cannot access until August 2017, and a further \$11,300 in an operating account that will be insufficient to meet normal operating expenses in addition to completing the replacement of the windows and doors by 31 July 2017 as required by the terms of the GSDC grant. The letter points out that the window suppliers have requested payment in full prior to installation, which alone will cost the club \$8,800. The GSDC has indicated that once all the work has been completed, it will require 20 business days to finalise the payment of the grant to the club.

The Club's letter states that the loan, if approved, will be paid in full by March 2018 and will be guaranteed by Mr Jamie Climie and Mr Michael Walsh.

The Council could support this request from the Cranbrook Golf Club with an interest free loan from the Community Associations Financial Assistance Reserve account, which currently has a balance of \$32,832.75.

Council Policy 4.6 states that a proposed loan repayment period should be no longer than ten years with repayments twice yearly. If Council determines, the club would be prepared to make a repayment of \$500 in January 2018, with the balance of \$4,500 being made on 31 March, 2018. It is also proposed that a Deed of Arrangement be entered into with the club for the loan, which is consistent with normal practice.

### **Statutory Environment**

There is no specific legislation applicable to this report.



### **Policy Applicable – Implications**

Council Policy 4.6 – Finance – Interest Free Loans – Community Organisations, states that:

#### Principles

Applications for an interest free loan must include the following:

- Full details of the project for which funding is required including:
  - Estimates of total costs, with quotes; and
  - Plans etc. where necessary
- The amount of the loan requested from Council;
- The amount of funds the applicant is contributing and any funds available or applied for i.e. Government Grants
- A proposed loan repayment period (no longer than ten years with repayments twice yearly);
- Most recent audited financial statements and current financial statements showing organisation's total funds, with an indication of capacity to meet repayments; and
- Names of guarantors available for amounts greater than \$2,000.

### **Financial Implications**

The total cost of this report will be \$5,000. This interest free loan can be funded from the Community Associations Financial Assistance Reserve account budget, which has a current balance of \$32,832.75.

### **Risk Implications**

The risks associated with matters in this report are:

- Business and Community Disruption
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Ineffective Management of Facilities/Venues/Events

The **impacts** of these risks are People, Financial, Service Interruption, Non-Compliance and Reputational

The **consequences** of these risks are considered to be Minor

The **likelihood** is Unlikely

Hence the **risk rating** for this item is Low

Risk mitigation includes completion of a Deed of Arrangement for the loan facility.

### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 1: Social – Be respected for its friendly, vibrant, connected and safe community*

Outcome 1.1: An engaged, supportive and inclusive community

Strategy 1.1.2: Facilitate, encourage and support community groups, events and initiatives

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy: 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

### **Consultation**

Consultation for this report included discussions with the Treasurer of the Cranbrook Golf Club, Mr Jamie Climie.

### **VROC Implications**

There are no strategic VROC implications from this report

### **Voting Requirements**

Simple Majority

### **OFFICERS RECOMMENDATION/COUNCIL DECISION**

#### **Motion 03072017**

**Moved Cr Horrocks, seconded Cr Denton that Council:**

- 1. Offers the Cranbrook Golf Club an interest free loan of \$5,000 for a term of eight months with a six monthly repayment of \$500 being made in January 2018 and the balance of \$4,500 being made on 31 March, 2018;**
- 2. Agrees that the loan be funded from the Community Associations Financial Assistance Reserve account for refurbishment purposes at the Cranbrook Golf Club; and**
- 3. Authorises the Chief Executive Office to prepare and have signed, a Deed of Arrangement for the interest free loan to the Cranbrook Golf Club.**

**Carried 7/0**

## 10.2 GOVERNANCE & EXECUTIVE SERVICES

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### 10.2.1 LAND ACQUISITION – NORTHAM CRANBROOK ROAD

<b>RESPONSIBLE OFFICER:</b>	Jeff Alderton – Manager of Works
<b>REPORT AUTHOR:</b>	Jeff Alderton – Manager of Works
<b>FILE REFERENCE:</b>	RO300
<b>APPLICANT:</b>	Main Roads WA
<b>DATE OF REPORT:</b>	10 July 2017
<b>ATTACHMENTS:</b>	1. Letter from Main Roads 2. Letter of Consent 3. Land Dealings Plan 201701-107

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#### **Purpose**

The purpose of this report is for Council to consider a request from Main Roads WA to support the acquisition of land as shown on Land Dealings Plan 201701-107 for the construction of a Heavy Vehicle Rest Area (Super Truck Bay).

