



SHIRE OF DERBY/WEST KIMBERLEY

NOTICE OF COUNCIL MEETING

Dear Elected Member,

An Ordinary Meeting of the Council of the Shire of Derby/West Kimberley is to be held on

Thursday, 26 April 2018

At

Council Chambers, 68 Clarendon Street, Derby

Commencing at

5:30pm

Stephen Gash

CHIEF EXECUTIVE OFFICER

Date: 20/04/2018

AGENDA

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Our Guiding Values

Respectful

By being helpful, friendly and supportive

Integrity

Through honesty, accountability and ethical behaviour

Leadership

By the Shire at the local and regional level and through encouragement of community leaders

Knowledgeable

By being well informed and accurate in what we do

Building Good Relationships

By being communicative, responsive and inclusive

Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Derby/West Kimberley (Shire) for any act, omission or statement or intimation occurring during Council or Committee meetings.

The Shire 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 or Committee meetings. Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting 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 intimation of approval made by any Elected Member or officer of the Shire during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire.

The Shire warns that anyone who has any application lodged with the Shire must obtain and should only rely on written confirmation of the outcome of the application and any conditions attaching to the decision made by the Shire in respect of the application.

Notes for Members of the Public

PUBLIC QUESTION TIME

The Shire of Derby/West Kimberley extends a warm welcome to you in attending any Shire meeting. The Shire is committed to involving the public in its decision making processes whenever possible. The ability to ask questions during 'Public Question Time' is of critical importance in pursuing this public participation objective. The Shire sets aside a period of 'Public Question Time' to enable a member of the public to put questions. Questions should only relate to the business of the Shire and should not be a statement or personal opinion. Upon receipt of a question from a member of the public, the Presiding Member may either answer the question or direct it to an officer to answer, or it will be taken on notice.

Any comments made by a member of the public become a matter of public record as they are minuted by Council. Members of the public are advised that they are deemed to be held personally responsible and legally liable for any comments made by them that might be construed as defamatory or otherwise considered offensive by any other party.

MEETING FORMALITIES

Local government Council meetings are governed by legislation and regulations. During the meeting, no member of the public may interrupt the meetings proceedings or enter into conversation. Members of the public shall ensure that their mobile telephone or audible pager is not switched on or used during any Shire meeting.

Members of the public are hereby advised that the use of any electronic, visual or audio recording device or instrument to record proceedings of the meeting is not permitted without the permission of the Presiding Member.

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Notes for Elected Members

NATURE OF COUNCIL'S ROLE IN DECISION MAKING

Advocacy:	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
Executive/Strategic:	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations, grants, and setting and amending budgets.
Legislative:	Includes adopting local laws, town planning schemes and policies.
Administrative:	When Council administers legislation and applies the legislative regime to factual situations and circumstances that affect the rights of people. Examples include town planning applications, building licences and other decisions that may be appealable to the State Administrative Tribunal.
Review:	When Council reviews a decision made by Officers.
Information:	Includes items provided to Council for information purposed only that do not require a decision of Council (that is for 'noting').

ALTERNATIVE MOTIONS

Councillors wishing to make alternative motions to officer recommendations are requested to provide notice of such motions in written form to the Director Corporate and Community Services prior to the Council meeting.

DECLARATIONS OF INTERESTS

Elected Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences. Section 5.60A of the *Local Government Act 1995* states;

“a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”

Section 5.60B states;

“a person has a proximity interest in a matter if the matter concerns –

- (a) a proposed change to a planning scheme affecting land that adjoins the person's land; or*
- (b) a proposed change to the zoning or use of land that adjoins the person's land; or*
- (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.”*

Regulation 34C (Impartiality) states;

“interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.”

