



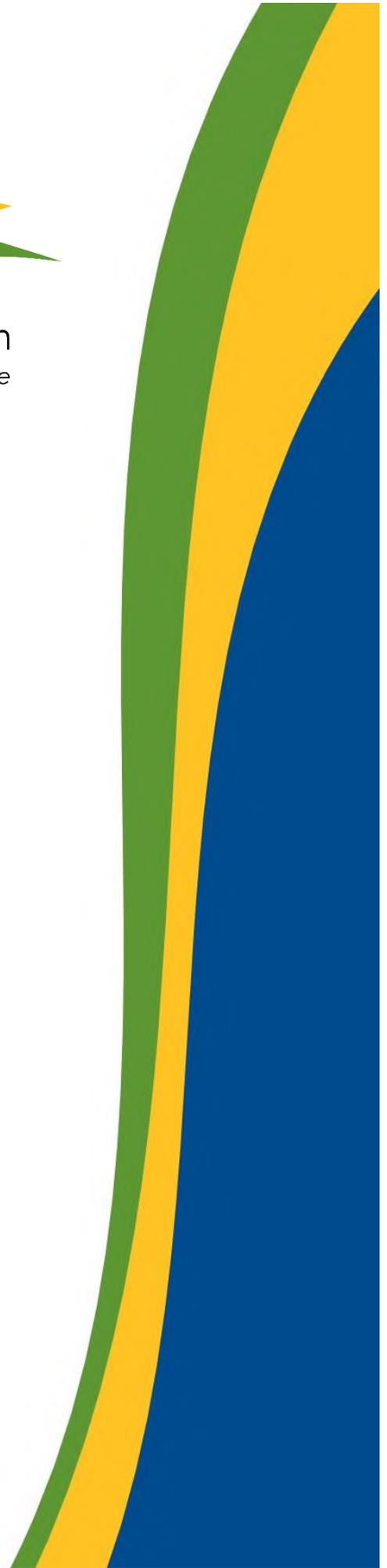
Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Minutes

Special Council Meeting

30 March 2020



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Contents

1.	DECLARATION OF OPENING	4
2.	ATTENDANCE.....	4
2.1	APOLOGIES	4
2.2	APPROVED LEAVE OF ABSENCE	4
3.	DISCLOSURE OF INTERESTS	5
4.	ANNOUNCEMENT BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)	6
5.	PUBLIC QUESTION TIME.....	6
5.1	PUBLIC QUESTIONS.....	6
6.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE.....	8
7.	RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS.....	8
7.1	PETITIONS	8
7.2	PRESENTATIONS	8
7.3	DEPUTATIONS	8
8.	APPLICATION FOR LEAVE OF ABSENCE	8
9.	CONFIRMATION OF MINUTES	8
10.	ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY.....	8
11.	REPORTS OF COMMITTEE MEETINGS.....	8
12.	SPECIAL ITEMS.....	9
12.1	COVID-19 – STATE OF EMERGENCY.....	9
12.2	COVID-19 – POLICY AND DELEGATION REVIEW	12
12.3	COVID-19 – COUNCIL POSITION AND FIRST RESPONSE.....	33
12.4	COVID-19 - FUTURE COUNCIL MEETINGS.....	36
12.5	COVID-19 - ORGANISATIONAL MATTERS	39
12.6	COVID -19 BUDGET AMMENDMENT	43
13.	MATTERS BEHIND CLOSED DOORS	53
14.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	53
15.	URGENT BUSINESS APPROVED BY DECISION	53
16.	DECLARATION OF CLOSURE.....	53

1. DECLARATION OF OPENING

The Shire President, Cr C R Antonio declared the meeting open at 4:30pm.

2. ATTENDANCE

Council:

Shire President

Deputy Shire President

Councillors

C R Antonio

J E G Williams

M I Girak

A J Mencshelyi

D Galloway

C P Della

T M Little

R W Tinetti

M P Ryan

S B Pollard

Staff:

Chief Executive Officer

Executive Manager Engineering Services

Executive Manager Development Services

Executive Manager Community Services

Executive Manager Corporate Services

Executive Assistant – CEO

J B Whiteaker

C D Kleynhans

C B Hunt

R Rayson

C Young

A C McCall

2.1 APOLOGIES

Nil.

2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DISCLOSURE OF INTERESTS

Item Name	Item No.	Name	Type of Interest	Nature of Interest
COVID-19 – State of Emergency	12.1	Cr R W Tinetti	Impartiality	He is a business owner in the Shire of Northam and this agenda item does mention support for the business community and local economies.
		Cr M P Ryan	Impartiality	The item mentions providing business support to the local community and he has a local business.
COVID-19 - Organisational Matters	12.5	Cr J E G Williams	Impartiality	She has a non-dependent daughter and a non-dependent daughter-in-law who are both currently employed by the Shire of Northam. Impartial, not financial, as although their continued employment may change depending on this outcome, neither reside with her or are dependent on her.

4. ANNOUNCEMENT BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Nil.

5. PUBLIC QUESTION TIME

5.1 PUBLIC QUESTIONS

Name: Bev and Ian Cooper, Northam.

Question 1: We are concerned that the Northam Buy Sell and Swap Facebook is still operating as well as the Gumtree site. As most transactions would be cash surely something needs to be done to curtail this. We have seen sellers on Facebook who also work at our schools, we thought these people should know better. As we have to use tap and go cards at our shops to protect our community surely something can be done to at least put some sort of warning on the pages if they can't be taken down.

Response 1: Presently in WA 'social distancing' recommendations for people to keep 1.5-2m away for each other is only a guideline unless it is attached to a formal direction order made by the state government, such as in the case of weddings and funerals. This however is likely to change over the coming days and will likely be enforced by the Police. Most orders to date have been made under the Emergency Management Act 2005 under the powers of the Police and State Emergency Coordinator.

At the moment most retail shops are allowed to operate and this scenario would likely fall into this category. It wouldn't be dissimilar to people buying an item from a shop. Unless legislation was changed to prevent a shop from operating, then this activity is still permitted and the Shire has no jurisdiction over it. In the coming days things could change, however at the moment gatherings are limited to 2 persons, one family that resides together and social distancing of 1.5-2m should be adhered to.

Question 2: This week we had two local businesses at our home. Where the workers came with masks and alcohol wipes to wipe down surfaces. We were notified by phone when they were coming and what they would do to protect us and them.

The other local business we had was not as good. We went out to get some supplies and they said they were not using the 1.5 metre social distance. We were not impressed with this. The next day we got supplies delivered which we ordered over the phone. The worker turned up at our back door with the receipt and was not using the 1.5 metre distance and no mask.

Could the Shire please make sure that all business in town follow the rules regarding social distancing and are protecting their workers and who they come into contact with.

Response 2: The Shire of Northam is doing its best to convey COVID-19 protection methods to the local businesses and community. All food businesses and many other businesses have been contacted directly by Shire staff and information is now readily available on the Shire's website. It is up to everyone to do their bit to ensure social distancing is adhered to and buying online or over the phone is recommended. Our suggestion would be whenever receiving goods or services, inform yourself on what the business is doing to protect yourself and their staff and use businesses and services that you are comfortable with.

The local business referred to has been contacted directly and they are undertaking the following measures to ensure their staff and customer safety:

- Cash register and eftpos machine is outside and wiped down after every use.
- Sanitiser for customers on the counter.
- They have dropped credit card charges to encouraged pay wave.
- Free delivery for orders over \$120.
- They have a sign up stating toot for drive through service so people don't have to get out of their cars.

The climate around social distancing and what Western Australian residents are permitted to do under this current COVID-19 pandemic is constantly changing. We encourage residents and business the constantly check back on the Shire's website and Facebook pages for regular updates.

6. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

7. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

7.1 PETITIONS

Nil.

