

**SHIRE OF NORTHAM**  
AGENDA  
SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014

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*Heritage, Commerce and Lifestyle*

**SHIRE OF NORTHAM**

**NOTICE OF AN  
ORDINARY COUNCIL MEETING  
COMMENCING AT  
5:30 PM  
THURSDAY AUGUST 14 2014**

**Councillors:**

**Please be advised that a Special (Budget) Council Meeting will be held 14 August 2014.**

**JASON WHITEAKER  
CHIEF EXECUTIVE OFFICER  
11 August 2014**

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**TABLE OF CONTENTS**

---

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1.	OPENING AND WELCOME .....	4
2.	DECLARATION OF INTEREST.....	4
3.	ATTENDANCE .....	4
4.	APOLOGIES .....	4
5.	LEAVE OF ABSENCE PREVIOUSLY APPROVED.....	5
6.	APPLICATIONS FOR LEAVE OF ABSENCE.....	5
7.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	5
8.	PUBLIC QUESTION TIME .....	5
9.	PUBLIC STATEMENT TIME .....	5
10.	PETITIONS/DEPUTATIONS/PRESENTATIONS .....	5
11.	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS .....	5
	11.1 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS.....	5
12.	ANNOUNCEMENTS BY THE PRESIDING OFFICER WITHOUT DISCUSSION .....	6
	12.1 PRESIDENTS REPORT.....	6
13.	REPORTS OF OFFICERS .....	6
	13.1 ADMINISTRATION.....	6
	13.2 DEVELOPMENT SERVICES.....	6
	13.3. CORPORATE SERVICES.....	7
	13.3.1 ANNUAL BUDGET ADOPTION.....	7
	13.4. COMMUNITY SERVICES .....	17
	13.5. ENGINEERING SERVICES .....	17
14.	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....	17
15.	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING.....	17
	15.1. ELECTED MEMBERS .....	17
	15.2. OFFICERS .....	17
16.	CONFIDENTIAL ITEMS .....	17
17.	DECLARATION OF CLOSURE .....	17

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

**Notice and Agenda of the Ordinary Meeting of Council to be held in the Council Chambers on THURSDAY, 14 August 2014 at 5:30 pm**

**DISCLAIMER**

No responsibility whatsoever is implied or accepted by the Shire of Northam for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Shire of Northam disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Northam during the course of any meeting is not intended to be and is not taken as notice or approval from the Shire of Northam. The Shire of Northam warns that anyone who has an application lodged with the Shire of Northam must obtain and only should rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Northam in respect of the application.

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**1. OPENING AND WELCOME**

**2. DECLARATION OF INTEREST**

Item Name	Item No.	Name	Type of Interest	Nature of Interest

**3. ATTENDANCE**

**COUNCIL**

Councillors

S Pollard  
T M Little  
K D Saunders  
U Rumjantsev  
R Head  
A W Llewellyn  
D G Beresford  
J E Williams  
R Tinetti

Chief Executive Officer  
Executive Manager Engineering Services  
Executive Manager Community Services  
Executive Manager Development Services  
Executive Manager Corporate Services  
Project Manager Community Infrastructure

J B Whiteaker  
C D Kleynhans  
J McGready  
P B Steven  
D R Gobbart  
C B Hunt

**GALLERY**

**4. APOLOGIES**

Nil

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

**5. LEAVE OF ABSENCE PREVIOUSLY APPROVED**

Cr D Hughes

**6. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**7. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**8. PUBLIC QUESTION TIME**

**9. PUBLIC STATEMENT TIME**

**10. PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil

**11. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**11.1 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

Nil

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

**12. ANNOUNCEMENTS BY THE PRESIDING OFFICER WITHOUT DISCUSSION**

**12.1 PRESIDENTS REPORT**

N/A

**13. REPORTS OF OFFICERS**

**13.1 ADMINISTRATION**

Nil

**13.2 DEVELOPMENT SERVICES**

Nil

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**13.3. CORPORATE SERVICES**

**13.3.1 ANNUAL BUDGET ADOPTION**

Name of Applicant	Internal Report
File Ref:	8.2.8.1
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy:	Local Government Act 1995 and Associated Regulations
Voting:	Absolute majority vote required (Some Parts)
Date:	26 August 2013

**PURPOSE**

To consider and adopt the Municipal Fund Budget for the 2014/15 financial year together with supporting schedules, including striking of the municipal fund rates, establishment of new reserve funds, setting of elected members fees for the year and other consequential matters arising from the budget papers.