2018 MEETING DATES

At its Ordinary Meeting of Council on 30 November, 2017, Council adopted the following meeting dates for 2018;

January			Council in Recess
Thursday	22 February 2018	5.30 pm	Council Chambers, Derby
Thursday	29 March 2018	1.00 pm	Karrayili Adult Education Centre, Fitzroy Crossing
Thursday	26 April 2018	5.30 pm	Council Chambers, Derby
Thursday	31 May 2018	5.30 pm	Council Chambers, Derby
Thursday	28 June 2018	1.00 pm	Karrayili Adult Education Centre, Fitzroy Crossing
Thursday	26 July 2018	5.30 pm	Council Chambers, Derby
Thursday	30 August 2018	5.30 pm	Council Chambers, Derby
Thursday	27 September 2018	1.00 pm	Council Chambers, Derby
Thursday	25 October 2018	5.30 pm	Council Chambers, Derby
Thursday	29 November 2018	1.00 pm	Karrayili Adult Education Centre, Fitzroy Crossing
Thursday	13 December 2018	5.30 pm	Council Chambers, Derby

Council’s Compliance and Strategic Review Committee and the Housing and Works Committee meet when required. Details of these meetings are advised as appropriate.

MEETING ATTENDANCE

The following table provides information on attendance at the 2016-2017 Ordinary and Special Council Meetings;

Councillor	27 Jul 2017	31 Aug 2017	28 Sept 2017	26 Oct 2017	30 Nov 2017	14 Dec 2017	22 Feb 2018	29 Mar 2018	26 Apr 2018	31 May 2018	28 Jun 2018
	OCM	OCM	OCM	OCM	OCM	OCM	OCM	OCM	OCM	OCM	OCM
E Archer	✓	✓	✓	Term expired 21 October 2017							
P White	✓	✓	✓	✓	✓	✓	✓	✓			
P Coggins	✓	✓	✓	✓	✓	✓	✓	✓			
C Kloss	✓	✓	✓	✓	✓	✓	✓	✓			
A Kogolo	AB	A	A	Term expired 21 October 2017							
P McCumstie	LOA	✓	✓	✓	✓	✓	✓	LOA			
I Prouse	✓	✓	✓	✓	LOA	✓	✓	✓			
A Twaddle	✓	✓	✓	✓	✓	✓	✓	✓			
G Davis	Elected 21 Oct 2017			✓	✓	✓	A	✓			
G Haerewa	Elected 21 Oct 2017			✓	✓	✓	✓	✓			
D Andrews	Elected 21 Oct 2017			✓	✓	✓	A	A			

APPLICATION FOR LEAVE OF ABSENCE

In accordance with Section 2.25 of the *Local Government Act 1995*, an application for leave requires a Council resolution granting leave requested. Council may grant approval for Leave of Absence for an Elected Member for ordinary Council meetings for up to but not more than six consecutive meetings. The approval of the Minister is required for leave of absence greater than six ordinary Council meetings.

This approval must be by Council resolution and differs from the situation where an Elected Member records their apologies for the meeting. A failure to observe the requirements of the Act that relates to absence from meetings can lead to an Elected Member being disqualified should they be absent without leave for three consecutive meetings.

SHIRE OF DERBY/WEST KIMBERLEY

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THURSDAY DD MONTH 2018**

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ORDINARY MEETING OF COUNCIL

AGENDA

1.0 DECLARATION OF OPENING, ANNOUNCEMENT OF VISITORS

The meeting was opened at by.....

2.0 RECORD OF ATTENDANCE

2.1 ATTENDANCE

ELECTED MEMBERS:

STAFF:

VISITORS:

GALLERY:

2.2 APOLOGIES

2.3 APPROVED LEAVE OF ABSENCE

Cr A Twaddle

Cr P Coggins

2.4 ABSENT

2.5 DISCLOSURE OF INTERESTS

Section 5.65 and 5.70 of the *Local Government Act 1995* requires an Elected Member or officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Elected Member or officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

An Elected Member who makes a disclosure under section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council

allow an Elected Member to speak, the extent of the interest must also be stated.