7.2 PRESENTATIONS

Nil.

7.3 DEPUTATIONS

Nil.

8. APPLICATION FOR LEAVE OF ABSENCE

Nil.

9. CONFIRMATION OF MINUTES

Nil.

10. ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY

Nil.

11. REPORTS OF COMMITTEE MEETINGS

Nil.

12. SPECIAL ITEMS

Cr R W Tinetti declared an "Impartiality" interest in item 12.1 – COVID-19 – State of Emergency as he is a business owner in the Shire of Northam and this agenda item does mention support for the business community and local economies.

Cr M P Ryan declared an "Impartiality" interest in item 12.1 – COVID-19 – State of Emergency as the item mentions providing business support to the local community and he has a local business.

12.1 COVID-19 – STATE OF EMERGENCY

File Reference:	1.1.9.16
Reporting Officer:	Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Officer Declaration of Interest:	
Voting Requirement:	Simple Majority
Press release to be issued:	Yes

BRIEF

To allow the Council to declare its own state of emergency, thereby triggering a range of proposed policy amendments.

ATTACHMENTS

Nil

A. BACKGROUND / DETAILS

11 March 2020 - World Health Organisation declared Coronavirus (COVID-19) as a pandemic.

23 March 2020 – The Western Australian Government Declared a State of Emergency

27 March 2020 - The Premier and Minister for Local Government addressed the local government industry and in the strongest possible terms expressed the following key points to the sector

- The pace of change associated with COVID-19 is incredibly fast
- This requires Councils to make quick decisions
- We are not in a business as usual environment
- Clear that all energy and effort needs to be put into this pandemic

- Priorities around looking after our communities health
- Priorities on supporting our local economies
- Local government will play a critical role.
- Premier asking Councils to fast track approvals (any approval that will result in economic development) Building and planning approvals critical
- Asking Councils to keep our workforces employed
- Use budgets to stimulate our local economy and create jobs
- The State Government will be unable to support local government financially, they are committing all their available financial resource, and more, to fighting this issue

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area: Governance & Leadership

Outcome: 6.3: The Shire of Northam Council is a sustainable, responsive, innovative and transparent organisation.

Objective: G2 Improve organisational capability and capacity

B.2 Financial / Resource Implications

The effects of COVID-19 will have a significant and lasting financial impact on the Shire of Northam. A last quarter budget is presented to this meeting, while the 2020/21 annual budget development is also underway.

B.3 Legislative Compliance

There is no provision in the local government act for local governments to declare a state of emergency, it is merely being presented as an internal process.

B.4 Policy Implications

A number of policies are being presented with recommended adjustments

B.5 Stakeholder Engagement / Consultation

Nil.

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Council is unable to respond to this pandemic in a timely manner	Possible (3) / major (4) – 12 = high	Council makes decision in accordance with office recommendation

Health & Safety	Council is unable to respond to this pandemic in a timely manner	Possible (3) / major (4) – 12 = high	Council makes decision in accordance with office recommendation
Reputation	Council is unable to respond to this pandemic in a timely manner	Possible (3) / Minor (2) – 6 = moderate	Council makes decision in accordance with office recommendation
Service Interruption	Council is unable to respond to this pandemic in a timely manner	Possible (3) / major (4) – 12 = high	Council makes decision in accordance with office recommendation
Compliance	Nil		
Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

We are in unprecedented times and the organisational, financial, economic and social impacts are considered to be significant in the short to medium term. While this is the case, Council also needs to remain cognisant that decisions made now can have either a positive or negative impact in these areas in the long term. With this level of great uncertainty comes a responsibility for community leaders at all levels to step up and be clear, decisive and rationale in their decision making and communication.

In order to assist a range of outcomes it is proposed that Council resolve that the Shire of Northam is in a State of Emergency. It is important to note that the purpose of this resolution is not to for any other reason, other than to enact a range of policy measures being proposed.

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3910

Moved: Cr Little

Seconded: Cr Mencshelyi

That Council declare the Shire of Northam is in a state of emergency, with this position to be reviewed by Council at the direction of the Shire President.

CARRIED 10/0

12.2 COVID-19 – POLICY AND DELEGATION REVIEW

File Reference:	1.1.9.16
Reporting Officer:	Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Officer Declaration of Interest:	Nil.
Voting Requirement:	Absolute Majority
Press release to be issued:	Yes

BRIEF

Given the recent significant worldwide events around the Covid-19 pandemic staff are recommending adjustments to a range of policies which will assist in Council responding to support our local economy.

ATTACHMENTS

- Attachment 1: F 4.2 Purchasing and Tendering Policy.
Attachment 2: F 4.4 Local Price Preference Policy.
Attachment 3: F 4.5 End of Year Surplus Policy.
Attachment 4: G 1.1 Meeting Attendance Policy.

A. BACKGROUND / DETAILS

Staff have undertaken a review of all existing policies and delegations to identify those which can be potentially amended to promote;

- Quick decision making
- Support for local business
- Support for community groups

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area: Governance & Leadership

Outcome: 6.3: The Shire of Northam Council is a sustainable, responsive, innovative and transparent organisation.

Objective: G2 Improve organisational capability and capacity

B.2 Financial / Resource Implications

Amending the presented policies will result in a potential increase in the cost of some projects, however staff are of the view that these costs will be offset by the potential community economic benefits – which are being given precedence.

B.3 Legislative Compliance

The policies have been reviewed in the context of compliance with the Councils legislative requirements.

B.4 Policy Implications

This report contemplates reviewing a number of policies.

B.5 Stakeholder Engagement / Consultation

Nil.

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Projects & services may not be delivered as cost effectively as they might have otherwise been	Possible (3) / major (4) – 12 = high	Budget parameters will still be required to be complied with in accordance with Council policy framework
Health & Safety	Nil		
Reputation	<p>Potential reputational damage in the event Council does not adequately support local business community</p> <p>Potential reputational damage in the event Council does not receive good value for expending community funds</p>	Possible (3) / Minor (2) – 6 = moderate	Clearly articulate the position of Council and rationale behind this decision making
Service Interruption	Nil		
Compliance	Nil		
Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

In order to be able to react quickly in what is currently a fast moving environment a number of policy changes are being recommended.

1. Policy 4.2 Purchasing and tendering policy

- Recommending to make changes to make it easier and quicker to purchase goods and services in times of declared emergency
2. Policy 4.4 Local Price preference
Recommending to make changes to provide stronger local price preferences in times of declared emergency
 3. Policy 4.5 End of year surplus
Recommending a slight adjustment to allow more flexibility in the application of this policy
 4. Policy G1.1 Meeting attendance
Recommending a slight adjustment to allow more flexibility in the application of this policy
 5. Delegation F04 – Tenders – this is being recommended in order to streamline approvals. There are limited tenders Council approves in this quantum, however in the current environment this may change.
 6. Delegation F05 – Write Off/Waive Small Fees and charges. It is expected that Council will be receiving a significant number of these types of requests moving forward, which have the potential to take considerable officer and Council time. It is recommended to significantly increase the delegation of the Chief Executive Officer from \$500 to \$5,000. This will ensure a quick decision making process, to give any applicants a level of certainty.

It is expected that a further suite of potential amendment to policy and delegation will be presented to Council in the coming weeks.