#### **Background**

Main Roads WA has commenced preliminary works for the construction of a Heavy Vehicle Rest Area on the Northam Cranbrook Road (Great Southern Highway) as previously advised to Council. Due to the size of the proposed rest area Main Roads WA will be acquiring approximately 2.8757 ha as noted on the Land Dealings Plan from the property owners who are Mr Andrew John Clapin and Mrs Jennifer Jane Clapin.

The Shire of Cranbrook is in receipt of a letter from Main Roads WA requesting that Council discuss and agree to the dedication of the land in question at the July 2017 Council meeting. Main Roads WA has specifically requested that the following paragraph form part of the Council resolution and be included in our response to them:

*“Council at its ordinary meeting held on 19 July 2017 passed a resolution for the dedication of the land the subject of Main Roads Land Dealing Plans 201701-107 as a road pursuant to section 56 of the Land Administration Act 1997.”*

#### **Officers Comment**

Main Roads WA is in receipt of a signed Letter of Consent from the property owners and requires a formal resolution from Council to dedicate the road as per the Land Administration Act 1997.

This fatigue management project is the result of ongoing discussions between the Shire of Cranbrook, the Road Safety Commission, Main Roads WA and Co-operative Bulk Handling to help alleviate speed and fatigue related issues in the Great Southern Region. Main Roads WA has received a grant to undertake the initial engineering assessment and the Road Safety Commission has indicated that funding through the Road Trauma Trust Account has been allocated to this project which is anticipated for completion by 30 June 2018.

#### **Statutory Environment**

Section 56 of the Land Administration Act 1997.

#### **Policy Applicable – Implications**

There is no Council policy applicable to this report.

### **Financial Implications**

There are no financial implications for this report.

### **Risk Implications**

The risks associated with matters in this report are:

- Business and Community Disruption
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Engagement Practices

The **impacts** of the risks are People, Non-Compliance and Reputational.

The **consequences** of these risks are considered to be Insignificant.

The **likelihood** is Unlikely.

Hence the **risk rating** for this item is Low.

Risk mitigation includes utilising the professional and technical expertise of Main Roads WA.

### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 1: Social – Be respected for its friendly, vibrant, connected and safe community*

Outcome 1.1: An engaged, supportive and inclusive community

Strategy 1.1.3: Provide, maintain and improve community facilities within available resources

*Objective 2: Economic – To be an innovative, diverse, prosperous and growing economy*

Outcome 2.2: A progressive, vibrant sustainable agricultural industry

Strategy 2.2.2: Actively engage and support local agricultural and allied industries

*Objective 3: Environment – Enhance, maintain, protect and promote our built infrastructure and natural environment*

Outcome 3.2: A built infrastructure servicing the needs of the community

Strategy 3.2.1: Maintain and enhance our roads, built infrastructure, parks and reserves

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

### **Consultation**

Consultation for this report included Main Roads WA, Mr and Mrs AJ Clapin and members of the Executive Management Team.

### **VROC Implications**

There are no strategic VROC implications from this report

### **Voting Requirements**

Simple Majority

### **OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 04072017**

**Moved Cr Bigwood, seconded Cr Adams that Council acknowledges the request from Main Roads WA and agrees to dedicate the land, the subject of Main Roads Land Dealing Plans 201701-107, as a road pursuant to section 56 of the Land Administration Act 1997.**

**Carried 7/0**

**10.3 WORKS**

Nil

**10.4 ECONOMIC & COMMUNITY**

Nil

**11. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING**

**Motion 05072017**

Moved Cr Denton, seconded Cr Egerton-Warburton that Council discuss Items 12.1 Monthly Financial Statements, 12.2 2017/2018 Fees and Charges, 12.3 2017/2018 Property Rates and 12.4 2017/2018 Budget Adoption now.

Carried 7/0

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**12.1 MONTHLY FINANCIAL STATEMENTS**

**RESPONSIBLE OFFICER:** Phillip Rowe – Acting Manager of Finance and Administration  
**REPORT AUTHOR:** Phillip Rowe – Acting Manager of Finance and Administration  
**FILE REFERENCE:** FM12  
**APPLICANT:** N/A  
**DATE OF REPORT:** 19 July 2017  
**ATTACHMENTS:** Financial Statements June 2017

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**Purpose**

The purpose of this report is to present the financial position of the Shire of Cranbrook as at 30 June 2017.