2.5.1 DECLARATIONS OF FINANCIAL INTERESTS

2.5.2 DECLARATIONS OF PROXIMITY INTERESTS

2.5.3 DECLARATIONS OF IMPARTIALITY INTERESTS

3.0 APPLICATIONS FOR LEAVE OF ABSENCE

4.0 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

5.0 RESPONSES TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

6.0 PUBLIC TIME

6.1 PUBLIC QUESTION TIME

6.2 PUBLIC STATEMENTS

6.3 PETITIONS, DEPUTATIONS, PRESENTATIONS AND SUBMISSIONS

7.0 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

8.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

OFFICER RECOMMENDATION:

Moved: Cr

Seconded: Cr

That the Minutes of the Ordinary Meeting of the Shire of Derby/West Kimberley held at the Council Chambers, Derby, on 29 March 2018 be CONFIRMED.

9.0 RECOMMENDATIONS AND REPORTS OF COMMITTEES

Nil.

10.0 REPORTS

10.1 EXECUTIVE SERVICES

10.1.1. KIMBERLEY REGIONAL GROUP GOVERNANCE AGREEMENT

Location/Address:	N/a
Name of Applicant:	N/a
File Reference:	4221
Author:	Chief Executive Officer – Stephen Gash
Responsible Officer:	Chief Executive Officer – Stephen Gash
Disclosure of any Interest:	Nil
Date of Report:	19 April 2018
Attachments:	Kimberley Regional Group – Governance Agreement
Authority/Discretion:	Administrative

SUMMARY:

This item is seeking Council endorsement of the Kimberley Regional Group (KRG) Governance Agreement for a period of 3 years.

BACKGROUND:

In September 2010, as part of the Western Australian State Government’s local government reform agenda, the four Kimberley Local Government authorities came together as the Kimberley Regional Collaborative Group by the signing of the Agreement for the Kimberley Zone Regional Collaborative Group with the State of

Western Australia. The agreement governing the Kimberley Regional Collaborative Group had a finite life and terminated on 30 June 2015.

In view of this and consistent with the WA State Government's local government reform agenda, the participants came together as the Kimberley Regional Group (KRG) for the purpose of undertaking shared regional initiatives in the Kimberley Region. The Participants resolved to enter into an agreement to govern how they would work together as the KRG. The KRG Governance Agreement expired on 24 February 2018 and while clauses exist to extend the agreement prior to the termination date, these were not actioned, and a new agreement is now required.

The KRG at the 5 March 2018 Kimberley Regional Group meeting resolved:

KIMBERLEY REGIONAL GROUP RESOLUTION:

Moved: Cr D Menzel

Seconded: Cr M Edwards

That the Kimberley Regional Group:

1. **Endorse the Kimberley Regional Governance Agreement subject to the Kimberley Regional Group CEO's:**
 - a. **Reviewing and updating the recital section; and**
 - b. **Ensuring there is flexibility for additional membership of the Group without limiting any project endorsement decisions.**
2. **Request the Secretariat forward a copy of the Kimberley Regional Group Strategic Community Plan and Regional Business Plan to the Shire of Christmas Island and the Shire of Cocos Keeling Islands; and**
3. **Request the Secretariat officially invite the Shire of Christmas Island and the Shire of Cocos Keeling Islands to join the Kimberley Regional Group.**

CARRIED UNANIMOUSLY 4/0

STATUTORY ENVIRONMENT:

Local Government Act 1995

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Participation as a member of the KRG is currently \$55,000 pa, additional funding may be sought should all Shires agree to undertake additional projects.

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
<p>Goal 4: Good governance and an effective organisation</p> <p>Leadership that provides strategic direction for the community, supported by efficient and effective service delivery</p>	<p>4.1 Effective governance and leadership</p>	<p>4.1.2: Support strategic alliances, stakeholder forums and advisory committees that assist the Shire in policy development and service planning</p>

RISK MANAGEMENT CONSIDERATIONS:

Nil

CONSULTATION:

The four member Shires were provided with a copy of the draft Agreement. The draft Agreement was tabled at the 5 March 2018 Kimberley Zone Meeting with a resolution requiring CEO’s to review.