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3911

Moved: Cr Mencshelyi

Seconded: Cr Galloway

That Council

1. **Adopt the following policies as presented;**
 - a. **F 4.2 Purchasing and Tendering Policy**
 - i. **Requiring reporting on budget performance to continue and this being entered into the Council risk register as per policy G 1.7 Risk Management.**
 - b. **F 4.4 Local Price Preference**
 - c. **F 4.5 End of Year Surplus Policy**
 - d. **G 1.1 Meeting attendance**

CARRIED 10/0

RECOMMENDATION

That Council;

1. Amend Delegation F04 to authorise the Chief Executive Officer to accept and reject tenders and purchases of goods and services made through Council purchasing service of WALGA up to \$500,000
2. Amend Delegation F05 to increase the current financial threshold for the Chief Executive Officer to make a determination on applications for concessions or write offs from \$500 to \$5,000

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3912

Moved: Cr Pollard

Seconded: Cr Ryan

That Council amend Delegation F05 to increase the current financial threshold for the Chief Executive Officer to make a determination on applications for concessions or write offs from \$500 to \$5,000

**CARRIED 10/0
BY ABSOLUTE MAJORITY**

REASON FOR CHANGE

Council did not support recommendation 1 as it was of the view that the current \$250,000 parameter was sufficient.

Attachment 1

F 4.2 Purchasing & Tendering Policy

<i>Responsible Department</i>	Corporate Services
<i>Resolution Number</i>	C.3638
<i>Resolution Date</i>	17/04/2019
<i>Next Scheduled Review</i>	2021
<i>Related Shire Documents</i>	
<i>Related Legislation</i>	<i>Local Government Act 1995 – s3.57 Tenders Local Government (Functions & General) Regulations 2000 - Part 4A Local Government (Administration) Amendment Regulations 2000 – s29</i>

OBJECTIVE

To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended March 2007).

To deliver the best practice approach and procedures to internal purchasing for the Shire.

To ensure consistency for all purchasing activities that integrates within all the Shire operational areas.

SCOPE

The policy applies to purchases.

POLICY

The purpose of this policy is to ensure consistency and efficiency for purchasing and procurement across all the Shire of Northam's operational areas in order to maximise value for the Shire and the community by obtaining the best balance of conditions of supply, quality and price.

This policy sets out the requirements that must be complied with by the Shire, including purchasing thresholds and processes, these are compliant with the Local Government (Functions and General) Regulations 1996, as the relevant legislation

2. Why Do We Need A Purchasing Policy?

The Shire is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- Provides the Shire with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the Shire receives value for money in its purchasing.
- Ensures that the Shire considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the Shire is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.
- Uphold respect from the public and industry for the Shire's purchasing practices that withstands probity.

3. Ethics & Integrity

All officers and employees of the Shire shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practice s shall comply with relevant legislation, regulations, and requirements consistent with the Shire policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

4. Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks. The tender or quote offering the lowest price may not necessarily be successful. Being within budget does not in itself represent value for money.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable. When motor vehicles are due for renewal under Council's policy, prices must be obtained from at least two Shire of Northam based dealers, **where possible**.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

5. Sustainable Procurement

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

The Shire is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire's sustainability objectives.

Practically, sustainable procurement means the Shire shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type suitable for operational needs and within the designated price range and potential replacement values in the context of individual employee contractual obligations;
- For new buildings and refurbishments – where available use renewable energy and technologies.

6. Risk

Purchase and procurement is to take into consideration, a risk assessment of the product or service to ensure potential hazards are identified and mitigation strategies determined, before the product or service is introduced into the workplace.

7. Purchasing Thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Table 1 Purchasing Thresholds – Requirements

Purchase Thresholds (excluding GST)	Minimum Requirements
Less than \$3000	No quotations required. Officers are to use professional judgment and discretion to determine if prices or rates are value for money.
\$3,000 to \$7,500	Verbal quotations to be sought from three (3) suppliers where possible with the successful quote supplied in writing.
\$7,500 to \$50,000	Three written quotations or purchase through the Local Government Purchasing Service of the WA Local Government Association (WALGA) where possible.

Above \$50,000 to \$150,000	Obtain at least three written quotations containing price and specification of goods and services (with the procurement decision based on value for money considerations) or purchase through the Local Government Purchasing Service of WALGA.
Above \$150,000	Public tender or purchase through the Local Government Purchasing Service of WALGA.

Anti-Avoidance

Officers shall not create more than one purchase order with one supplier to avoid either exceeding their authorisation limit or creeping into the next purchasing threshold.

Quotation purchasing threshold procedures

It is not a prerequisite that every possible supplier is requested to quote, however the responsible officer is to use previous experience with suppliers and local knowledge to invite suitable suppliers to quote. One of the main aims for multiple quotes is to have a range of quotes to choose from to help determine value for money. A formal request for quotation (RFQ) process must be conducted by the responsible officer in conjunction with the Shire's Purchasing Officer and is subject to formal evaluation, review and approvals. Purchasing threshold requirements for quotations are as follows:

- **Less than \$3,000 (excl. GST)**

In cases where reactive maintenance is required or for the carrying out of normal Council ongoing business **no quotations need to be obtained**. However it is recommended to use professional discretion and undertake periodic checks and balances to test the market, with a greater number or more formal forms of quotation to ensure best value is maintained.

- **\$3,000 – \$7,500 (excl. GST)**

Where the value of procurement of goods or services is greater than \$3,000 and less than \$7,500, purchase on the basis of at least three verbal quotations should be obtained with the successful quote being supplied in writing, except:

- a) where purchase is being made under a panel of pre-qualified suppliers which include WALGA Preferred Suppliers.
- b) where goods or services are needed immediately in an emergency situation.
- c) where rates are considered reasonable and consistent with normal market rates and sufficient justification can be provided in this respect; and these are tested by obtaining quotes from time to time.
- d) where the responsible officer is satisfied that there is genuinely only one source of supply for those goods, services or works. Investigatory evidence to confirm there are no alternative sources of supply must be collated and written records retained.

- e) Where the purchase is for construction or workshop consumables (string, pegs, irrigation parts, auto parts etc), minor electrical equipment (two way units etc), fertiliser and herbicide etc.

- **\$7,500 to \$50,000 (excl. GST)**

Where the value of procurement of goods or services ranges between \$7,500 and \$50,000 a sufficient number of written quotations (at least three) are to be sought through a simple RFQ process using Vendor Panel to demonstrate competition. Where this is not practical, e.g. due to limited suppliers or deemed sole supplier, investigatory evidence to confirm there are no alternative sources of supply must be collated and written records retained.

Written records of quotations are to be made and retained in all cases.

Request written quotation(s) directly from a pre-qualified panel of suppliers which include WALGA Preferred Supplier Panel, using a request for quotation process either through WALGA e-Quotes or via Vendor Panel. It is not mandatory for multiple quotations to be requested when using the WALGA Preferred Supplier Panel, and a quotation can be requested from a single supplier where deemed practical. The benefit, however, of requesting multiple quotations is that there is a range to choose from to help determine value for money. The responsible officer is to use previous experience with suppliers and local knowledge to invite suitable suppliers and establish the appropriate number of suppliers from which to request a quote.

Written records of quotations are to be made and retained in all cases.

- **\$50,000 to prescribed amount (excl. GST)**

For the procurement of goods or services where the value exceeds \$50,000 but does not exceed \$150,000, at least three written quotations shall be obtained through a formal RFQ process via Vendor Panel including pricing and product or service information relating to the specification of goods and services being purchased. Where this is not practical, e.g. due to limited suppliers or deemed sole supplier, investigatory evidence to confirm there are no alternative sources of supply must be collated and written records retained.

This purchasing threshold typically requires a detailed specification to be prepared and included in the formal RFQ documentation. It is recognised that not all goods and services procured within this threshold will be of a nature that requires a detailed Specification, it is therefore acceptable to include a less detailed Specification where considered more appropriate. All Specifications must effectively communicate the Requirements of the Shire.

Comprehensive written records are to be retained in all cases.

Request written quotation(s) directly from a pre-qualified panel of suppliers which include WALGA Preferred Supplier Panel, using a request for quotation process either through WALGA e-Quotes or Vendor Panel. It is not mandatory for multiple quotations to be requested when using the WALGA Preferred Supplier Panel, and a quotation can be requested from a single supplier where deemed practical. The benefit, however, of

requesting multiple quotations is that there is a range to choose from to help determine value for money. The responsible officer is to use previous experience with suppliers and local knowledge to invite suitable suppliers and establish the appropriate number of suppliers from which to request a quote.

Written records of quotations are to be made and retained in all cases.

Invitation to Tender (above prescribed amount excl. GST)

Tenders are to be publicly invited according to the requirements of regulation 11(1) of the *Local Government (Functions & General) Regulations 1996* before the Shire enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$150,000 (excl. GST).

8. REGULATORY COMPLIANCE

Local Government (Functions and General) Regulations 1996 Part 4 Division 2

8.1 Tender Exemption

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

8.2 Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: *The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.*

8.3 Anti-Avoidance

The Shire shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$150,000, thereby avoiding the need to publicly tender unless emergency circumstances prevail. Notice to be given to Council.

8.4 Tender Criteria

The Shire shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted. Please refer Delegations Register, number F04 to determine the appropriate selection criteria.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

8.5 Advertising Tenders

Tenders are to be advertised in a state wide publication e.g. "The West Australian" newspaper, Local Government Tenders section and a local newspaper.

The tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 **full** days are provided as a minimum.

The notice must include:

- A brief description of the goods or services required;
- Information as to where and how tenders may be submitted;
- The date and time after which tenders cannot be submitted;
- Particulars identifying a person from who more detailed information as to tendering may be obtained;
- Detailed information shall include;
 - such information as the Shire decides should be disclosed to those interested in submitting a tender;
 - detailed specifications of the goods or services required;
 - the criteria for deciding which tender should be accepted;
 - whether or not the Shire has decided to submit a tender; and
 - whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.
 - Advice that no tender shall be necessarily accepted.

8.6 Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire not to compromise its Duty to be fair. That the same Tender documents be used for all tenders.

8.7 Receiving Tenders Electronically

All tenders are to be received via Vendor Panel Public Tenders portal.

8.8 Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

8.9 Opening of Tenders

No tenders are to be opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened by an Executive Manager and one other officer.

If the above Officer's are not available the Officers' delegated nominee and at least one other Council Officer may open the Tender. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Shire. Members of the public are entitled to be present.

8.10 No Tenders Received

Where the Shire has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.
- Council Approval must be sought

8.11 Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

8.12 Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice in writing of the variation.

8.13 Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire and tenderer have entered into a Contract, a minor variation may be made by the Shire.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

8.14 Notification of Outcome

Each tenderer shall be notified of the outcome of the tender by the Chief Executive Officer (under Delegated Authority) or following Council resolution within 21 days. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process. If no tender was accepted it must be advertised “that no tenders were accepted.”

8.15 Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;

Notification and award documentation .For a direct purchasing process this includes:

- Quotation documentation;
- Internal documentation;
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire’s internal records management policy.

9.0 In the case of a community emergency as resolved by Council

Where the Council, by an absolute majority vote, declare that the community is in a state of emergency the following shall apply, overriding all other requirements of this policy;

9.1 Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire. In the case of a declared community emergency a significant weighting will be placed on;

Local content – that is the extent to which the awarded work will support firstly the local, and secondly the regional (Avon) community.

Timeliness – the ability of the service provider to undertaken and complete the works in a suitable timeframe.

9.2 Purchasing Thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Table 1 Purchasing Thresholds (excluding GST) – Minimum Requirements

Less than \$10,000	No quotations required. Officers are to use professional judgment and discretion to determine if prices or rates are value for money.
\$10,000 to \$20,000	Written quotations to be sought from two (2) suppliers where possible.
\$20,000 to value specified in regulations requiring tender	Three written quotations, where possible, or purchase through the Local Government Purchasing Service of the WA Local Government Association (WALGA).
Above value specified in regulations requiring tender	As per tender regulations

9.3 Not applicable

9.4 Regulatory Compliance

Local Government (Functions and General) Regulations 1996 Part 4 Division 2

9.4.1 Tender Criteria

The Shire shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted. Please refer Delegations Register, number F04 to determine the appropriate selection criteria.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

9.4.2 Receiving Tenders Electronically

All tenders are to be received via Vendor Panel Public Tenders portal.

9.4.3 Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

9.4.4 Opening of Tenders

No tenders are to be opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened by an Executive Manager and one other officer.

If the above Officer's are not available the Officers' delegated nominee and at least one other Council Officer may open the Tender. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as commercial-in-confidence to the Shire. Members of the public are entitled to be present.

9.4.5 No Tenders Received

Where the Shire has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.
- Council Approval must be sought

9.4.6 Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

9.4.7 Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice in writing of the variation.

9.4.8 Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire and tenderer have entered into a Contract, a minor variation may be made by the Shire.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

Attachment 2

F 4.4 Local Price Preference

<i>Responsible Department</i>	Corporate Services
<i>Resolution Number</i>	C.3638
<i>Resolution Date</i>	17/04/2019
<i>Next Scheduled Review</i>	2021
<i>Related Shire Documents</i>	
<i>Related Legislation</i>	<i>Local Government Act 1995 – s3.57 Tenders; Local Government (Functions & General) Regulations 200 – Part 4A; Local Government (Administration) Amendment Regulations 2000 – s29.</i>

OBJECTIVE

The purpose of this policy is to stimulate economic activity and growth in the Shire by maximising the use of competitive local businesses in supplying goods, services and works purchased or contracted on behalf of the Shire of Northam.

SCOPE

Applies to all Purchases.

POLICY

1. Local Price Preference

A price preference will apply to suppliers who are based in, operate from or source goods or services from within the Shire in relation to all quotations/tenders invited by the Shire for the supply of goods, services and construction (building) services.

The Local price preference enables suppliers to be evaluated as if the proposed tender/quotation bid price were reduced in accordance with permitted price preferences as specified below in this policy.

This policy will operate in conjunction with the purchasing considerations and procedures as outlined in the Council's 'Purchasing Policy' when evaluating and awarding tender contracts.

2. Qualifying Criteria

Local Supplier

A supplier of goods or services who submits a tender/quotation is regarded as being a local tenderer if:

- i. the supplier has a physical business premises (in the form of an office, depot, shop, outlet, headquarters or other premises where goods or services are being supplied from), located within the Shire. This does not exclude suppliers whose registered business is located outside the Shire but undertake the business from premises located in the Shire;
- ii. a business having permanent staff that are based at the business premises located within the Shire;
- iii. management or delivery of the majority of the outcomes will be carried out from the business premises located in the shire; and

In order for the policy to apply, the supplier is required to provide to the Shire sufficient evidence which demonstrates compliance with the above criteria.

3. Local Price Preference Value

Goods and Services:

The Shire of Northam will provide a local price preference to the maximum allowable amount specified in section 24D of the Local Government (Functions and General) Regulations 1996.

Attachment 3

F 4.5 End of Year Surplus

<i>Responsible Department</i>	Corporate Services
<i>Resolution Number</i>	C.3638
<i>Resolution Date</i>	17/04/2019
<i>Next Scheduled Review</i>	2021
<i>Related Shire Documents</i>	Annual Budget & Annual Report
<i>Related Legislation</i>	

OBJECTIVE

This policy aims to establish parameters for the use of untied surplus funds at the end of each financial year as identified through the Annual Budget adoption process.

SCOPE

As part of the Annual Budget process the Shire of Northam must calculate its end of year financial position, or surplus/ deficit as a starting point for the following year's budget.

Included in this calculation are projects which have not been completed in the previous financial year and in most cases, these items are carried forward for expenditure in the following financial year. However, budget savings which have been achieved which cannot be readily identified at the end of the financial year are known as an "untied surplus".