**Background**

The Local Government (Financial Management) Regulations 1996 require the preparation of monthly financial statements and presentation of these statements to the Council.

**Officers Comment**

It is important to note that these financial statements **do not** represent final 2016/2017 financial years figures. They have not been audited and as they were prepared shortly after the June 30, there may be some June 30 financial transactions still to be entered.

The June financial statements report on 12 months, or 100% of the financial year. It is worthy to note:

- The 'Municipal Fund Summary' on page 2 shows that we have raised 89% of our expected operating income;
- The 'Municipal Fund Summary' on page 2 shows that we have spent 87% of the budgeted operating expenditure for the year;
- The 'Municipal Fund Summary' on page 4 shows a net current assets position of \$216,800 (surplus), which is mainly made up of cash on hand and debtors; and

- The 'Variance Report' on page 9 and 10 defines the major variances between budget and actual figures as required by the regulations.

### **Statutory Environment**

The Local Government (Financial Management) Regulations 1996 define the requirements for monthly financial reporting (Regulation 34).

### **Policy Applicable – Implications**

Council Policy 4.1 Defining Material Variances, states that:

*When dividing the actual figures with the annual budget figure, a variance of plus or minus 10% of the percentage of the year elapsed will be reported. In addition, a variance must be greater than \$1,000 to be reported.*

### **Financial Implications**

Whilst the financial statements report on the current position of the Council, the adoption of the recommendation below does not have a financial impact.

### **Risk Implications**

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Inadequate Supplier/Contract Management

The **impact** of the risk is Financial, Non-Compliance and Reputational

The **consequences** of these risks are considered to be Major

The **likelihood** is Rare

Hence the **risk rating** for this item is Medium

Risk mitigation includes the Council having strong financial policies and procedures in place and the requirement to report to the Council on a monthly basis.

### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

### **Consultation**

Consultation was not required for this report.

### **VROC Implications**

There are no strategic VROC implications from this report

### **Voting Requirements**

Simple Majority

**OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 06072017**

**Moved Cr Egerton-Warburton, seconded Cr Beech that the attached financial statements for the period ending 30 June 2017 be noted.**

**Carried 7/0**

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<b>12.2</b>	<b>2017/2018 FEES AND CHARGES</b>
<b>RESPONSIBLE OFFICER:</b>	Phillip Rowe – Acting Manager of Finance and Administration
<b>REPORT AUTHOR:</b>	Phillip Rowe – Acting Manager of Finance and Administration
<b>FILE REFERENCE:</b>	FM11
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	19 July 2017
<b>ATTACHMENTS:</b>	2017/18 list of Fees & Charges (Part of Budget Document)

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### **Purpose**

The purpose of this report is to adopt the list of fees and charges for the 2017/2018 financial year.

### **Background**

The Council is required to adopt a list of fees and charges annually.

### **Officers Comment**

The draft list of fees and charges has undergone extensive scrutiny to ensure all fees and charges that are currently being imposed are listed.

### **Statutory Environment**

Section 6.15 to 6.19 of the Local Government Act (1995) legislates the imposition of fees and charges for a local government. Section 6.19 of this Act requires a local government to advertise the imposition of fees and charges that are not included in the annual budget.

### **Policy Applicable – Implications**

Council Policy 4.12 Fees and Charges - Application relates to this report.

### **Financial Implications**

The list of fees and charges, when adopted, sets the level of many revenue items contained within the budget. Significant consideration needs to be given when setting each fee and charge and the effect that it will have on the usage of that facility and the total revenue level obtained.

### **Risk Implications**

The risks associated with matters in this report are:

- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Providing Inaccurate advice/information
- Ineffective management of facilities / venues / events

The **impact** of the risks are Financial, Non-Compliance, Reputational, and Property

The **consequence** of these risks is considered to be minor

The **likelihood** is Possible

Hence the **risk rating** for this item is Moderate

Risk mitigation includes formal process for hiring Council facilities and equipment.



### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

### **Consultation**

Consultation for this report included the Executive Management Team.