COMMENT:

This review has now been undertaken. The draft Agreement remains unchanged from the previous Agreement which has provided an effective framework for collaboration. The draft Agreement has the flexibility to enable the inclusion of both the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands should they seek membership.

VOTING REQUIREMENT:

Absolute majority

OFFICER RECOMMENDATION:

That Council:

- 1. Continue membership of the Kimberley Regional Group noting the benefits of regional collaboration;**
- 2. Authorise the Shire President and Chief Executive Officer to execute the Kimberley Regional Group Governance Agreement and to affix the common seal.**

10.2 CORPORATE SERVICES

10.2.1 ACCOUNTS FOR PAYMENT – MARCH 2018

Location/Address:	N/A
Name of Applicant:	N/A
File Reference:	5110 – Accounts Payable
Author:	Emma Gugeri - Finance Officer
Responsible Officer:	Myra Henry – Manager Finance
Disclosure of any Interest:	Nil
Date of Report:	20 April 2018
Attachments:	Cheque reconciliation and schedule of accounts
Authority/Discretion:	Information

SUMMARY:

For Council to note the list of accounts paid under the Chief Executive Officer's delegated authority during the month of March 2018.

BACKGROUND:

Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the Shire's municipal and trust funds. In accordance with regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Office is to be provided to Council.

STATUTORY ENVIRONMENT:

Local Government (Financial Management) Regulations 1996

12. Payments from municipal fund or trust fund, restrictions on making

12(1) A payment may only be made from the municipal fund or a trust fund –

(a) if the local government has delegated to the Chief Executive Officer the exercise of its power to make payments from those funds – by the CEO: or

(b) otherwise, if the payment is authorised in advance by a resolution of the council.

The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.

13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.

(1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared –

(a) the payee's name; and

- (b) the amount of the payment; and*
- (c) the date of the payment; and*
- (d) sufficient information to identify the transaction.*

(2) A list of accounts for approval to be paid is to be prepared each month showing —

(a) for each account which requires council authorisation in that month —

- (i) the payee’s name; and*
- (ii) the amount of the payment; and*
- (iii) sufficient information to identify the transaction; and*

(b) the date of the meeting of the council to which the list is to be presented.

(3) A list prepared under subregulation (1) or (2) is to be —

- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and*
- (b) recorded in the minutes of that meeting.*

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

All expenditure from the municipal fund was included in the annual budget as adopted or revised by Council.

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
<p>4: Good governance and an effective organisation Leadership that provides strategic direction for the community, supported by efficient and effective service delivery</p>	<p>4.4: Financial sustainability and accountability for performance</p>	<p>4.4.4: Provide resources to support the Shire’s operations and to meet planning, reporting and accountability requirements</p>

RISK MANAGEMENT CONSIDERATIONS:

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
<p>Legal and Compliance: In accordance with section 6.8 of the <i>Local Government Act 1995</i>, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure is authorised in advance by an absolute majority of Council</p>	Rare	Minor	Low	Expenditure to only be incurred in accordance with budget parameters, which have been structured on financial viability and sustainability principles

CONSULTATION:

Internal consultation within the Corporate Services Department.

COMMENT:

All municipal fund expenditure included in the list of payments is incurred in accordance with the 2017-18 Annual Budget as adopted by Council at its meeting held 31 August 2017 (Minute No. 097/2017 refers) and subsequently revised or has been authorised in advance by the President or by resolution of Council as applicable.

The table below summarises the payments drawn on the funds during the month of December 2017. Lists detailing the payments made are appended as an attachment.

FUND	DETAILS	AMOUNT
Municipal Account		
EFT Payments	EP# 43948 - 44313	\$3,567,258.37
Municipal Cheques	54694 - 54697	\$16,374.11
Direct Debits – Payroll	Fees, Charges, Credit Card Payment, Payroll and Payroll Liabilities	\$282,473.87
Manual Cheques	NIL	NIL
Trust Account		
Trust Cheques	6505 - 6508	\$1,131.90
	Total	\$3,867,238.25

Creditors outstanding as at 31 March 2018 totalled \$578,076.20

VOTING REQUIREMENT:

Simple majority

OFFICER RECOMMENDATION:

Moved: Cr

Seconded: Cr

That Council NOTES the Chief Executive Officer's list of accounts for March 2018 paid under Delegated Authority in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996* attached to Report 10.2.1, totalling \$3,867,238.25.