**BACKGROUND**

The draft 2014/15 budget has been compiled based on the parameters established in the Council integrated planning documents including long term financial plan, corporate business plan and strategic community plan.

Council gave consideration to the detail within the budget via a series of workshops and a budget meeting held on July 22, 2014. At this meeting Council endorsed a draft budget and requested the Chief Executive Officer to give local public notice of the differential rating requirements required to fund the budget, based on a 5% increase in total rates levied.

The proposed differential rates have subsequently been advertised for public comment and at the time of publishing this agenda no comments had been received. The submissions close at 3.00pm on Thursday August 14, 2014 consequently any comments received between the publishing date of this agenda and the budget adoption meeting will be fully disclosed and responded to by staff.

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

**STATUTORY REQUIREMENTS**

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. *The Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2014/15 budget as presented is considered to meet statutory requirements.

**CONFORMITY WITH THE PLAN FOR THE FUTURE**

The draft 2014/15 budget has been developed based on the integrated planning documents adopted by council.

**BUDGET IMPLICATIONS**

**OFFICER'S COMMENT**

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The main features of the draft budget include:

**Rate increase**

The budget provides an average 5.0% increase in rates collected, this includes any newly rated properties created through subdivisions. These subdivisions and new dwellings has been an overall increase in Gross Rental Valuations (GRV) of 1.04% since 1 July 2013. This will cause some variances greater or less than the 5.0% average.

The Unimproved Valuations (UV) were completed 1 August 2013 and effective from 30 June 2014. The overall change in valuations was negligible. Comments from the District Valuer were;

*“There has been no significant change to unimproved values effective 30 June 2014. Some changes to individual assessments may have occurred either as a product of the mass valuation process or where records have been amended or corrected for more up to date information about soil types etc.”*

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

It is noted that property owners have the right to appeal against the valuation of their property. This appeal is made to Landgate the agency responsible for conducting the valuation service. With only minor changes to valuation, it would be unlikely that many appeals would occur this year.

The minimum rate are proposed to be increased to \$830 an increase of 5.06%.

**End of year position**

The 2013/14 end of year position is summarised below;

	<b>Actual</b>
	<b>\$</b>
<b>CURRENT ASSETS</b>	
Cash - Unrestricted	2,273,678
Cash - Restricted	6,949,778
Receivables	1,821,811
Inventories	<u>7,766</u>
	11,053,033
<b>LESS: CURRENT LIABILITIES</b>	
Payables and Provisions	<u>(3,437,983)</u>
<b>NET CURRENT ASSET POSITION</b>	<b>7,615,050</b>
Less: Cash - Restricted	(4,842,468)
Less: Cash - Restricted Municipal	0
Add: Current Loan Liability	592,668
Add: Leave Liability Reserve	512,932
<b>ESTIMATED SURPLUS/(DEFICIENCY)</b>	
<b>C/FWD</b>	<u><u>3,878,182</u></u>

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

Building / Project	Detail	Total Expense	Additional Funding Grants	Reserve Funds	Carried Forward Funds
<b>Adjustments After Draft Meeting</b>		<b>\$3,773,041</b>	<b>-\$1,210,105</b>	<b>-\$11,648</b>	<b>\$2,728,862</b>
Kids Sport	Unspent Grant funding First Instalment Received	\$1,641			\$1,641
LGGS - Bushfire Brigades	30/06/2014	\$26,250			\$26,250
LGGS - SES	First Instalment Received	\$7,135			\$7,135
LGGS - SES	30/06/2014	\$3,800			\$3,800
DLG - Cat Sterilisation	Unspent 13/14 Allocation Additional Funds to match unspent grant \$ for \$	\$2,320			\$2,320
Roadwise Grant	Reduction in Unspent Funds 13/14	-\$362			-\$362
Gate House - Landfill	13/14 expense invoiced July 2014	\$18,218			\$18,218
Kitchen - Bakers Hill Pavillion	13/14 expense invoiced July 2014	\$1,110			\$1,110
Cemetery Niche Wall	13/14 expense invoiced July 2014	\$3,566			\$3,566
Black Spot Gordon & Duke	13/14 Works incomplete Requested Funding at Draft Budget meeting	\$10,500			\$10,500
AVAS Eisteddfod	Funding duplicated, at draft budget meeting	\$500			\$500
Northam Pool - CPRP	Funding duplicated, at draft budget meeting				\$17,500
Wundowie Pool - CPRP	Funding duplicated, at draft budget meeting				\$25,000
LGGS - Bushfire Brigades	Advised increase in Funding 05/08/2014	\$17,010	-\$17,010		\$0
LGGS - Bushfire Brigades	3.4 Fire Appliance Grass Valley BFB	\$335,000	-\$335,000		\$0
LGGS - Bushfire Brigades	Light Tanker Fire Appliance Irishtown BFB	\$125,000	-\$125,000		\$0
Untied Surplus		\$1,032,142			\$1,032,142
		<b>\$5,356,871</b>	<b>-\$1,687,115</b>	<b>-\$11,648</b>	<b>\$3,878,182</b>

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

The result of the final surplus calculations are that Council has an 'untied' end of year surplus of \$1,030,142. Staff are recommending that Council utilise this 'untied surplus' to retire debt.

To assist Council in making this determination indicative valuations have been received from WA Treasury Corporation for the settlement of some of our loan debentures. The proposal is to retire the following loans included;

MARKET VALUATION REPORT FOR INDICATIVE SETTLEMENT OF LOAN DEBENTURES AS AT 30 SEPTEMBER 2014							
Loan No	Purpose	Matures	Principal & Interest Outstanding	Treasury Payout Quote	Net Saving	Additional Cost to 14/15 Budget	Annual Repayments
210	River Dredging	22/01/16	9,736.60	9,516.69	219.91	3,025.33	6,491.36
215	Admin Office (ToN)	15/06/17	100,056.97	95,804.17	4,252.80	62,601.89	33,352.28
217	CBD Streetscape	8/05/18	724,269.65	684,754.25	39,515.40	503,686.54	181,067.40
218	CBD Streetscape	22/07/18	81,314.30	76,283.30	5,031.00	66,121.91	20,328.66
226	Recreation Facilities	30/04/32	587,639.36	411,386.13	176,253.23	378,989.49	32,646.64
			1,503,016.88	1,277,744.54	225,272.34	1,014,425.16	273,886.34

With the early settlement of the above loans additional funds of \$1,014,425 are required over our normal annual repayments. The net saving of \$225,272 is based on the remaining outstanding repayments for the life of the loans. The early settlement of these loans will release \$273,886 cash in the 2015/16 financial year.

The budget presented includes the settlement of the above loans.

Staff have discussed options for the untied surplus and believe that we do not have the capacity to take on any additional projects this year. Alternatives options for the untied surplus could be;

- a mix of debt retirement and the transfer of the balance of surplus funds to the Regional Development Reserve. An example would be to settle the CBD Streetscape loan 217 for \$503,687 and transfer \$520,000 to the Regional Development Reserve. This option would release \$181,067 in the 2015/16 financial year.

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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- transfer of \$1,000,000 to the Regional Development Reserve.

Transferring funds into the Regional Development Reserve would allow funds to be readily accessible, for any development opportunities that may present with the availability of future grant funds.

**Fees & Charges**

The fees and charges schedule is represented to Council, including the proposed rates in the dollar to be levied. Adjustment to health charges that are set by legislation. The new addition is fees for Library Services to run workshops and professional development days, coordinated by the Library Programs Officer.

The charges have been based on experience working with families from lower socio economic areas. As many of the workshops are designed to be an adjunct to the children of Northam Shire's educational opportunities and we want to ensure the greatest number can participate at some level this has been reflected in the pricing.

It has become apparent that there is a need for literacy and numeracy opportunities in addition to the mainstream avenues currently available; especially in the 16 – 21 year age group. As income is an issue for this age bracket, contrary to popular practice I have scheduled 16 -18 year olds also under the lesser children's payment schedule.

The areas Library Services can currently offer based on having staff qualified, trained and experienced in delivering courses are as follows:

- Communication
- Conflict Resolution
- Resilience Training
- Adopting and promoting good mental health practices
- Understanding and utilising Intelligence Profiles (IP's) in the work place
- Reframing stress and how to manage it
- Craft
- Library studies

**Annual fees and reimbursement of costs**

The recommendations include the setting of annual sitting fees and allowances for members. This includes the Presidents allowance of \$48,000 the Deputy President's allowance \$12,000 and members annual sitting fees of \$17,600 and \$23,600 for the President. A \$3,500 allowance is included for each member to provide for costs associated with information and communication technology expenses incurred by members in carrying out their functions on behalf of the Shire. Other claims such as travelling will need to be submitted quarterly or more frequently should a member so require. All payments may be made direct to Members designated bank accounts.

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

---

These fees and allowances are in accordance with Sec 5.98, 5.98A, 5.99 and 5.99A of the Local Government Act and the Local Government (Administration) Regulations.

These fees are within the determinations for Band 2 as set by the Salaries and Allowances Tribunal 18 June 2014.

**PART A – MUNICIPAL FUND BUDGET FOR 2014/15**

**RECOMMENDATION**

That Council, Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the council adopt the Municipal Fund Budget as contained in the Attachment of this agenda and the minutes, for the shire of Northam for the 2014/15 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type on page (3) showing a net result for that year of \$2,315,750
- Statement of Comprehensive Income by Program on page (4) showing a net result for that year of \$2,315,750
- Statement of Cash Flows on page (5)
- Rate Setting Statement on page (6) showing an amount required to be raised from rates of \$8,268,233
- Notes to and Forming Part of the Budget on pages (7 to 42)
- Budget Program Schedules as detailed in pages (43 to 265)
- Transfers to / from Reserve Accounts as detailed in page (32)

**ABSOLUTE MAJORITY REQUIRED**

**PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

**RECOMMENDATION**

1. That Council, for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following differential general and minimum rates on Gross Rental and Unimproved Values.

**1.1 Differential General Rates**

- Residential (GRV)

**10.1868 cents in the dollar**

# SHIRE OF NORTHAM

## AGENDA

SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014

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- Commercial / Industrial (GRV) 11.3201 cents in the dollar
- Agriculture Local (UV) 0.5487 cents in the dollar
- Agriculture Regional (UV) 0.4548 cents in the dollar
- Rural Small Holdings (UV) 0.6256 cents in the dollar

### 1.2 Minimum Rates

- Residential (GRV) \$830
- Commercial / Industrial (GRV) \$830
- Agriculture Local (UV) \$830
- Agriculture Regional (UV) \$830
- Rural Small Holdings (UV) \$830

2. That Council, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, offers a one, two and four instalment payment option, and nominates the following due dates for the payment in full by instalments:

- Full payment & 1<sup>st</sup> instalment due date 8 October 2014
- 2<sup>nd</sup> half instalment due date 8 December 2014
- 2<sup>nd</sup> quarterly instalment due date 8 December 2014
- 3<sup>rd</sup> quarterly instalment due date 9 February 2015
- 4<sup>th</sup> & final quarterly instalment due date 9 April 2015

3. That Council, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, council adopts an instalment administration charge where the owner has elected to pay rates (and charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.

4. That Council, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 5.5% where the owner has elected to pay rates and charges through an instalment option.

5. That Council, pursuant to section 6.51(1) and subject to section 6.51(4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 11% for rates (and charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

**ABSOLUTE MAJORITY REQUIRED**

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**PART C – GENERAL FEES AND CHARGES FOR 2014/15**

**RECOMMENDATION**

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the Fees and Charges included at pages 266 to 293 inclusive of the draft 2014/15 budget included as attached to this agenda and minutes.

**ABSOLUTE MAJORITY REQUIRED**

**PART D – ELECTED MEMBERS’ FEES AND ALLOWANCES FOR 2014/15**

**RECOMMENDATION**

1. That Council, pursuant to section 5.99 of the *Local Government Act 1995*, and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

President	\$23,600
Councillors	\$17,600

2. That Council, pursuant to section 5.99A of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual Information & Communication Technology (ICT) expenses allowance for elected members:

ICT Expenses Allowance	\$3,500
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3. That Council, pursuant to section 5.98(5) of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

President	\$48,000
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4. That Council, pursuant to section 5.98A of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition of the annual meeting allowance:

Deputy President	\$12,000
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**ABSOLUTE MAJORITY REQUIRED**

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**PART E – MATERIAL VARIANCE REPORTING FOR 2014/15**

**RECOMMENDATION**

That Council, In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2014/15 for reporting material variances shall be a percentage of ten (10) or a minimum of \$20,000, whichever is greater.

**SIMPLE MAJORITY REQUIRED**

**SHIRE OF NORTHAM**  
**AGENDA**  
**SPECIAL COUNCIL MEETING TO BE HELD ON 14 AUGUST 2014**

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**13.4. COMMUNITY SERVICES**

Nil

**13.5. ENGINEERING SERVICES**

Nil

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

Nil

**15. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

**15.1. Elected Members**

Nil

**15.2. Officers**

Nil

**16. CONFIDENTIAL ITEMS**

Nil

**17. DECLARATION OF CLOSURE**