### **VROC Implications**

There are no strategic VROC implications from this report

### **Voting Requirements**

***Absolute Majority***

### **OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 07072017**

**Moved Cr Denton, seconded Cr Bigwood that the list of fees and charges contained within the 2017/2018 budget be adopted.**

**Carried 7/0**

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<b>12.3</b>	<b>2017/2018 PROPERTY RATES</b>
<b>RESPONSIBLE OFFICER:</b>	Phillip Rowe – Acting Manager of Finance & Administration
<b>REPORT AUTHOR:</b>	Phillip Rowe – Acting Manager of Finance & Administration
<b>FILE REFERENCE:</b>	FM6
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	19 July 2017
<b>ATTACHMENTS:</b>	Nil

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### **Purpose**

The purpose of this report is to set the property rates and associated conditions for the 2017/2018 financial year.

### **Background**

Nil

### **Officers Comment**

#### Level of Rates

Following the guidance of Council from the rate setting workshop, a rate increase of 3.5% for both UV (Rural) properties and GRV (townsite) properties has been factored into the budget. The minimum rate has also been increased by 3.5%, to \$587.00.

#### Discount

Section 6.12 (1)(a) permits a local government to grant a discount or incentive for the early payment of money which is owed to the Council. At the 19 June 2013 meeting of Council it was resolved:

**“That:**

- 1. The Council no longer offer any discount for the early payment of rates; and**
- 2. The amount that would have been offered as discount be transferred to a new reserve account titled ‘Rate Discount Reserve’ to be used for assisting to fund improvements to existing and new community facilities.”**

#### Incentive

The Council has previously offered incentive prizes to encourage the early payment of rates. Only ratepayers who have paid their rates in full and by 5 September 2017 will be entered into the draw. For the 2017/2018 year, the following prizes are on offer:

- 1<sup>st</sup> Refund of property rates up to the value of \$1,000;
- 2<sup>nd</sup> 4 tickets to the Saturday 18 November 2017 *Asher Fisch Conducts Schumann* concert valued at \$364.00. Donated by WA Symphony Orchestra;
- 3<sup>rd</sup> A \$200 cheque from Great Southern Community Financial Services, Tambellup Cranbrook Community Bank;
- 4<sup>th</sup> Picnic Set and Rug valued at \$85.00. Donated by Act Belong Commit.

#### Instalments

It is recommended to the Council that it continue to offer the following three payment options as in previous years.

1. To pay the total rates and charges included on the rate notice in full by the 35th day after the date of issue of the rates notice; or
2. To pay by two equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the second instalment four calendar months after this date.

3. To pay by four equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the remainder at two calendar month intervals after this date.

#### Instalment Fee

It is recommended that an instalment fee of \$5.00 be charged for each instalment reminder issued after the first instalment. This is the same as that charged in 2016/2017.

#### Interest on Instalments

It is recommended that the maximum interest rate of 5.5% per annum be applied to instalment payments. Again, this is consistent with the previous year's charge and statutory requirements.

#### Late Payment Penalty Interest

It is recommended that the Council adopt a late payment penalty interest of 11% per annum. It is proposed that the late payment penalty interest will apply to rates that remain unpaid where no election was made to pay the rate by instalments and on overdue instalment payments where an election was made to pay by instalments. Again, this is consistent with the previous year's charge and statutory requirements.

#### **Statutory Environment**

Section 6.25 to 6.82 of the Local Government Act 1995 and Sections 52 to 78 of the Local Government (Financial Management) Regulations relate to property rating requirements and procedures.

#### **Policy Applicable – Implications**

There is no Council policy applicable to this report.

#### **Financial Implications**

The property rates proposed have been established on the basis of delivering a balanced budget.

#### **Risk Implications**

The risks associated with matters in this report are:

- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impact** of the risk is Financial and Non-Compliance

The **consequences** of these risks are considered to be Major

The **likelihood** is Possible

Hence the **risk rating** for this item is High

Risk mitigation includes the adoption of property rates consistent with legislation and that the rates are set consistent with the requirements of the budget and delivery of the Strategic Community Plan. Mitigation also includes a rigorous process to follow up on outstanding rates and the use of third party collection agencies where required.

#### **Strategic Community Plan Reference**

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

**Consultation**

Consultation for this report included the Council and Executive Management Team.