10.2.2 STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 MARCH 2018

Location/Address:	N/A
Name of Applicant:	N/A
File Reference:	5152 – Monthly Financial Reports
Author:	Myra Henry, Manager of Finance
Responsible Officer:	Myra Henry, Manager of Finance
Disclosure of any Interest:	Nil
Date of Report:	20 April 2018
Attachments:	Monthly Financial Report – March 2018
Authority/Discretion:	Information

SUMMARY:

For Council to note the statement of financial activity for the period ended 31 March 2018 as required by the *Local Government Act 1995* ('the Act').

Pursuant to section 6.4 of the *Local Government Act 1995* and regulation 34(4) of the *Local Government (Financial Management) Regulations 1996* ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the Shire's financial performance in relation to its adopted/amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the Shire's financial performance on a year to date basis for the period ending 31 March 2018.

BACKGROUND:

At its meeting held 31 August 2017 (Minute No. 097/2017 refers), Council adopted the annual budget for the 2017-18 financial year. The figures in this report are compared to the adopted budget.

It should be noted that these reports do not represent a projection to the end of year position or that there are funds surplus to requirements. It represents the year to date position to 30 June 2018 and results from a number of factors identified in the report. There are a number of factors that influence any variances, but it is predominately due to the timing of revenue and expenditure compared to the budget estimates. The notes to the statement of financial activity identify and provide commentary on the individual key material revenue and expenditure variances to date.

The following reports are for Council to note for the period ending.

-) Summary Graphs – Financial Activity
-) Statement of Financial Activity by Program
-) Statement of Financial Activity by Nature or Type
-) Notes –
 -) Significant Accounting Policies
 -) Net Current Funding Position
 -) Capital – Acquisitions, Funding and Disposal
 -) Cash and Investments
 -) Receivables
 -) Payables
 -) Cash Backed Reserves
 -) Rating Information
 -) Information on Borrowings
 -) Grants and Contributions
 -) Budget Amendments
 -) Trust Fund
 -) Material Variances

Additionally, and pursuant to regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 31 August 2017, the Council adopted (Minute No. 097/2017 part 7 refers) the following material variance reporting threshold for the 2017-18 financial year:

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 2017-18 for reporting material variances shall be 10%, with a minimum reportable value amount of \$30,000.

STATUTORY ENVIRONMENT:

Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:

34. Financial activity statement required each month (Act s. 6.4)

(1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –*

(a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and*

(b) *budget estimates to the end of the month to which the statement relates;*

and

- (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and*
 - (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
 - (e) *the net current assets at the end of the month to which the statement relates.*
- (2) *Each statement of financial activity is to be accompanied by documents containing –*
- (a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and*
 - (b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
 - (c) *such other supporting information as is considered relevant by the local government.*
- (3) *The information in a statement of financial activity may be shown –*
- (a) *according to nature and type classification; or*
 - (b) *by program; or*
 - (c) *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be –*
- (a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
 - (b) *recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

POLICY IMPLICATIONS:

- AF14 – Significant Accounting Policies
- AF18 – Sundry Debtors Collection
- AF19 – Outstanding Rates Collection
- FM4 – Reserve Accounts
- FM7 – Cashflow Management
- FM8 – Investments

FINANCIAL IMPLICATIONS:

Expenditure for the period ending has been incurred in accordance with the 2017-18 budget parameters, which have been structured on financial viability and sustainability principles.