POLICY

The Council recognises that the allocation of untied surpluses is an important aspect in discharging its financial management responsibilities. The Council recognises that untied surpluses will not be used to offset the future annual operating costs of the Council, except where Council, by an absolute majority vote, have declared that the community is in a state of emergency. In this instance this policy SHALL NOT APPLY.

The use of any identified untied surplus at the end of a financial year will be limited to one (or more) of the following transactions, at the discretion of Council:

1. Transferred to a Reserve Account to be nominated by the Council;
2. Allocated to a "one-off" capital project nominated by the Council;
3. Retirement of debt (where possible).

Attachment 4

G 1.1 Meeting Dates

<i>Responsible Department</i>	Chief Executive Officer
<i>Resolution Number</i>	C.2440
<i>Resolution Date</i>	20/05/2015
<i>Next Scheduled Review</i>	2017
<i>Related Shire Documents</i>	
<i>Related Legislation</i>	Local Government Act –s5.3 Local Government (Administration) Regulations – reg 12

OBJECTIVE

To regulate and set meeting dates.

SCOPE

Applies across organisation.

POLICY

Council is to meet on the third (3rd) Wednesday of each month, with a Forum being held on the second Wednesday of each month, unless otherwise resolved by Council.

12.3 COVID-19 – COUNCIL POSITION AND FIRST RESPONSE

File Reference:	1.1.9.16
Reporting Officer:	Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Officer Declaration of Interest:	Nil.
Voting Requirement:	N/A – briefing
Press release to be issued:	Yes

BRIEF

For Council to make decisions on a range of issues, allowing for action to commence for these actions to be communicated to the Community.

ATTACHMENTS

Nil.

A. BACKGROUND / DETAILS

The Premier of Western Australian and Minister for Local Government addressed the local government industry on March 28, 2020 and in the strongest possible terms expressed the following key points to the sector;

- The pace of change associated with COVID-19 is incredibly fast
- This requires Councils to make quick decisions
- We are not in a business as usual environment
- Clear that all energy and effort needs to be put into this pandemic
- Priorities around looking after our communities health
- Priorities on supporting our local economies
- Local government will play a critical role.
- Premier asking Councils to fast track approvals (any approval that will result in economic development) Building and planning approvals critical
- Asking Councils to keep our workforces employed
- Use budgets to stimulate our local economy and create jobs
- The State Government will be unable to support local government financially, they are committing all their available financial resource, and more, to fighting this issue

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area: Governance & Leadership

Outcome: 6.3: The Shire of Northam Council is a sustainable, responsive, innovative and transparent organisation.
Objective: G2 Improve organisational capability and capacity

B.2 Financial / Resource Implications

The effects of COVID-19 will have a significant and lasting financial impact on the Shire of Northam.

This initial suite of recommendations are projected to cost Council approximately \$700,000 in the 2020/21 financial year

B.3 Legislative Compliance

B.4 Policy Implications

N/A

B.5 Stakeholder Engagement / Consultation

Nil

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Council is going to be exposed to considerable financial risk with the Covid-19 Pandemic	Almost Certain (5) x Extreme (5) = 25 – Extreme. This is the highest risk rating possible	<ol style="list-style-type: none"> 1. Review of last ¼ 19/20 budget 2. Develop 20/21 budget in this context 3. Monitor and report at least ¼ any projected cash flow issues 4. Set parameter to report budget variances to Council based on nature and type
Health & Safety	Nil		
Reputation	Reputational damage in the event Council does not respond to this Pandemic quickly and positively	Likely (4) x Medium (3) = 12 High	<ol style="list-style-type: none"> 1. Special Council meeting to make determination on immediate actions 2. Press release issued
Compliance	Nil		

Property	Nil		
Environment	Nil		

C. OFFICER'S COMMENT

Staff are recommending a suit of decisions to be made in order to provide clarity to both staff (in the development of the 2020/21 annual budget) and the community (to provide certainty around Councils position on a range of matters).

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3913

Moved: Cr Della

Seconded: Cr Mencshelyi

That Council;

1. Not increase any rates in the dollar for at least the 2020/21 financial year, and will reassess its position in relation to rate increases for future years in the first quarter to 2021;
2. Not implement any 2020 revaluations (either Unimproved or Gross Rental), which would normally be applied at 1 July 2020;
3. Not increase fees and charges in the 2020/21 financial year, and will reassess its position in relation to fees and charges increases for future years in the first quarter to 2021;
4. Will decrease its charge on overdue rates from the current 11% p.a. calculated daily, to 0% to have immediate effect and lasting until February 1 2021 at which time Council will reassess its position;
5. Will remove the requirement for an administration fee to be paid when paying by instalment and the 5% interest charge immediately;
6. Will offer a 5% discount to ratepayers who pay their 2020/21 rates in full by the due date;
7. Will consider future financial relief measures available to it during its 2020/21 budget deliberations;
8. As per Council policy G 1.7 Risk Management enters the following mitigation strategies in the organisational risk register;
 - a. Issue press release on Council position relating to COVID-19 response;
 - b. Monitor and report at least quarterly any projected cash flow issues; and
 - c. Set policy parameter to report budget variances to Council based on nature and type.

CARRIED 10/0

12.4 COVID-19 - FUTURE COUNCIL MEETINGS

File Reference:	1.1.9.16
Reporting Officer:	Executive Assistant - Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	Yes

BRIEF

For Council to consider the method for holding future Council meetings as a result of the Coronavirus (COVID-19) pandemic.

ATTACHMENTS

Nil.

A. BACKGROUND / DETAILS

Council set its meeting dates and locations as follows at the Ordinary Council Meeting on 20 November 2019:

That Council:

- 1. Advertise that its Forum and Ordinary Meetings of Council for 2020 will be held as follows:***

Forum	Ordinary Council	Location
20 January 2020	22 January 2020	Shire of Northam Council Chambers
12 February 2020	19 February 2020	Grass Valley Hall
11 March 2020	18 March 2020	Shire of Northam Council Chambers
8 April 2020	15 April 2020	Bakers Hill Recreation Centre
13 May 2020	20 May 2020	Shire of Northam Council Chambers
10 June 2020	17 June 2020	Wundowie Hall
8 July 2020	15 July 2020	Shire of Northam Council Chambers
12 August 2020	19 August 2020	Shire of Northam Council Chambers
9 September 2020	16 September 2020	Southern Brook Hall
14 October 2020	21 October 2020	Shire of Northam Council Chambers
11 November 2020	18 November 2020	Shire of Northam Council Chambers
9 December 2020	16 December 2020	Shire of Northam Council Chambers

- 2. Schedule a Strategic Meeting quarterly in the months of February, May, August and November, on the following Wednesday of the Ordinary Council Meeting; and***

3. Endorse that all meetings are to commence at 5:30pm.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area 6: Governance and Leadership.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Outcome 6.4: The Elected Members of the Shire of Northam provide accountable, strong and effective community leadership.

B.2 Financial / Resource Implications

Nil.

B.3 Legislative Compliance

Local Government Act 1995 – section 1.7.

Local Government (Administration) Regulations 1996, Regulation 12, 14D and 14E.

B.4 Policy Implications

G 1.1 Meeting Dates.

B.5 Stakeholder Engagement / Consultation

Nil. Should Council resolve to amend the method in which Council meetings are held, local public notice will be provided in accordance with the *Local Government (Administration) Regulations 1996*.

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Nil.		
Health & Safety	Exposure to COVID-19	Possible / Medium (9) 3 x 3	All future meetings to be held by electronic means to minimise risk of exposure. This will ensure appropriate social distancing guidelines are adhered.
Reputation	Nil.		
Service Interruption	Nil.		
Compliance	Non-compliance with the Local Government Act 1995 and Local	Low / Low (1) 1 x 1	Public notice be given in accordance with the Act and Regulations.

	Government (Administration) Regulations 1996		
	A gathering of 2 or more persons in a single undivided outdoor or indoor space at the same time with <4m ² per person is not permitted.	Low / Low (1) 1 x 1	All future meetings to be held by electronic means to eliminate the need to gather.
Property	Nil.		
Environment	Nil.		

C. OFFICER'S COMMENT

Given the situation surrounding the COVID-19 pandemic, Council must consider the method for holding future Council meetings in order to comply the guidelines provided by the state and federal government.

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3914

Moved: Cr Mencshelyi
Seconded: Cr Tinetti

That Council:

- 1. Hold all future Council meetings by electronic means in accordance with Regulation 14D and 14E of the *Local Government (Administration) Regulations 1996* until otherwise determined.**
- 2. Do not hold Council Forum Meetings until otherwise determined.**
- 3. Give local public notice of the change in accordance with Regulation 12(2) of the *Local Government (Administration) Regulations 1996*.**

CARRIED 10/0

Cr J E G Williams declared an "Impartiality" interest in item 12.5 – COVID-19 – Organisational Matters as she has a non-dependent daughter and a non-dependent daughter-in-law who are both currently employed by the Shire of Northam. Impartial, not financial, as although their continued employment may change depending on this outcome, neither reside with her or are dependent on her.

12.5 COVID-19 - ORGANISATIONAL MATTERS

File Reference:	1.1.9.16
Reporting Officer:	Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Officer Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Press release to be issued:	Yes

BRIEF

For Council to approve a range of adjustments to the Shire of Northam work environment.

ATTACHMENTS

Nil.

A. BACKGROUND / DETAILS

Nil.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area 6: Governance and Leadership.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

Outcome 6.4: The Elected Members of the Shire of Northam provide accountable, strong and effective community leadership.

B.2 Financial / Resource Implications

Nil.

B.3 Legislative Compliance

Section 5.2 Local Government Act - The council of a local government is to ensure that there is an appropriate structure for administering the local government.

B.4 Policy Implications

G 1.1 Meeting Dates.

B.5 Stakeholder Engagement / Consultation

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Nil.		
Health & Safety	Nil		
Reputation	Nil		
Service Interruption			
Compliance	Requirement of Council to ensure there is an appropriate structure in place	Low (2) / Low (2) = Low (4)	
Property	Nil.		
Environment	Nil.		

C. OFFICER'S COMMENT

Council is currently 100% focused on the Covid-19 Pandemic. This is having a significant impact on our current deliverables within the Shire of Northam Corporate Business Plan. As a consequence the Chief Executive Officer is seeking Council recognition and understanding that there will be a significant number of actions in the plan which are simply unable to be deliver.

The staff activated the Shire of Northam Business Continuity Plan approximately 10 days ago. As a result of this activation the Council established a response team consisting of;

- Chief Executive Officer (with executive support provided by the CEO EA)
- Manager Environment & Health Services
- Executive Managers of Development, Corporate, Engineering & Community Services
- Manager Human Resources
- Community Emergency Services Manager
- Manager Tourism & Events (coordinating communications)

Further to this a decision was made to refocus the organisational structure to ensure clear lines of responsibility;

- **Project Delivery- Executive Manager Engineering Services**
 - Includes delivery of projects across the entire organisation
- **Financial – Executive Manager Corporate Services**
 - Focused specifically on financial implications (budgeting and long term financial planning)
- **Response & Recovery- Executive Manager Development Services**
 - Includes responses to current issues, recommending to Chief Executive Officer redeployment of staff to various areas, workplace safety measures relating to COVID-19, recovery planning.
- **Community Resilience- Executive Manager Community Services**
 - Community engagement and liaison/coordination with community service providers to look after vulnerable people - coordinated response, community social impacts etc.
- **Organisation & Economy – Chief Executive Officer**
 - Continuing to oversee all areas with additional specific focus on economic development initiatives and direction

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3915

Moved: Cr Mencshelyi

Seconded: Cr Girak

That Council:

1. Notes that changes to services, programs and projects have, and will continue to be made, by the Chief Executive Officer to ensure critical service delivery and the safety of staff and the community during the COVID-19 pandemic.
2. Endorses a policy position that the Chief Executive Officer is authorised to make any required adjustments to the organisational structure and resourcing deemed appropriate, within established budget parameters, when Council has resolved the community as being in a state of emergency.
3. Commits to retaining its current (as at 30 March 2020) workforce at existing levels and salaries until at least 30 June 2020. Council will reassess its position in June 2020 to reconsider its position at that time.

CARRIED 10/0

Note: Clarification was sought in relation to whether there was sufficient work to be undertaken. The Chief Executive Officer confirmed that staff were comfortable there was sufficient work, with the focus being on redeployment of underutilised staff into identified areas. It was also confirmed that employees whose tenure was ending in any case (seasonal workers), would not be retained when their current contract end.

12.6 COVID -19 BUDGET AMMENDMENT

Address:	N/A
Owner:	N/A
Applicant:	Internal Report
File Reference:	8.2.7.1
Reporting Officer:	Colin Young, Executive Manager Corporate Services
Responsible Officer:	Colin Young, Executive Manager Corporate Services
Officer Declaration of Interest:	Nil
Voting Requirement:	Absolute Majority Vote Required
Press release to be issued:	Yes

BRIEF

To consider and adopt the Covid-19 Budget Amendment as presented to 27 March 2020.

ATTACHMENTS

Attachment 1: Covid-19 Budget Amendment for the year ended June 2020

A. BACKGROUND / DETAILS

A financial review has been prepared for Council consideration, it incorporates reallocations to the budget required due to the Covid-19 Pandemic Emergency Situation.

B. CONSIDERATIONS

B.1 Strategic Community / Corporate Business Plan

Theme Area: Governance & Leadership

Outcome: 6.3: The Shire of Northam Council is a sustainable, responsive, innovative and transparent organisation.

Objective: G2 Improve organisational capability and capacity

B.2 Financial / Resource Implications

The subsequent review will incorporate Budget amendments which will impact in accordance with the schedule provided

B.3 Legislative Compliance

Section 6.4 and 6.26(2)(g) of the Local Government Act.

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires:

- (1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) *The review of an annual budget for a financial year must —*
 - (a) *consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
 - (b) *consider the local government's financial position as at the date of the review; and*
 - (c) *review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*
**Absolute majority required.*
- (4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

B.4 Policy Implications

Nil

B.5 Stakeholder Engagement / Consultation

N/A

B.6 Risk Implications

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Changes will reflect the current position of Council due to the significant worldwide event	Low (1)	Ensure that existing policies and processes are implemented and are compliant with relevant legislation and that there are sufficient funds to meet estimated expenditure for the remainder of the year
Health & Safety	N/A	N/A	N/A

Reputation	Potential reputational damage in the event Council does not adequately support local business community Potential reputational damage in the event Council does not receive good value for expending community funds	Possible (3) / Minor (2) – 6 = moderate	Clearly articulate the position of Council and rationale behind this decision making
Service Interruption	N/A	N/A	N/A
Compliance	Statutory requirements are followed	Low (3)	Ensure that statutory requirements are carried out
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A

C. OFFICER'S COMMENT

The Covid-19 Budget Review has been prepared to include information required by the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

The budget has been reviewed to enable Council to position itself to support local businesses and the community through a range of strategies in the current crisis. It is designed to give Council the flexibility and the ability to achieve positive outcomes for the community, whilst ensuring Council remains in the strongest financial position possible. It has removed allocations for Projects that have little or no local content. These savings are to be placed in a new COVID-19 Response Operating Account to assist in combating the pandemic.

The request to Council also includes repurposing funds from reserves to a new COVID-19 Reserve. It is not anticipated at this stage that the COVID-19 Reserve funds will be required during the current financial year, it is designed to be utilised during the 2020/21 budget and will add certainty during the 2020/21 budgeting process.

At this stage it is thought it could be used for;

- Grants/relief packages to the business community
- Loss of income through reducing fees and charges including penalty interest

- Ensure cashflow remains strong, it is estimated rates collection could be compromised by as much as 40% in 2020/21
- Projects that have a strong local content
- Employment of additional fixed term staff

It is expected that additional funds will need to be committed from the COVID-19 Cashflow Reserve during the 2020/21 budget to combat the pandemic.

A revised Operating Statement (N&T) and Rate Setting Statement have been produced based on the recommended budget alterations below along with the budgeted reserve closing balances as of 30 June 2020.

Capital/Operating Expenditure

The following items have been identified as Shire projects that it is recommended not be undertaken this financial year based on their lack of local business content or they have been assessed as nice to do but not critical.

- Recreation Floor Sanding \$75,000, all quotes received for this job where from interstate, no local content so has been deferred.
- Reduction in Inkpen refuse centre maintenance \$50,000 expenditure.
- Plant Purchases \$81,000 for various plant, minor adjustments to budgeted expenditure, also includes the deferral of a Vibrating Roller and the upgrading of two works utes from single cab to dual to help Council meet social distancing requirements.
- AVVVA Roof Replace, \$45,000, expenditure of \$145,000 and grant revenue of \$100,000, removed as staff have been unable to secure grant funding over a number of years
- Planning Consultants, \$40,000, removed no local content, in addition with the slow down it is expected this work can be carried out internally.
- Environmental works \$35,394 including LCDC Trust, Investigation works and NRM grant rehabilitation expenditure, considered not critical.
- Investigation of the rehabilitation of the old tip site \$35,000, no local content.
- Consultants, \$30,000, considered non-critical with no local content.
- Administration building alterations \$697,500, considered non-essential, reserve still has \$300,000 which could be used to upgrade current council buildings.
- Southern Brook playground \$21,000, very little local content.
- Laneways acquisition \$32,000, considered non-essential expenditure
- Building Asset Pickup \$40,000, no local content, will have it carried out internally.
- BKB building \$20,000, surplus to requirements

Funding to/from Reserve Transfers

An amount of \$2,138,305 is recommended to be transferred to a Covid-19 cashflow reserve, the employee Liability Reserve has also been increased by \$843,645 to ensure Councils cashflow remains strong, the following table represents the transfers from reserves.

Transfers From Reserve	
Transfer from Aged Accommodation Reserve	\$237,843
Transfer from Housing Reserve	\$271,859
Transfer from the Reticulation Scheme Reserve	\$83,642
Transfer from the Office Equipment Reserve	\$34,247
Transfer from the Road & Bridgeworks Reserve	\$291,639
Transfer from the Regional Development Reserve	\$25,360
Transfer from the Community Bus Replacement Reserve	\$17,472
Transfer from Buildings and Amenities Reserve	\$435,670
Transfer from Parking Facilities Construction Reserve	\$156,309
Transfer from Stormwater Drainage Reserve	\$20,397
Transfer from the Recreation and Community Facilities Reserve	\$579,658
Transfer from the Administration Office Reserve	\$304,708
Transfer from River Management Reserve	\$348,858
Transfer from Refuse Site Reserve	\$150,000
Transfer from the Art Collection Reserve	\$23,760
Transfer from the Election Reserve	\$528

RECOMMENDATION / COUNCIL DECISION

Minute No: C.3916

Moved: Cr Mencshelyi

Seconded: Cr Tinetti

That Council;

- 1. Receive the Covid-19 Budget Amendment conducted for the financial year ended 30 June 2020;**
- 2. Authorise the Chief Executive Officer to amend the 2019/20 Budget in accordance with the attached report titled COVID-19, Budget Amendment as at 30 March 2020**
- 3. Requires a report to be provided, as part of the arranged weekly Council briefings, outlining the expenditure incurred and planned to be incurred from the COVID-19 Response Account.**

**CARRIED 10/0
BY ABSOLUTE MAJORITY**

Attachment 1

**Shire of Northam
COVID-19 Budget Amendment
For the Year Ended June 2020**

TABLE OF CONTENTS

	Page
Budget Adjustments	2
Revised Statement of Comprehensive Income (N&T)	4
Revised Rate Setting Statement	5
Revised Reserve Balances	6

		RECOMMENDED ADJUSTMENTS	
	Notes	Adopted Budget	Revised Budget
			Ammendment
Expense Accounts			
Recreation Floor Sanding (1903)	1	(\$ 75,000)	\$ 75,000
Inkpen Maintenance (1500)	2	(\$ 302,947)	\$ 50,000
Adjustments Plant Purchases, (various accounts)	3	\$ -	\$ 81,000
AVVVA Building Roof Replacement, Net	4		\$ 45,000
Town Planning Consultants (10302002)	5	(\$ 40,000)	\$ 40,000
LCDC Works \$10k, Investigate works \$10K, NRM Rehab 15K (10292122)	6	(\$ 56,494)	\$ 35,394
Investigate Rehab Old Tip Site (1552)	7	(\$ 35,000)	\$ 35,000
Consultants (104042132)	8	(\$ 108,000)	\$ 30,000
Administration Building (04059024)	9	(\$ 697,500)	\$ 650,000
Southern Brook Playground (6440)	10	(\$ 21,000)	\$ 21,000
Laneways Land Acquisition (9130)	11	(\$ 32,000)	\$ 32,000
Building Asset Pickup (13492152)	12	(\$ 42,400)	\$ 35,000
BKB Building (13787004)		(\$ 75,000)	\$ 20,000
<i>Covid-19 Response Operating Account</i>	13	\$ -	(\$ 849,394)
<i>Covid-19 Response Operating Account</i>	13	\$ -	(\$ 300,000)
Transfer from Aged Accommodation Reserve	14		\$ 237,843
Transfer from Housing Reserve	14		\$ 271,859
Transfer from the Reticulation Scheme Reserve	14		\$ 83,642
Transfer from the Office Equipment Reserve	14		\$ 34,247
Transfer from the Road & Bridgeworks Reserve	14		\$ 291,639
Transfer from the Regional Development Reserve	14		\$ 25,360
Transfer from the Community Bus Replacement Reserve	14		\$ 17,472
Transfer from Buildings and Amenities Reserve	14		\$ 435,670
Transfer from Parking Facilities Construction Reserve	14		\$ 156,309
Transfer from Stormwater Drainage Reserve	14		\$ 20,397
Transfer from the Recreation and Community Facilities Reserve	14		\$ 579,658
Transfer from the Administration Office Reserve	14		\$ 304,708
Transfer from River Management Reserve	14		\$ 348,858
Transfer from Refuse Site Reserve	14		\$ 150,000
Transfer from the Art Collection Reserve	14		\$ 23,760
Transfer from the Election Reserve	14		\$ 528
Transfer to the Employee Liability Reserve	14		(\$ 843,645)
<i>Transfer to the COVID-19 Cashflow Reserve</i>	14		(\$ 2,138,305)
Net Change to Budget		(\$ 1,485,341)	\$ -
			(\$ 1,485,341)

Shire of Northam
Revised Statement of Comprehensive Income
By Nature and Type
For the Year Ending 30th June 2020

	2019/20 Original Budget \$	2019/20 Revised Budget Review \$	2019/20 Amendments as of 31/3/2020 \$	2019/20 Revised Budget \$
REVENUE				
Rates	10,417,484	10,417,484	0	10,417,484
Operating Grants & Subsidies & Contributions	4,592,711	4,859,317	0	4,859,317
Fees and Charges	3,848,003	3,893,503	0	3,893,503
Interest Earnings	372,500	392,500	0	392,500
Other Revenue	863,177	928,320	0	928,320
	20,093,875	20,491,124	0	20,491,124
EXPENSES				
Employee Costs	(8,824,390)	(8,963,083)	(300,000)	(9,263,083)
Employee costs capitalised	460,691	460,691		460,691
Materials and Contracts	(7,014,040)	(7,542,757)	(624,000)	(8,166,757)
Utility Charges	(1,000,558)	(1,000,558)	0	(1,000,558)
Depreciation	(4,156,954)	(4,435,758)	0	(4,435,758)
Interest Expenses	(199,187)	(199,187)	0	(199,187)
Insurance Expenses	(516,245)	(516,245)	0	(516,245)
Other Expenditure	(121,759)	(121,759)	0	(121,759)
	(21,372,442)	(22,318,656)	(924,000)	(23,242,656)
	(1,278,567)	(1,827,532)	(924,000)	(2,751,532)
Non-Operating Grants, Subsidies and Contributions	5,214,069	5,826,289	0	5,826,289
Profit on Asset Disposals	318,000	323,437	0	323,437
Loss on Asset Disposals	(1,199,489)	(1,260,863)	0	(1,260,863)
NET RESULT	3,054,013	3,061,331	(924,000)	2,137,331
Other Comprehensive Income	0	0	0	0
TOTAL COMPREHENSIVE INCOME	3,054,013	3,061,331	(924,000)	2,137,331

This statement is to be read in conjunction with the accompanying notes.

Shire of Northam
Revised Rate Setting Statement
For the Year Ending 30th June 2020

	2019/20 Original Budget \$	2019/20 Revised Budget Review \$	2019/20 Amendments as of 31/3/20 \$	2019/20 Revised Budget \$
REVENUES				
Governance	48,600	98,148	0	98,148
General Purpose Funding	2,265,384	2,223,801	0	2,223,801
Law, Order, Public Safety	565,176	809,705	0	809,705
Health	61,000	61,000	0	61,000
Education and Welfare	1,176,072	1,198,324	0	1,198,324
Housing	62,277	62,277	0	62,277
Community Amenities	2,704,576	2,724,576	0	2,724,576
Recreation and Culture	672,743	1,099,943	0	1,099,943
Transport	1,678,213	1,995,736	0	1,995,736
Economic Services	598,150	598,150	0	598,150
Other Property and Services	160,200	130,200	0	130,200
	9,992,391	11,001,860	0	11,001,860
EXPENSES				
Governance	(1,369,648)	(1,427,564)	(1,149,394)	(2,576,958)
General Purpose Funding	(289,104)	(309,104)	0	(309,104)
Law, Order, Public Safety	(1,503,081)	(1,805,408)	0	(1,805,408)
Health	(322,270)	(322,270)	0	(322,270)
Education and Welfare	(1,419,060)	(1,419,060)	0	(1,419,060)
Housing	(75,223)	(75,223)	0	(75,223)
Community Amenities	(3,683,616)	(3,803,616)	190,394	(3,613,222)
Recreation & Culture	(5,689,382)	(5,741,582)	0	(5,741,582)
Transport	(5,600,097)	(5,972,128)	0	(5,972,128)
Economic Services	(2,570,843)	(2,590,843)	35,000	(2,555,843)
Other Property and Services	(47,607)	(105,284)	0	(105,284)
	(22,569,931)	(23,572,082)	(924,000)	(24,496,082)
Net Operating Result Excluding Rates	(12,577,540)	(12,570,222)	(924,000)	(13,494,222)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	881,489	937,426	0	937,426
Depreciation on Assets	4,156,954	4,435,758	0	4,435,758
Movement in Provisions & Accruals	(22,339)	(302,479)	0	(302,479)
Capital Expenditure and Revenue		0		0
Purchase Land and Buildings	(1,939,423)	(1,863,423)	790,000	(1,073,423)
Purchase Infrastructure Assets - Roads	(3,662,963)	(3,596,963)	32,000	(3,564,963)
Purchase Infrastructure Assets - Bridges & C	0	0		0
Purchase Infrastructure Assets - Footpaths	(259,140)	(205,140)	0	(205,140)
Purchase Infrastructure Assets - Drainage	(1,994,633)	(1,994,633)	0	(1,994,633)
Purchase Infrastructure Assets - Parks	(1,312,482)	(1,312,482)	21,000	(1,291,482)
Purchase Infrastructure Assets - Other	(8,470,588)	(8,593,588)	0	(8,593,588)
Purchase Plant and Equipment	(1,411,458)	(1,444,211)	81,000	(1,363,211)
Purchase Furniture and Equipment	(42,276)	(42,276)	0	(42,276)
Non-operating grants subsidies and contribu	5,214,069	5,214,069		5,214,069
Proceeds from Disposal of Assets	1,901,700	1,975,515	0	1,975,515
Proceeds New Debentures	4,500,000	4,500,000		4,500,000
Repayment of Debentures	(345,853)	(376,179)	0	(376,179)
Self-Supporting Loan Principal Income	22,812	22,812		22,812
Transfers to Reserves (Restricted Assets)	(2,497,936)	(2,646,942)	(2,138,305)	(4,785,247)
Transfers from Reserves (Restricted Assets)	2,978,239	3,282,916	2,138,305	5,421,221
		0		0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	4,463,884	4,162,558	0	4,162,558
LESS Estimated (Surplus)/Deficit June 30 C/Fwd	0	0	0	0
Amount Required to be Raised from Rates	(10,417,484)	(10,417,484)	0	(10,417,484)

This statement is to be read in conjunction with the accompanying notes.

Shire of Northam
Revised Reserve Account Balances
For the Year Ending 30th June 2020

RESERVES - CASH BACKED	2019/20 Budget	2019/20 Revised B/review	2019/20 Movement	2019/20 Revised Budget
	\$		\$	\$
Aged Accomodation Reserve	237,843	237,843	- 237,843	-
Employee Liability Reserve	405,457	363,780	843,645	1,207,425
Housing Reserve	271,859	271,859	- 271,859	-
Reticulation Scheme Reserve	83,642	83,642	- 83,642	-
Office Equipment Reserve	34,247	34,247	- 34,247	-
Plant & Equipment Reserve	119,872	119,872		119,872
Road & Bridgeworks Reserve	291,639	291,639	- 291,639	-
Refuse Site Reserve	495,718	355,718	- 150,000	205,718
Regional Development Reserve	25,360	25,360	- 25,360	-
Speedway Reserve	151,131	151,131		151,131
Community Bus Replacement Reserve	17,472	17,472	- 17,472	-
Septage Pond Reserve	214,832	234,832		234,832
Killara Reserve	227,553	249,805	-	249,805
Stormwater Drainage Projects Reserve	34,397	20,397	- 20,397	-
Recreation and Community Facilities Reserve	581,904	579,658	- 579,658	-
Administration Office Reserve	304,708	304,708	- 304,708	-
Council Buildings & Amenities Reserve	435,670	435,670	- 435,670	-
River Management Reserve	348,858	348,858	- 348,858	-
Parking Facilities Construction Reserve	156,309	156,309	-156,309	-
Art Collection Reserve	23,760	23,760	- 23,760	-
Election Reserve	528	528	- 528	-
Revaluation Reserve	72,819	72,819		72,819
COVID-19 Cashflow Reserve	-	-	2,138,305	2,138,305
Total Cash Backed Reserves	4,535,578	4,379,907	-	4,379,907

71. MATTERS BEHIND CLOSED DOORS

Nil.

72. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

73. URGENT BUSINESS APPROVED BY DECISION

Nil.

74. DECLARATION OF CLOSURE

There being no further business, the Shire President, Cr C R Antonio declared the meeting closed at 5:53pm.

"I certify that the Minutes of the Special Meeting of Council held on Monday, 30 March 2020 have been confirmed as a true and correct record."


_____ President

15/4/2020 _____ Date