**VROC Implications**

There are no strategic VROC implications from this report

**Voting Requirements**

*Absolute Majority*

**OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 08072017**

**Moved Cr Denton, seconded Cr Adams that:**

- 1. Interest on the rate instalment option be set at 5.5% and an administration charge of \$5.00 per instalment (excluding the first instalment) be raised;**
- 2. Late payment penalty interest on overdue rates be set at 11%. This penalty interest charge to apply to all overdue property rates and rubbish collection charges;**
- 3. A prize draw be conducted as an incentive for the prompt payment of property rate accounts, with prizes consisting of various prizes as donated;**
- 4. The Council provide first prize of a refund of property rates up to the value of \$1000 for the incentive prize scheme; and**
- 5. That the rate in the dollar and minimum rate for property rates be as follows:**

	<b>Cents in the \$</b>	<b>Minimum Rate</b>
<b>Gross Rental Value</b>	<b>11.9500</b>	<b>\$587.00</b>
<b>Unimproved Value</b>	<b>0.9127</b>	<b>\$587.00</b>

**Carried 7/0**

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<b>12.4</b>	<b>2017/2018 BUDGET ADOPTION</b>
<b>RESPONSIBLE OFFICER:</b>	Phillip Rowe – Acting Manager of Finance and Administration
<b>REPORT AUTHOR:</b>	Phillip Rowe – Acting Manager of Finance and Administration
<b>FILE REFERENCE:</b>	FM6
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	19 July 2017
<b>ATTACHMENTS:</b>	2017/2018 Draft Annual Budget (Separate attachment)

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### **Purpose**

The purpose of this report is for the Council to adopt the 2017/2018 Annual Budget.

### **Background**

The Local Government Act, 1995, requires each Local Government to prepare a budget each financial year. The form, manner and content of the budget are prescribed in the Act and the Financial Management Regulations. Council must adopt its budget by an Absolute Majority no later than 31st August in the budget year unless the Minister for Local Government has granted an extension.

The Council has been working on the components of the 2017/2018 Annual Budget for a number of months now, including the consideration of fees and charges and property rating details. The Council workshops held during the year have enabled a detailed analysis of the draft budget by staff and elected members.

The previous items in this agenda have dealt with the major items in the budget and have been adopted individually as required by the Local Government Act. These included the List of Fees & Charges and Property Rates.

### **Officers Comment**

Council has met previously in workshop forums to consider the draft budget, which has formed the basis of the final document. The draft annual budget for 2017/2018 has been prepared in accordance with the Local Government Act 1995 and is attached for consideration and final adoption.

Council has been consulted during budget workshops to assess the priorities of proposed capital works, road construction, plant replacement, abnormal operating items, reserve transfers and rate increase levels.

### **Statutory Environment**

Section 6.2 of the Local Government Act (1995) requires a local government to prepare and adopt (by absolute majority) an annual budget prior to 31 August in each year.

### **Policy Applicable – Implications**

There is no Council policy applicable to this report.

### **Financial Implications**

The adopted budget of the Council sets the financial direction for the proceeding financial year.

### **Risk Implications**

The risks associated with matters in this report are:

- Business and Community Disruption
- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impact** of the risk is Financial, Service Interruption, Non-Compliance and Reputational.  
The **consequences** of these risks are considered to be Major.  
The **likelihood** is Unlikely  
Hence the **risk rating** for this item Medium.

Risk mitigation includes the adoption of the budget by 31 August each year and a structured approach to the delivery of the programmes and projects identified and approved in the budget. Mitigation also includes sound supervision of the various projects by members of the Executive Management Team and the staff under their direct control.

#### **Strategic Community Plan Reference**

This annual budget reflects the first year of the programs and projects identified in the 2017 – 2021 Corporate Business Plan which in turn reflects the aspirations contained within 2017 – 2027 Strategic Community Plan. Programs and projects are reviewed annually and are delivered inside of budgetary requirements.

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

*Objective 4: Leadership - Demonstrate, strong governance, leadership and organisational growth*

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

#### **Consultation**

Consultation for this report included the Council, Executive Management Team and Council staff.

#### **VROC Implications**

There are no strategic VROC implications from this report.

#### **Voting Requirements**

***Absolute Majority***

#### **OFFICERS RECOMMENDATION/COUNCIL DECISION**

**Motion 09072017**

**Moved Cr Egerton-Warburton, seconded Cr Beech that the attached 2017/2018 Annual Budget be adopted.**

**Carried 7/0**

**13. MATTERS BEHIND CLOSED DOORS**

Nil

**14. CLOSURE OF MEETING**

There being no further business to discuss, the Shire President, Cr Cunningham declared the meeting closed at 3:24 pm.