Details of any budget variation in excess of \$30,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
<p>4: Good Governance and an effective organisation Leadership that provides strategic direction for the community, supported by efficient and effective service delivery</p>	<p>4.1: Effective Governance and Leadership</p>	<p>4.1.4: Ensure governance policies and procedures are in accordance with legislative requirements</p>

RISK MANAGEMENT CONSIDERATIONS:

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
<p>Finance: The Shire is exposed to a number of financial risks. Most of these risks exist in respect to recurrent revenue streams which are required to meet current service levels. Any reduction in these revenue stream into the future is likely to have an impact on the Shire’s ability to meet service levels or asset renewal funding requirements, unless the Shire can replace this revenue or alternatively reduce costs.</p>	Possible	Major	High	Risk assessments have been completed in relation to a number of higher level financial matters. The timely and accurate completion of monthly financial reporting enabling Council to make fully informed decisions is a control that assists in addressing this risk.
<p>Reputation: The Shire currently has unspent grant funding, including Country Local Government Fund and various Road Project Funds. This funding is associated with capital works programs. If the Shire does not expend and acquit the funding in a timely manner the funding bodies may not approve carry-over into future years and the funding could potentially be lost. This could also damage future funding opportunities.</p>	Possible	Moderate	Medium	Manage by monitoring progress towards project completion

CONSULTATION:

Internal consultation within the corporate services department.

In accordance with section 6.2 of the *Local Government Act 1995*, the annual budget was prepared having regard to the Strategic Community Plan, prepared under section 5.56 of the *Local Government Act 1995*.

COMMENT:

All expenditure included in the financial statements is incurred in accordance with Council’s adopted budget or subsequent approval in advance.

The Statement of Financial Activity is presented monthly, being generated by our off-site Accountants, Moore Stephens, and then printed in our office.

Once the reports are received by Moore Stephens, comments are added to various sections of the report to provide additional information or explanation. Explanations for any material variance identified in the reports are provided in Note 13 – Explanation of Material Variances.

VOTING REQUIREMENT:

Simple majority

OFFICER RECOMMENDATION:

Moved: Cr

Seconded: Cr

That Council NOTES the Monthly Financial Management Report incorporating the Statement of Financial Activity for the period ending 31 March 2018 attached to Report 10.2.2.

10.3 TECHNICAL SERVICES

Nil

10.4 DEVELOPMENT SERVICES

Nil

10.5 COMMUNITY DEVELOPMENT AND RECREATION SERVICES

10.5.1. BUDGET AMENDMENT – DERBY SPORTSMAN’S CLUB ROOF REPLACEMENT UPGRADE

Location/Address:	Lot 3033, Ashley Street, Derby
Name of Applicant:	Derby Sportsman’s Club
File Reference:	A103160
Author:	Ross Sullivan, Manager Community Development
Responsible Officer:	Stephen Gash, CEO
Disclosure of any Interest:	Nil
Date of Report:	19 April 2018
Attachments:	Budget and Timeline of Project Works
Authority/Discretion:	Administrative

SUMMARY:

This item seeks Council’s approval to amend the 2017/18 budget to utilise \$68,000 from a building reserve, which covers administration/civic/public buildings, as a contribution towards a roof replacement upgrade of the Derby Sportsman’s Club building. The total project cost is \$136,000 of which the Shire and the Club will share on an equal (50%) basis.

BACKGROUND:

The Derby Sportsman’s Club currently holds a lease with the Shire through to 30 June 2030 that includes the main clubhouse building. For some time, the roof has been susceptible to water incursion that is contributing to further deterioration of roof structure itself, as well as adjacent areas where the water reaches such as ceilings, walls and floors.

The Shire owns the building and through this arrangement, both parties can share the cost to achieve an outcome that will prevent further damage and associated costs of repair and extend the longevity of the building.

Several attempts have been made by the Shire and Sportsman’s Club to secure grant and third party funding for the project but all other avenues are exhausted.

The building is an essential community asset and the largest airconditioned Shire building appropriate to host events such as the Kimberley Economic Forum, Regional Meetings, and community events such as Australia Day celebrations. The Shire notes the use of the building for the Defence operation “Northern Shield”, with hire costs contributing to the club’s contribution to the project.

STATUTORY ENVIRONMENT:

Local Government Act 1995 part 6–Financial Management 6.8. Expenditure from municipal fund not included in annual budget

(1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure—

(a) is incurred in a financial year before the adoption of the annual budget by the local government; or

(b) is authorised in advance by resolution; or*

(c) is authorised in advance by the mayor or president in an emergency.

** Absolute majority required.*

(1a) In subsection (1)—additional purpose means a purpose for which no expenditure estimate is included in the local government’s annual budget.(2) Where expenditure has been incurred by a local government—

(a) pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and

(b) pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.

[Section 6.8 amended by No.1 of 1998 s.19.]

POLICY IMPLICATIONS:

The project is consistent with Asset Management policies and principles of minimising whole of life cost through appropriately timed maintenance/ intervention to prevent further damage to the building shell and internal structures.

FINANCIAL IMPLICATIONS:

The current balance of the Administration Buildings Reserve is \$884,364.10. The funds required to contribute to the project are \$68,000 which will leave a balance of \$816,364.10.

The initial purpose of the reserve several years ago was to hold Council’s contribution towards grant and debt funding for a new Shire administration centre. The purpose was broadened for other administration/ civic/ public buildings once the Shire committed to using its debt capacity on regional economic assets such as the port and airports. This meant the administration building project was deferred for 5-10years and could be done with build/lease scenarios rather than use of capital, and allowing prudent use of the reserve on other buildings.

The 50% contribution by the Club offers the lowest cost to ratepayers and the officers view the benefit significant enough to bring forward into 2017-18 budget, which also matches the best construction window.

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
Balance between the natural and built environment	Shire buildings and facilities that meet community needs	Ensure Shire buildings, facilities and public amenities are provided and maintained to an appropriate standard

RISK MANAGEMENT CONSIDERATIONS:

Asset Management and whole of life cost escalation risks have been highlighted in the report.

The water leaks have been the cause of community complaints with escalating public relations risk if not addressed.

Financial risk to budget is managed by the proposed utilisation of the building reserve. The risk of delay to the 2018-19 budget could jeopardise the funding offer by the club and result in the works not being completed by next wet season.

CONSULTATION:

Consultation has been undertaken with the Committee of the Club. Being a Shire owned building, officers are aware of the structural issues of the building where this particular matter has been observed and discussed over a length of time.

COMMENT:

Given the condition of the roof there water has leaked during the wet season and other rainfall events. This is accelerating the deterioration of the building and will increase the costs to repair in the future if it cannot be completed before the next wet season.

The Club has undertaking fundraising through Scroungers Golf and other activities as well as committing funds from the Defence exercise in 2016. With the roof issue resolved, the Club intends to begin addressing a number of interior upgrades mainly involving ceilings and floor coverings that have been damaged by water.

The building is one of the highest funding priorities for the Shire, based on the level of community use and the increased costs if deferred further. It was planned to be a priority in the 2018-19 budget but with the offer of the 50% contribution and use of the cash reserve to have no net impact on budget officers recommend bring forward into this budget to allow completion before next wet season.

VOTING REQUIREMENT:

Absolute majority

OFFICER RECOMMENDATION:

Moved: Cr

Seconded: Cr

That Council by **ABSOLUTE MAJORITY:**

AMENDS the 2017-18 budget to include expenditure of \$68,000 to undertake the roof replacement upgrade of the Derby Sportsman’s Club through utilisation of funds from the Administration Building Reserve .

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.0 NEW BUSINESS OF AN URGENT NATURE

**13.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED
(CONFIDENTIAL MATTERS)**

14.0 CLOSURE

14.1 DATE OF NEXT MEETING

The next ordinary meeting of Council will be held Thursday, 31 May 2018 in the Council Chambers, Clarendon Street Derby.

14.2 CLOSURE OF MEETING

The Presiding Member closed the meeting at

These minutes were confirmed at a meeting on

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Signed:

Presiding Person at the meeting at which these minutes were confirmed.

Date: