

Unconfirmed copy of Minutes of
Meeting held on 23 September 2016
subject to confirmation at meeting to be
held on 28 October 2016



EAST PILBARA SHIRE COUNCIL

MINUTES

ORDINARY COUNCIL MEETING

NOTICE IS HEREBY GIVEN that an
ORDINARY Meeting of the Council was held,
in Council Chambers, Marble Bar,
10.00 AM, FRIDAY, 23 SEPTEMBER, 2016.

Allen Cooper
CHIEF EXECUTIVE OFFICER



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of East Pilbara for any act, omission or statement or intimation occurring during Council or Committee Meetings. The Shire of East Pilbara 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 any planning application or application of a licence, any statement or intimation of approval made by any member or Officer of the Shire of East Pilbara during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of East Pilbara.

The Shire of East Pilbara warns that anyone who has any application lodged with the Shire of East Pilbara 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 of East Pilbara in respect of the application.

Signed: _____
Allen Cooper
Chief Executive Officer

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 10:05 AM and welcomed the Visitors in the public gallery.

2 RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

2.1 ATTENDANCES

Councillors

Cr Lynne Craigie	Shire President
Cr Lang Coppin	Deputy Shire President
Cr Bidy Schill	Councillor
Cr Craig Hoyer	Councillor
Cr Gerry Parsons	Councillor
Cr Dean Hatwell	Councillor
Cr Michael Kitchen	Councillor

Officers

Mr Allen Cooper	Chief Executive Officer
Ms Sian Appleton	Deputy Chief Executive Officer
Mr Rick Miller	Director Technical and Development Services
Mrs Sheryl Pobrica	Executive Services Administration Officer

Public Gallery

Ms Rebecca Parish	Northwest Telegraph
Mr Jeremy Sinclair	Atlas Iron
Mr Brendan Bow	Atlas Iron
Mr Paul Aylward	WA Country Health Services
Mr Ron Wynn	WA Country Health Services
Mr Dave Burton	SSE Services
Ms Kelly Pack	SSE Services

2.2 APOLOGIES

Councillor Apologies

Cr Anita Grace	Councillor
Cr John Jakobson	Councillor
Cr Shane Carter	Councillor
Cr Jeton Ahmedi	Councillor

Officer Apologies

Nil

2.3 LEAVE OF ABSENCE

Nil

3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS/DEPUTATIONS/PRESENTATIONS

5.1 NEWMAN HEALTH SERVICE REDEVELOPMENT

Mr Ron Wynn, Regional Director and Mr Paul Aylward, Director of Projects from Government of Western Australia, WA Country Health Services provided a presentation on the timeframe of the redevelopment of the Newman Hospital.

The Shire President, Lynne Craigie thanked Mr Aylward and Mr Wynn for the presentation.

10:40 AM Mr Aylward and Mr Wynn left the Chambers.

5.2 ATLAS IRON LIMITED – CORUNNA DOWNS IRON ORE PROJECT

Mr Jeremy Sinclair, Chief Operating Officer and Mr Brendan Bow, Manager, Land Access, Heritage & Approvals from Atlas Iron Limited provided a presentation to Council regarding the Corunna Downs Iron Ore Project.

The Shire President, Lynne Craigie thanked Mr Bow and Mr Sinclair for the presentation.

11:16 AM Mr Bow, and Mr Sinclair left the Chambers

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

7.1 CONFIRMATION OF MINUTES

[Minutes August 26 2016 Council.DOCX](#)

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/32

MOVED: Cr Gerry Parsons

SECONDED: Cr Dean Hatwell

THAT the minutes of the Ordinary Meeting of Council held on 26 August 2016, be confirmed as a true and correct record of proceedings.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Allen Cooper, Chief Executive Officer

7.2 PILBARA REGIONAL COUNCIL (PRC) MINUTES 2 AUGUST 2016

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/33

MOVED: Cr Gerry Parsons

SECONDED: Cr Michael Kitchin

THAT the minutes of the Ordinary Pilbara Regional Council Meeting held on 2 August 2016, be accepted.

**CARRIED
RECORD OF VOTE: 7 - 0**

8 MEMBERS REPORT

8.1 ITEMS FOR RECOMMENDATION

Nil

8.2 ITEMS FOR INFORMATION

Cr Michael Kitchin attended:

- Junkadelic Brass Band Music Festival – Marble Bar 22/09/2016
- Pilbara Prospectors Association Meeting

Cr Craig Hoyer attended:

- Meeting with the Department of Mines & Petroleum executive team
- Newman Shopping Centre Visit 03/09/2016
- Presiding Member for Australian Citizenship Ceremony 19/09/2016
- Opening Ceremony Outback Fusion Festival 23/09/2016

Cr Dean Hatwell attended:

- Junkadelic Brass Band Music Festival – Marble Bar 22/09/2016
- Marble Bar Tourist Association Meeting
- Marble Bar Progress & Interagency Meeting

Cr Biddy Schill attended:

- Nullagine CRC Meeting

Cr Gerry Parsons:

- Audit Committee Meeting 08/09/2016
- Opening of the Outback Fusion Festival 23/09/2016
- Newman Shopping Centre Visit 03/09/2016
- Development Assessment Panel (DAP) Training

Cr Lynne Craigie attended:

- ALGA Meeting in Canberra
- Meeting with Hon Andrea Mitchell, Minister for Mental Health & Child Protection

9 OFFICER'S REPORTS

9.1 CHIEF EXECUTIVE OFFICER

9.1.1 CHIEF EXECUTIVE OFFICER STATUS OF COUNCIL DECISIONS - AUGUST 2016

File Ref: CLR-4-5
Responsible Officer: Mr Allen Cooper
Chief Executive Officer
Author: Mrs Sheryl Pobrica
Executive Services Administration Officer
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To inform of the action taken in relation to Council decisions.

BACKGROUND

Council requested to be informed of the progress and completion of previous decisions.

COMMENTS/OPTIONS/DISCUSSIONS

The status list of Council decisions is included.

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government Act 1995

Section 2.7

The role of council

- (1) *The council –*
 - (a) *directs and controls the local government's affairs; and*
 - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to –*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*

POLICY IMPLICATIONS

Nil.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
- 1.1.1 Ethical, accountable and transparent decision-making

RISK MANAGEMENT CONSIDERATIONS

In order to remain transparent and to facilitate timely and appropriate decision-making it is necessary that actions items be reviewed at each Council meeting.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/34

MOVED: Cr Michael Kitchin

SECONDED: Cr Craig Hoyer

THAT the Chief Executive Officer “Status of Council Decisions” – August 2016 be received.

COUNCIL MEETING DATE	ITEM NO	COUNCIL RESOLUTION	RESPONSIBLE OFFICER	ACTION TAKEN/ STATUS	ESTIMATED COMPLETION DATE
27 th May 2016	13.1	ORTHODONTIST SERVICE IN NEWMAN Cr Gerry Parsons asked if there is anything we can do about orthodontist service in Newman as current dentist is leaving? Mr Allen Cooper to follow up.	CEO	Letter sent 13.06.2016 Awaiting response. Verbal Report	In Progress

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Allen Cooper, Chief Executive Officer

9.1.2 AFFIX COMMON SEAL TO EMPLOYMENT CONTRACT - DEPUTY CHIEF EXECUTIVE OFFICER

File Ref: ADM-1-1
Responsible Officer: Mr Allen Cooper
Chief Executive Officer
Author: Mr David Kular
Manager Human Resources
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To seek approval to affix the common seal of the Shire of East Pilbara to the employment contract of the Deputy Chief Executive Officer.

BACKGROUND

The employment contract of Ms Sian Appleton, Deputy Chief Executive Officer, has been extended by a three year term from 1st October 2016 to 30th September 2019.

COMMENTS/OPTIONS/DISCUSSIONS

Nil.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil.

POLICY IMPLICATIONS

4.5 EXECUTION OF DOCUMENTS

Minute No: Item 9.1.3

Date: 27th June 2003

Objective

To allow for the proper execution of documents.

Policy

All documents validly executed will have the common seal affixed and the President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.

STRATEGIC COMMUNITY PLAN

Nil.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/35

MOVED: Cr Gerry Parsons

SECONDED: Cr Craig Hoyer

THAT the common seal of the Shire of East Pilbara be affixed to the employment contract between the Shire of East Pilbara and Ms Sian Appleton, Deputy Chief Executive Officer, for a term of three years, from 1st October 2016 to 30th September 2019.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr David Kular, Manager Human Resources

**9.1.3 AFFIX COMMON SEAL TO EMPLOYMENT CONTRACT - MANAGER
TECHNICAL SERVICES - RURAL**

File Ref: ADM-1-1
Responsible Officer: Mr Allen Cooper
Chief Executive Officer
Author: Mrs Kylie Bergmann
Coordinator Executive Services
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To seek approval to affix the common seal of the Shire of East Pilbara to the employment contract of the Manager Technical Services – Rural.

BACKGROUND

The employment contract of Mr Oliver Schaer, Manager Technical Services – Rural, has been extended by a three year term from 12th October 2016 to 11th October 2019.

COMMENTS/OPTIONS/DISCUSSIONS

Nil.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil.

POLICY IMPLICATIONS

4.5 EXECUTION OF DOCUMENTS

Minute No: Item 9.1.3
Date: 27th June 2003

Objective

To allow for the proper execution of documents.

Policy

All documents validly executed will have the common seal affixed and the President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate

RISK MANAGEMENT CONSIDERATIONS

N/A

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/36

MOVED: Cr Michael Kitchin

SECONDED: Cr Dean Hatwell

THAT the common seal of the Shire of East Pilbara be affixed to the employment contract between the Shire of East Pilbara and Mr Oliver Schaer, Manager Technical Services – Rural, for a term of three years, from 12th October 2016 to 11th October 2019.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr David Kular, Manager Human Resources

9.2 DEPUTY CHIEF EXECUTIVE OFFICER

**9.2.1 DEPUTY CHIEF EXECUTIVE OFFICER STATUS OF COUNCIL DECISIONS
– AUGUST 2016**

File Ref: CLR-4-5
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mrs Sheryl Pobrica
Executive Services Administration Officer
Proposed Meeting Date: 23 September 2016

REPORT PURPOSE

To inform of the action taken in relation to Council decisions.

BACKGROUND

Council requested to be informed of the progress and completion of previous decisions.

COMMENTS/OPTIONS/DISCUSSIONS

The status list of Council decisions is included as an attachment to the agenda.

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government Act 1995
Part 2 Constitution of local government
Division 2 Local governments and councils of local governments
Section 2.7

- (1) The council –
 - (a) governs the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to -
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate

RISK MANAGEMENT CONSIDERATIONS

In order to remain transparent and to facilitate timely and appropriate decision-making it is necessary that review actions items at each Council meeting.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/37

MOVED: Cr Michael Kitchin

SECONDED: Cr Gerry Parsons

THAT the Deputy Chief Executive Officer “Status of Council Decisions” Report for the month of August 2016 be received.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Ms Sian Appleton, Deputy Chief Executive Officer

COUNCIL MEETING DATE	ITEM NO	COUNCIL RESOLUTION	DIRECTORATE	ACTION TAKEN/ STATUS	ESTIMATED COMPLETION DATE
11 December 2015	12.12	MARBLE BAR AQUATIC CENTRE CCTV Cr Michael Kitchin asked if the Marble Bar Aquatic Centre could get CCTV especially for the toddler's pool, so when the staff member is serving at the kiosk they can still easily monitor the area. Deputy Chief Executive Officer to follow up	DCEO	Quotes received and being assessed.	In Progress
26 August 2016	9.2.2	AFFIXING COMMON SEAL UNDER DELEGATED AUTHORITY - CLEANING CONTRACT EXTENSION	CPS		Completed
26 August 2016	9.2.3	NEWMAN HOUSE - AFFIXING THE SHIRE OF EAST PILBARA COMMON SEAL TO THE LEASE AGREEMENT WITH PUNTUKURNU ABORIGINAL MEDICAL SERVICES (PAMS)	CPS		Completed
26 August 2016	9.2.4	AWARD OF TENDER - RFT 11-2015/16 - SUPPLY & INSTALL ONE NEW 630KVA KIOSK SUB STATION	MAP		Completed
26 August 2016	9.2.5	FUNDING OF THE MARBLE BAR TOURIST ASSOCIATION AND OPERATIONS OF THE MARBLE BAR VISITOR CENTRE	MCW		Completed
26 August 2016	9.2.6	REPORT ON THE 2016 COMMUNITY SATISFACTION SURVEY	MCW		Completed
26 August 2016	9.2.7	COMMUNITY ASSISTANCE GRANTS ROUND 1 2016	MCW		Completed
26 August 2016	9.2.8	AMENDMENTS TO THE POLICY MANUAL	CG		Completed

**9.2.2 THE CHURCH OF CHRIST THE KING, MARBLE BAR CONSIDERATION
TO TAKE OWNERSHIP OR ENTER INTO PEPPERCORN LEASE**

File Ref: A200017
Attachments: [Christ the King Church.pdf](#)
[Inventory Christ the King Church.pdf](#)
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mr Warren Barker
Coordinator Building Services
Proposed Meeting Date: 23 September 2016
Location/Address: Reserve R37658
Name of Applicant: N/A
Author Disclosure of Interest: Nil

COUNCIL RESOLUTION: 201617/38

MOVED: Cr Gerry Parsons

SECONDED: Cr Craig Hoyer

THAT the item be deferred pending a visit to the church by Council during the lunch break.

**CARRIED
RECORD OF VOTE: 7 - 0**

Refer to page: 99 before item 10.

9.2.3 RFT 01-2016/17 PROVISION OF AIR CONDITIONING WORKS

Attachments:	<u>RFT01-2016-17 Recommendation Report</u> <u>CONFIDENTIAL</u>
File Ref:	LEG-13-6-01
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Mr Ben Lewis Manager Assets and Procurement
Proposed Meeting Date:	23 September 2016
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

For Council to consider tenders for the provision of air-conditioning works, and to seek approval for the Chief Executive Officer to apply the common seal of the Shire of East Pilbara to the Contract for the successful tenderer.

BACKGROUND

Council at its January 2016 meeting resolved to award the air-conditioning contract to TRACS (Transit Refrigeration and Air-conditioning Services). However, since then, TRACS have closed their Newman branch and advised the Principal that they were unable to service the contract.

As a result the contract between the Shire of East Pilbara and Transit Refrigeration and Air-conditioning Services was terminated and the air-conditioning works were retendered.

COMMENTS/OPTIONS/DISCUSSIONS

The tender was advertised in the West Australian newspaper on Saturday, 6 August, 2016 and on the Shire's website. The tender was also advertised on the Tenderlink e-Tendering Portal.

Closing date for the tender was 10:00am on Tuesday, 6 September, 2016.

At the close of tender, four (4) tenders were received as follows:

Tenderer
Burke Air
Customer First Contracting (CFC)
Lend Lease
SEE Services

The documentation outlined the qualitative selection criteria with the associated weightings for the evaluation of the tenders as follows:

No.	Criteria	Weighting
1	Relevant Experience	25%
2	Skills and Experience of Key Personnel	15%
3	Methodology	5
4	Demonstrated Understanding	15%
5	Price Consideration	40%

Value for money and costing also formed part of the assessment and consideration. A full assessment of the tender submissions is attached under separate confidential cover.

The results of the tender assessment indicate that Customer First Contracting (CFC) is the most advantageous to Council, offering local knowledge, skills and demonstrated ability in this area.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil

POLICY IMPLICATIONS

4.5 EXECUTION OF DOCUMENTS

Minute No: Item 9.1.3

Date: 27th June 2003

Objective

To allow for the proper execution of documents.

Policy

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10.12 Purchasing and Tender Procedures

Responsible Directorate	Technical and Development Services
Responsible Officer	Chief Executive Officer Deputy Chief Executive Officer Director Technical and Development Services
File Number	TCH 1-7

Objective

1. To provide compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* (as amended).
2. To set guidelines which must be followed when inviting tenders for works and services within the Shire.
3. To ensure consistency that purchasing activities integrate within all Shire of East Pilbara operational areas.

Purchase Procedures

NOTE: All Figures in this policy are exclusive of GST

The following procedures will be adhered to when purchasing items and other goods and services as per the adopted budget. All purchase orders are to be completed as set out below.

\$0 - \$50	Under direction from the authorised supervisor, petty cash may be utilised for purchases in this range.
\$51 - \$5,000	Under direction from the authorised supervisor, a purchase order book will be utilised without quotes necessarily being obtained.
\$5,001 - \$39,999	Under direction from the authorised supervisor, a purchase or other order will be utilised and three verbal or written quotes shall be obtained.
\$40,000 - \$149,999	Under direction from the authorised supervisor, and in consultation with the Chief Executive Officer, the Deputy Chief Executive Officer and/or the Director Technical and Development Services a purchase order will be utilised and three written quotes shall be obtained. In obtaining written quotations the Council Purchasing Service shall be utilised wherever practicable.



\$150,000 & greater	Under direction from the authorised supervisor tenders will be invited as follows. If work is allowed for in the budget a request for tender form is to be submitted to the Chief Executive Officer for approval. If the work is not allowed for in the budget permission to go to tender must be obtained from Council.
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Capital Expenditure

All capital purchase orders will be signed by the Chief Executive Officer, Deputy Chief Executive Officer or the Director Technical & Development Services with the exception of road construction and plant fleet which can be signed by Manager Technical Services – Rural.

Definition of a Capital Item for the purpose of the Shire of East Pilbara:

1. Any item budgeted as a capital item in the adopted budget;
2. Any item to be purchased, which involves the replacement of an existing asset through the sale, trade-in, write-off or disposal of an item on the fixed asset register.

Refer to the Accounting Policy in the Council's Policy Manual for the further treatment of non-current assets.

No item of a capital nature may be purchased unless included in the adopted budget, or if unbudgeted, has been approved by "absolute majority" of Council prior to the purchase of the item. (Council has no retrospective right of approval of purchase of non-budgeted items of capital).

In order to preserve the cash flow of the Shire, major items of budgeted capital expenditure should be deferred, where possible, until the second or third quarter of the financial year. However all capital orders must be raised by the 30 April to allow adequate time for payment by June 30 of each year. In all cases, the timing of the expenditure on major items of capital should be discussed and agreed with the Deputy Chief Executive Officer.

Orders for Goods & Services

Purchase orders must be made out and signed by authorised persons for all goods and services ordered for the Shire at the time that the order is placed. **Orders should never be raised retrospectively.**

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$150,000. If the purchase is in excess of \$150,000 a requisition is to be authorised by the Chief Executive Officer prior to the order being issued:

1. Deputy Chief Executive Officer
2. Director Technical & Development Services
3. Manager Technical Services – Rural (road construction and plant only)



The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$30,000. If the purchase is in excess of \$30,000 a requisition is to be authorised by their supervisor prior to the order being issued;

1. Managers
2. Coordinator Property Services

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$10,000.

1. Coordinators
2. Works Supervisor (Newman and Marble Bar)

If the purchase is in excess of \$10,000 a requisition is to be authorised by their supervisor prior to the order being issued.

Other officer's in line with relevant procedures will have authority to authorise purchases to the value of \$2,000.

Light Vehicle Purchases

The designated Fleet Officer is authorized to purchase light vehicles under \$150,000 utilising the WA State Purchasing Agreement and adhering to Council's budget decisions and Councils Light Vehicle Policy. Any vehicle incurring the luxury car tax will have to be approved by the Chief Executive Officer or the Deputy Chief Executive Officer.

Consultants Services

Services separately identified in the adopted budget to be at officer's discretion up to \$20,000.

Between \$20,001 and \$150,000 a Request For Quote procedure shall be utilised, in compliance with purchase thresholds.

A request for services, which it is envisaged, will exceed \$150,000 shall undergo the full tender process.

Light Vehicle Disposals

The preference for the disposal of light vehicles (less than \$150,000) is by public auction.

The reserve sale price is to be determined by the Manager Technical Services – Rural in conjunction with the Chief Executive Officer and/or the Director Technical and Development Services.

The following information sources will be utilised in determining the reserve sale price:

1. Valuation by the auction house.
2. Valuation from a recognised source ie: red book.
3. Internet research.
4. Past sales by auction house.



Disposals are to be completed within the same financial year, or within 3 months of receipt of a new vehicle, whichever is the sooner to maximise sales return

Regulatory Compliance

In the following instances public tenders or quotation procedures are exempt (regardless of the value of expenditure):

7. An emergency situation as defined by the Local Government Act 1995;
8. 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;
9. The purchase is under auction which has been authorised by Council;
10. The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
11. Any of the other exclusions under Regulation 11 of the Local Government (Functions and General) Regulations 1996 apply;
12. The purchase is under the Shire of East Pilbara Supplier Panel and is under \$30,000 exc GST.
13. The goods or services are obtained through a person registered on the Aboriginal Business Directory WA for contracts worth \$250,000 or less.
14. The goods or services are obtained through an Australian Disability Enterprise.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

Goal 3 – Economic – Planned Actions

The Shire of East Pilbara seeks to support the economic development of its communities through the establishment of partnerships with industry, local businesses, government agencies and the tourism sector.

- 3.3 Provide adequate community infrastructure
 - 3.3.1 Ensure well managed and equitable provision of community infrastructure
Responsible officer: MBA
Timing: 1-5 years

RISK MANAGEMENT CONSIDERATIONS

The potential risk to council is that by not having a contract for these works would result in the maintenance reverting back to reactive works rather than proactive servicing which will save council money, not only in costly breakdowns and reduction in service levels, but will also prolong the usable life of the asset.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Absolute

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/39

MOVED: Cr Michael Kitchin

SECONDED: Cr Biddy Schill

THAT Council

THAT Council:

1. Award Tender 01-2016/17 to Customer First Contracting (CFC) for the Provision of Air-conditioning Works.
2. Approve the Chief Executive Officer to apply the common seal of the Shire of East Pilbara to the Contract between the Shire and Customer First Contracting (CFC) with respect to this Tender.

CARRIED BY ABSOLUTE MAJORITY
RECORD OF VOTE: 5 - 2

To be actioned by Mr Ben Lewis, Manager Assets and Procurement

9.2.4 COMMUNITY ASSISTANCE GRANTS SEPTEMBER 2016

Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer

Author: Mr Pip Parsonson
Manager Community Wellbeing

Proposed Meeting Date: 23 September 2016

Location/Address: N/A

Name of Applicant: N/A

Author Disclosure of Interest: Nil

An Interest was declared by Cr Craig Hoyer for Item No. 9.2.4

Nature of Interest: Financial

Extent of Interest: Current Vice President of (NNFL) Newman National Football League.

11:32 AM Cr Craig Hoyer left Chambers.

11:32 AM Mr Burton and Ms Pack from SSE left Chambers.

REPORT PURPOSE

For Council to consider and make a decision on the Newman National Football League Community Assistance Grant funding application for the Round 1 of the 2016/2017 financial year.

BACKGROUND

The Shire of East Pilbara's Community Assistance Grants and Sponsorships are designed to promote community development and wellbeing within the East Pilbara local government area.

Grants are available for not-for-profit organisations involved in arts, culture, sports, recreation and social services. Limited support is also available to local educational institutions.

Applicants must fit one of the following categories.

1. A not-for-profit community organisation providing a community service within the East Pilbara region where there is a demonstrated community need or benefit
2. An educational institution in the East Pilbara for award presentations only
3. A sporting association to assist with club development (eg. Coaching courses, governance training and or grant writing courses)
4. An organisation involved in cultural development within the East Pilbara

Applications for the Community Assistance Grant Number Three (3) can be made by clubs and community groups twice per year. Round One (1) opens on the 1st of July and closes on the 31st July and applications are assessed at the next scheduled Council Meeting. Round Two (2) opens on January 1st and closes on January 31st and applications are assessed at the next scheduled Council Meeting. Each application is eligible for a grant of up to \$6,000 in cash or in-kind contributions.

COMMENTS/OPTIONS/DISCUSSIONS

During Round 1, the Shire received eight (8) applications from community groups and sporting clubs, all of which based in the East Pilbara. However, due to an administrative error, only seven (7) applications were reviewed and submitted to Council for the August 2016 Council meeting. The Newman National Football League (NNFL) application was the

excluded application. Due to the administrative error, the NNFL application for funding is now submitted to Council for consideration. A summary of the revised application follows.

Name of organisation	Newman National Football League			
Activity the organisation is seeking funding for	2017 Umpire, Coaches and Club Development Workshop			
Amount Requested \$ 5,000.00	Total Budget \$ 11,775.00			
Type of fund request	In kind <input type="checkbox"/>		Cash <input checked="" type="checkbox"/>	
Funding sought from other organisations	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>		
If yes, amount funded from other organisation	\$ 1,575.00			
Previous funding from Shire of East Pilbara	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	If yes, amount received and Year	2011, \$5,000
Funds Acquitted	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	Comments:	
Outstanding Shire Debts	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	Comments:	
Does Application meet funding criteria?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	Comments:	
<input checked="" type="checkbox"/>	Not for profit community organisations providing a community service within the East Pilbara region where there is a demonstrated community need or benefit			
<input type="checkbox"/>	Educational institutions in the East Pilbara for award presentations only			
<input checked="" type="checkbox"/>	Sporting Associations to assist with club development (e.g. coaching courses, governance training and or grant writing courses).			
<input type="checkbox"/>	Organisations involved in cultural development within the Shire of East Pilbara			
Target Group of project outcome	Participants from the 4 Newman football clubs will be invited to attend the workshop. 15-20 Umpires and 8 Coaches are expected to attend.			
Description	The project will bring WA Country Football League trainers into Newman to run a development workshop for all 4 football clubs' coaches and umpires. As skilled, committed umpires have become difficult to source, this project will ensure the clubs are viable in 2017. The trainers will also facilitate sessions about running and sustaining a football club.			
Benefit to East Pilbara Community	The league provides the opportunity for the community to watch and be involved in football. This project will increase the sporting capacity in Newman.			
Purpose of Grant	The grant is to partially cover trainers' costs (fees, flights, accommodation and food) and other workshop costs (hire fees, promotion, training materials and umpire uniforms).			
Acknowledgement of SOEP	Banners and advertising.			

The overall Community Assistance Grant budget for 2016/17 is \$60,000. Approximately \$11,000 of the total amount needs to be set aside for the smaller Grant 1 and Grant 2 programs that are open year-round and approved by the CEO. The balance of \$49,000 then needs to be halved, to accommodate the two Grant 3 rounds approved by the full Council. This means there is approximately \$24,500 for each of the two rounds.

The total amount sought for Round 1 of the 2016/17 financial year was \$35,841, which was \$11,341 over the Round 1 allocation. In the August 2016 Council meeting, the total amount approved for Round 1 was \$24,500, leaving \$500 remaining in the Round 1 allocation.

To ensure there are sufficient funds for Round 2 applications, the following recommendation has been made for the NNFL grant application.

Organisation	Requested	Recommended	Comment
Newman National Football League	\$5,000	\$4,000	Applicant has confirmed the grant value may be reduced and the project may proceed.
Round 1 Spent	\$24,500	\$24,500	
Total	\$29,500	\$28,500	
Budget	\$25,000	\$25,000	
Balance	- \$4,500	- \$3,500	

While the resulting balance is in deficit, the allocated budget is a guide only and the deficit can be redressed in Round 2.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil.

POLICY IMPLICATIONS

6.6 COMMUNITY ASSISTANCE GRANTS

STRATEGIC COMMUNITY PLAN

Goal 2 – Social – Planned Actions

The Shire of East Pilbara seeks to foster harmonious communities that acknowledge a shared heritage; develop strong community connections, and have access to relevant and affordable community services and well-managed community infrastructure.

- 2.4.1 Promote diverse, harmonious and caring communities
Partnering With: Federal Government, State Government, Industry and NGO's

Responsible officer: MCW
Timing: 1-3 years

2.4.2 Build strong community groups, networks and governance
Partnering With: Federal Government, State Government, Industry and NGO's
Responsible officer: MCW
Timing: 1-5 years

2.4.4 Equity and opportunities for all
Partnering With: Federal Government, State Government, Industry, NGO's and
Indigenous groups
Responsible officer: MCW
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

Should the Council choose not to endorse the Community Assistance Grant,
Council may be subject to some reputational risk within the Community.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Absolute

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/40

MOVED: Cr Gerry Parsons

SECONDED: Cr Michael Kitchin

THAT Council approves the Community Assistance Grant for the Newman National Football League for a reduced cash contribution of \$4,000 for the 2017 Umpire, Coaches and Club Development Workshop.

**CARRIED BY ABSOLUTE MAJORITY
RECORD OF VOTE: 6 - 0**

To be actioned by Mr Pip Parsonson, Manager Community Wellbeing.

**9.2.5 MODIFIED FORMS 4 AND 6 FOR USE WITH THE GRAFFITI AND
VANDALISM ACT 2016**

Attachments: [Forms 4 and 6 Graffiti Vandalism Act 2016 pdf](#)

Responsible Officer: **Ms Sian Appleton**
Deputy Chief Executive Officer

Author: **Mrs Batsi Masaka**
Coordinator Governance

Proposed Meeting Date: **23 September 2016**

Location/Address: **N/A**

Name of Applicant: **N/A**

Author Disclosure of Interest: **Nil**

11:34 AM Cr Craig Hoyer returned to the Chambers

REPORT PURPOSE

For Council to adopt the modified Forms 4 and 6 as the approved forms for use under the Graffiti Vandalism Act 2016.

BACKGROUND

1. Reference is made to the Department of Local Government and Communities Circular No 18-2016 which advised Local Governments that the Graffiti Vandalism Act 2016 (GV Act) will become effective on 7 October 2016.
2. Council resolution is required for forms 4 and 6 to be adopted as the approved forms for use under the GV Act.

COMMENTS/OPTIONS/DISCUSSIONS

1. The Shire of East Pilbara is committed to ensure that it is legislatively compliant.
2. Under the GV Act, it is a requirement that objections to notices must be treated as if they were objections to a local government decision under Part 9 of the Local Government Act.
3. The objections must be lodged in the approved form and must be approved by local government.
4. Form 4 in Schedule 1 to the Local Government (Functions and General) Regulations 1996 can be used on condition that section 22 of the GV Act which is the head of power is endorsed on top and council resolution has been sought to approve the form.
5. Form 6 of Schedule 1 to the Regulations can be used to issue warrants provided that it has also been duly amended to incorporate the appropriate head of power under section 29 of the GV Act.

STATUTORY IMPLICATIONS/REQUIREMENTS

Schedule 1 to the Local Government (Functions and General) Regulations 1996

POLICY IMPLICATIONS

4.11 LEGISLATIVE COMPLIANCE

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

1.1 Efficient and effective local government

1.1.1 Ethical, accountable and transparent decision-making

1.1.3 Effective business management

RISK MANAGEMENT CONSIDERATIONS

In order to avoid the risk of legislative non-compliance such as statutory breaches, Council is mandated to authorise the stipulated legislative requirements. This ensures lawful, proper and consistent decision making processes.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/41

MOVED: Cr Gerry Parsons

SECONDED: Cr Michael Kitchin

THAT Council adopts the modified Forms 4 and 6 as the approved forms for use under the Graffiti Vandalism Act 2016.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mrs Batsi Masaka, Coordinator Governance

9.2.6 AUDIT COMMITTEE REPORT - 8 SEPTEMBER 2016

Attachments:	Minutes September 08 2016 Audit Committee docx
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Mr Andries Gertenbach Manager Corporate Services
Proposed Meeting Date:	23 September 2016
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

For Council to consider the recommendations of the Audit Committee.

BACKGROUND

The Audit Committee met on 8th September 2016 and the minutes of that meeting are attached.

COMMENTS/OPTIONS/DISCUSSIONS

Role of the Audit Committee:

As a requirement of the Local Government Act 1995, the Audit Committee was formed “to provide independent oversight of the financial systems of the local government on behalf of the Council. As such, the committee will operate to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the local government’s financial reporting and audit responsibilities.”

STATUTORY IMPLICATIONS/REQUIREMENTS

Refer to attached Audit Committee minutes.

POLICY IMPLICATIONS

Refer to attached Audit Committee minutes.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

1.1 Efficient and effective local government

- 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
- 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
- 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

Refer to attached Audit Committee minutes.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/42

MOVED: Cr Michael Kitchin

SECONDED: Cr Craig Hoyer

THAT Council consider the following recommendations as presented by the Audit Committee.

AUDIT COMMITTEE RECOMMENDATION 1

THAT Council accepts the Shire of East Pilbara report on the Review of Risk Management, Legislative Compliance and Internal Controls and endorse the Improvement Plan contained therein.

AUDIT COMMITTEE RECOMMENDATION 2

THAT Council consider and accept the Financial Management Review as conducted by Moore Stephens as presented in accordance with paragraph 5(2) of the Local Government (Financial Management) Regulations 1996.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Andries Gertenbach, Manager Corporate Services.

9.2.7 3.7 SELF SUPPORTING LOANS POLICY

File Ref: FIN-10-12
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mr Andries Gertenbach
Manager Corporate Services
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

The purpose of this report is to consider amendments to the Self Supporting Loans Policy to bring them in line with the recommendation contained in the Risk Management, Legislative Compliance and Internal Controls Improvement Plan.

BACKGROUND

The Self Supporting Loans Policy was adopted in June 2003 and has not been amended since.

Moore Stephens were appointed to do the Local Government (Audit) Regulations 1996 regulation 17 review and as a result they made a recommendation that the Self Supporting Loans Policy should be amended to make it clear that approval of self supporting loans was entirely at the discretion of the council.

COMMENTS/OPTIONS/DISCUSSIONS

The amendment to the policy will reflect the recommendation that wording be included to make it clear that approval of self supporting loans is entirely at the discretion of council.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil

POLICY IMPLICATIONS

3.7 SELF SUPPORTING LOANS

Policy

Each request from a local organisation or club within the Shire of East Pilbara for a self-supporting loan shall be accompanied by:

1. Sketch plans and details of the proposed development for which the loan funds are required

2. Financial statements for the past three years
3. Cash flow projections for the coming three years
4. Details of present and planned membership

Each request for a self-supporting loan will be considered on its own merits, and if deemed necessary, the organisation will be asked to provide guarantors or other acceptable security.

In all cases where Council approves the granting of a self-supporting loan, a loan contract document must be signed by the organisation prior to release of the self-supporting loan monies.

***It should be noted that approval of self-supporting loans is entirely at the Council's discretion.**

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire's resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

The proposed outcome of this report is in line with recommendations to minimise risk.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Absolute.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/43

MOVED: Cr Dean Hatwell

SECONDED: Cr Lang Coppin

THAT Council adopt the changes to the Self Supporting Loans Policy as presented

3.7 SELF SUPPORTING LOANS

Policy

Each request from a local organisation or club within the Shire of East Pilbara for a self-supporting loan shall be accompanied by:

1. Sketch plans and details of the proposed development for which the loan funds are required
2. Financial statements for the past three years
3. Cash flow projections for the coming three years
4. Details of present and planned membership

Each request for a self-supporting loan will be considered on its own merits, and if deemed necessary, the organisation will be asked to provide guarantors or other acceptable security.

In all cases where Council approves the granting of a self-supporting loan, a loan contract document must be signed by the organisation prior to release of the self-supporting loan monies.

It should be noted that approval of self-supporting loans is entirely at the Council's discretion.

**CARRIED BY ABSOLUTE MAJORITY
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Andries Gertenbach, Manager Corporate Services

9.2.8 3.9 INVESTMENT POLICY

File Ref: FIN-10-12

Attachments: [3.9 Investment Policy Tracked.docx](#)
[3 9 Investment Policy Proposed docx](#)

Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer

Author: Mr Andries Gertenbach
Manager Corporate Services

Proposed Meeting Date: 23 September 2016

Location/Address: N/A

Name of Applicant: N/A

Author Disclosure of Interest: Nil

REPORT PURPOSE

The purpose of this report is to consider amendments to the Investments Policy to bring them in line with the recommendation contained in the interim audit.

BACKGROUND

The Investment Policy was adopted in July 2009 and has not been amended since.

Moore Stephens were appointed to do the annual audit for the Shire and as a result of their Interim Audit they made a recommendation that the Investments Policy should be amended to bring it into line with Regulation 19C of the Local Government (Financial Management) Regulations 1996.

COMMENTS/OPTIONS/DISCUSSIONS

The amendments to the Policy will bring it into line with Regulation 19C of the Local Government (Financial Management) Regulations 1996 to clarify the restrictions contained in that regulation.

Attached to this report is a copy of the policy with the changes tracked to enable elected members to view the changes and there is also a document which shows what the proposed policy will look like when adopted.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil

POLICY IMPLICATIONS

3.9 INVESTMENT POLICY – WILL BE AMENDED AS PER ATTACHED DOCUMENT

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire's resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

The proposed outcome of this report is in line with recommendations to minimise risk.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Absolute.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/44

MOVED: Cr Dean Hatwell

SECONDED: Cr Gerry Parsons

THAT Council adopt the changes to the Policy – 3.9 – Investments Policy as attached and presented.

**CARRIED BY ABSOLUTE MAJORITY
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Andries Gertenbach, Manager Corporate Services

3.9 Investment Policy

Responsible Directorate	Corporate Services
Responsible Officer	Manager Corporate Services
File Number	FIN 23-11

Objective

The objective of the Investment Policy is to invest the Shire of East Pilbara's surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, and having regard for the local banks, while ensuring that its liquidity requirements are being met.

Policy

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity and the return on investment.

1. Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes management of credit and interest risk within identified thresholds and parameters.
2. The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash-flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
3. The investment is expected to achieve a predetermined market average rate of return that takes into account the Shire's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

Legislative Requirements

All investments are to comply with the following:

- *Local Government Act 1995 (as amended)* – Section 6.14;
- *The Trustees Act, 1962* – Part III Investments;
- *Local Government (Financial Management) Regulations 1996* – Regulation 19, 19C, 28 and 49; and
- Australian Accounting Standards

Delegation of Authority

Authority for implementation of the Investment Policy is delegated by Council to the Chief Executive Officer (CEO) in accordance with the *Local Government Act 1995*. The CEO may, in turn, delegate the day-to-day management of the Shire's Investment to senior staff, subject to regular reviews.

Prudent Person Standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolio to safeguard the portfolio in accordance with the spirit of this Investment Policy and not for speculative purposes.

Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Shire's investment portfolio. This policy requires Officers to disclose any conflict of interest to the CEO.

Approved Investments

Without approval from Council, investments are limited to:

- State/Commonwealth Government Bonds;
- Interest-bearing deposits;
- Bank accepted/endorsed bank bills;
- Commercial paper;
- Bank negotiable Certificates of Deposit; and
- Managed Funds with a minimum long-term Standard & Poor's (S&P) rating of "A" and short-term rating of "A2".

Prohibited Investments

This Investment Policy prohibits any investment carried out for speculative purposes including:

- derivative-based instruments;
- principal-only investments or securities that provide potentially nil or negative cash flow; and
- stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.
- the use of leveraging (borrowing to invest) of an investment.
- deposit with an institution except an authorised institution;
- deposit for a fixed term of more than 12 months;

- invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;
- invest in bonds with a term to maturity of more than 3 years;
- invest in a foreign currency.

Risk Management Guidelines

Investments obtained are to comply with three key criteria relating to:

- Portfolio Credit Framework: limit overall credit exposure of the portfolio
- Counterparty Credit Framework: limit exposure to individual counterparties/institutions
- Term to maturity Framework: limits based upon maturity of securities

a) Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

b) Counterparty Credit Framework

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entry exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

If any of the Shire's investments are downgraded such that they no longer fall within the Investment Policy, they will be divested as soon as practical. Investments fixed for greater than twelve months are to be approved by Council and reviewed on a regular term and invested for no longer than five years.

c) **Term to Maturity Framework**

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits	
Portfolio % < 1 year	100% Maximum, 40% Minimum
Portfolio % > 1 year	60%
Individual Investment Maturity Limits	
Authorised Deposit-Taking Institutions	3 years

Report and Review

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes.

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Shire's behalf as at 30 June each year and reconciled to the Investment Register.

Definition

authorised institution means —

- (a) an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or
- (b) the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;

foreign currency means a currency except the currency of Australia.

References	<ul style="list-style-type: none"> • Local Government Act 1995 (as amended) – Section 6.14 • The Trustees Act, 1962 – Part III Investments • Local Government (Financial Management) Regulations 1996 – Regulation 19, 19C, 28 and 49 • Australian Accounting Standards 		
Related Procedures	Nil		
Date Adopted by Council	24 July 2009	Item No	9.3.3
Review/Amendment Date		Item No	
Next Review			

9.2.9 3.1 - ACCOUNTING POLICIES UPDATE

File Ref: F-10-12
Attachments: [3.1 Accounting Policies Current](#)
[3.1 Accounting Policies Amended.docx](#)
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mr Andries Gertenbach
Manager Corporate Services
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

The purpose of this report is to consider amendments to the Accounting Policies to bring them in line with the recommendation contained in the Risk Management, Legislative Compliance and Internal Controls Improvement Plan.

BACKGROUND

The Accounting policies were adopted in June 2003 and have been amended in July 2012 and June 2013.

Moore Stephens were appointed to do the Local Government (Audit) Regulations 1996 regulation 17 review and as a result they made a recommendation that the Accounting Policies were to be amended to remove reference to the Financial Statements from them as this not form part of the policies.

COMMENTS/OPTIONS/DISCUSSIONS

The amendments to the Accounting Policies are not about the policies themselves but about removing reference to the Annual Financial Statements which appears in different areas of the policies.

As the amendments are fairly complicated and to most accurately achieve the required result, all of the content of the original policy were removed and the most current accounting policies inserted.

Copies of the current policy and the proposed policy are attached to this report for comparison purposes if required.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil

POLICY IMPLICATIONS

3.1 ACCOUNTING POLICIES WILL BE AMENDED

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

The proposed outcome of this report is in line with recommendations to minimise risk.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Absolute.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/45

MOVED: Cr Craig Hoyer

SECONDED: Cr Biddy Schill

THAT Council adopt the amended Policy 3.1 - Accounting Polices as attached and presented.

**CARRIED BY ABSOLUTE MAJORITY
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Andries Gertenbach, Manager Corporate Services

3.1 Accounting Policies

Responsible Directorate	Corporate Services
Responsible Officer	Deputy Chief Executive Officer
File Number	LEG-2-1

Policy

The significant accounting policies are:

(a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable and payable. The net amount of GST recoverable from, or payable to, the ATO is included in the receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities are recoverable from, or payable to, the ATO and are presented as operating cash flows.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities of the statement of financial position.

(c) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for

doubtful debts is raised when there is objective evidence that they will not be collectible.

(d) Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit and loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Shire's intentions to release for sale.

(f) Fixed Assets

Each class of fixed assets within either, property, plant and equipment or infrastructure, is carried at cost or fair value as indicated, less where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

During the year ended 30 June 2013 the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the regulatory requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its assets in accordance with this mandatory timetable.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above. In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, the Shire elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- (b) Eliminated against the gross carrying amount of the asset and the amount restated to the revalued amount of the asset.

Depreciation of Non Current Assets

Non current assets having limited useful lives are to be depreciated over such useful lives using the straight-line method to reflect the consumption of the economic benefits embodied in such assets.

Major depreciation periods used for property, plant and equipment are:

Buildings	40 years
Plant and Equipment	3 - 10 years
Computer Equipment and Software	3 years
Furniture and Equipment	5 years
Tools	3 years

Infrastructure Assets

Infrastructure assets are those amenities, structures or facilities which assist the municipality in providing services to the community and may have the following characteristics:

- a long life;
- require substantial capital outlays;
- do not necessarily have a realisable value;
- usually a fixture not always readily visible or noticeable;
- consist of a number of components.

Infrastructure assets are depreciated on a straight-line basis over their useful lives as follows:

Bridges	75 years
Car parks	20 years
Culverts	50 years
Cycle ways	50 years
Drains	25 years
Footpath - in situ concrete	50 years
Footpath - slab	20 years
Irrigation	20 years
Kerbs and channel	50 years
Manholes	50 years
Median strips	50 years

Road seals - aggregate	15 years
Road seals - asphalt	25 years
Road (sealed) - pavement	50 years
Road (unsealed) - formed	20 years
Road (unsealed) - gravel	20 years
Street lights	25 years
Street signs	10 years
Water reticulation systems	20 years
Park and Gardens	20 years

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Fixed assets will be recognised in the statements when the value exceeds the following amounts:

Land	\$0
Buildings	\$0
Plant and Equipment	\$1,500
Office Furniture and Equipment	\$1,000
Infrastructure Assets	\$5,000

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered

observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available for sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(k) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 3(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(p) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Shire contributes are defined contribution plans.

(q) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement

beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

References			
Related Procedures	Nil		
Date Adopted by Council	27 June 2003	Item No	9.1.3
Review/Amendment Date	28 July 2012	Item No	9.2.8
Review/Amendment Date	19 April 2013	Item No	9.2.7
Next Review			

9.2.10 FINANCIAL MANAGEMENT REVIEW

File Ref: LEG-21-1
Attachments: [FMR report Shire of East Pilbara Signed pdf.pdf](#)
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mr Andries Gertenbach
Manager Corporate Services
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

For Council to consider and accept the Financial Management Review conducted by Moore Stephens on behalf of the Chief Executive Officer.

BACKGROUND

The Chief Executive Officer is required to undertake a review of the financial management systems and procedures for the local government at least once every four years.

The last report was completed by UHY Haines Norton in 2012.

A copy of the report completed by Moore Stephens is attached.

COMMENTS/OPTIONS/DISCUSSIONS

The review was completed for the period 1 July 2015 to 30 May 2016. The conclusion of the Independent Reviewer's report reads:

"Based on our work described in this report (which is not an audit), nothing has come to our attention to indicate the Shire of East Pilbara has not established and maintained, in all material respects, appropriate and effective management systems and procedures during the period covered by our review being 1 July 2015 to 30 May 2016."

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government (Financial Management) Regulations 1996 paragraph 5 (2) states:-

The Chief Executive Officer is to:

(c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government regularly (and not less than once in every 4 financial years) and report to the Local Government the results of the reviews.

POLICY IMPLICATIONS

Nil.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

This report is part of ensuring that risk matters are reviewed periodically.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

AUDIT COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION: 201617/45

MOVED: Cr Michael Kitchin

SECONDED: Cr Gerry Parsons

THAT Council consider and accept the Financial Management Review as conducted by Moore Stephens as presented in accordance with paragraph 5(2) of the Local Government (Financial Management) Regulations 1996.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Andries Gertenbach, Manager Corporate Services

9.2.11 RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS, AUDIT (REG 17) REVIEW

File Ref:	LEG-19-1
Attachments:	Shire of East Pilbara Audit Reg 17 Review 2016 FINAL.pdf
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Mr Andries Gertenbach Manager Corporate Services
Proposed Meeting Date:	23 September 2016
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

To provide to the Audit Committee the results of the Audit Regulation 17 review of the Shire of East Pilbara's Risk Management Framework (RMF), Legislative Compliance Framework (LCF) and Internal Controls carried out by Moore Stephens and to recommend to the Council that the report be accepted and the Improvement Plan contained therein be endorsed.

BACKGROUND

The Local Government (Audit) Regulations 1996, Regulation 17 requires that a local government is to undertake a review of the appropriateness and effectiveness of its systems and procedures in regard to Risk Management, Legislative Compliance and Internal Control Frameworks at least every two calendar years.

A review was carried out by RSM Bird Cameron and presented to Council at the 24 October 2014 Ordinary Council meeting.

The statutory deadline for the next review is 31 December 2016 and as a result Moore Stephens were appointed to carry out the review and the report is now ready to be presented.

COMMENTS/OPTIONS/DISCUSSIONS

Moore Stephens were engaged to undertake this review and then report to the Chief Executive Officer on the adequacy and effectiveness of the Shire's existing RMF, LCF and Internal Control Frameworks.

The assessment was to be carried out with a view to identifying areas that may require improvement and then detail these in an Improvement Plan.

The scope of the review encompassed all aspects of the Shire's operations including the following broad categories:-

- Management
- Financial
- Compliance
- Technology
- Infrastructure and Assets
- Human Resources
- Contractual
- Security
- Economic/Political

Following interviews and enquiries conducted with key staff within the Shire and interrogation of relevant documentation, Moore Stephens have identified a number of opportunities for improvements in the above frameworks.

RISK MANAGEMENT

- *The uniform implementation of the documented risk management procedures across the organisation and business processes of Shire of East Pilbara;*
- *The inclusion of key risks affecting Council decisions within agenda items for Council consideration to help ensure strategic risks are considered, monitored and reported throughout the organisation; and*
- *The inclusion of risk management as a topic within the staff induction process to assist employees gain a common understanding of their role in the reporting and treatment of identified risks.*

LEGISLATIVE COMPLIANCE

- *That the staff induction process and Code of Conduct highlight the requirement to maintain a high level of legislative compliance and report identified breaches;*
- *The development of a risk based training matrix to ensure those senior staff with the responsibility for preventing, identifying and reporting breaches of legislation are offered relevant training to ensure their knowledge of legislative requirements is maintained; and*
- *That a concise legislative compliance register be maintained to enable monitoring and reporting of any legislative compliance breaches that are identified.*

INTERNAL CONTROL

- *The development of an Internal Control Policy promoting a risk based approach to the development and maintenance of internal controls to encourage the continual assessment of the appropriateness of controls throughout the organisation with new controls being identified and existing outdated controls discontinued.*
- *During our review, a limited number of internal control weaknesses were noted, these are discussed below along with suggested actions to:*
 1. *One instance of the amount shown on the Authorisation for EFT was manually changed with no counter signatures from authorising officers.*
Suggested Actions - That documented procedures be amended to require authorising officers to initial any amendments to the document they have authorised.
 2. *We noted instances where a consultant initially engaged in 2009 undertook works with no purchase order being issued. No quotations were available from other consultants for the provision of the same services.*
Suggested Actions - That the purchasing Policy be amended to address contract extension and 'scope creep'.

3. *We noted instances where the required supporting documentation and electronic authorisation were not available within the electronic records system. This matter was only identified within the new electronic system.*
Suggested Actions - That the electronic authorisation and records system be verified to ensure the integrity of electronic documents and the systems and process surrounding its use be documented.
4. *We noted instances where the Valuer General's Office was not advised of changes to the built area of properties, resulting in interim rates not being raised.*
Suggested Actions - That documented procedures and process be implemented to ensure the Valuer General's Office is notified once building approvals are issued.

The above findings and actions are included in Appendix D of the attached report and form the basis of an Improvement Plan to ensure that the systems and procedures are amended and improvements implemented.

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government (Audit) Regulations

Regulation 17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
- (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

POLICY IMPLICATIONS

4.11 LEGISLATIVE COMPLIANCE

4.12 RISK MANAGEMENT

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire's resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
- 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year

- 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

This report is part of ensuring that risk matters are reviewed periodically.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

AUDIT COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION: 201617/46

MOVED: Cr Michael Kitchin

SECONDED: Cr Craig Hoyer

THAT Council accepts the Shire of East Pilbara report on the Review of Risk Management, Legislative Compliance and Internal Controls and endorse the Improvement Plan contained therein.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Andries Gertenbach, Manager Corporate Services.

9.2.12 MONTHLY FINANCIAL REPORT - AUGUST 2016

Attachments:	August 2016 Financial Report.pdf August 2016 Variance Report.doc August 2016 Asset Variance Report.doc
Responsible Officer:	Mr Andries Gertenbach Manager Corporate Services
Author:	Mrs Candice Porro Senior Finance Officer
Proposed Meeting Date:	23 September 2016
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

To provide Councillors with a monthly financial statement on the operations of Council.

BACKGROUND

The attached 13-page report details the financial activities of the Council for the period 1 August 2016 to 31 August 2016 of the 2016/2017 financial year –

There are 4 sections of the monthly report:

1. An operating statement comparing income and expenditure to the adopted budget for each function of Council.
2. A more detailed schedule which breaks the operating statement down into the various operational sections and departments of Council.
3. A schedule detailing all expenditure for the year to date for individual capital items.
4. A statement of cash flows.

COMMENTS/OPTIONS/DISCUSSIONS

The Deputy Chief Executive Officer will provide an overview and explanation as required of how to interpret the financial statement at the meeting.

Reportable variations in accordance with accounting policies are as follows:

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government Act 1995
Part 6 Financial Management
Division 4 General financial provisions
Section 6.4(2)

“The financial report is to –

- (a) be prepared and presented in the manner and form prescribed; and*
- (b) contain the prescribed information.”*

Local Government (Financial Management) Regulations 1996
Part 4 Financial reports
Reg 34(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 ...*
- (b) budget estimates to the end of the month to which the statement relates;*
- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- (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.”*

POLICY IMPLICATIONS

3.1 ACCOUNTING POLICIES

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
Responsible officer: DCEO
Timing: As appropriate
 - 1.1.2 Continued strong financial management
Responsible officer: DCEO
Timing: 1 year
 - 1.1.3 Effective business management
Responsible officer: DCEO
Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

This report is part of ensuring that risk matters are reviewed periodically.

FINANCIAL IMPLICATIONS

This report discloses financial activities for the period under review.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/46

MOVED: Cr Gerry Parsons

SECONDED: Cr Dean Hatwell

That the monthly financial statements for the period 1 August 2016 to 31 August 2016 of the 2016/2017 financial year as presented be received.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mrs Candice Porro, Senior Finance Officer

9.2.13 CREDITORS FOR PAYMENT

File Ref: FIN10-2

Attachments: [Schedule of Accounts Chq 1.pdf](#)
[Schedule of Accounts EFT 1.pdf](#)
[Schedule of Accounts Manual Cheque 1.pdf](#)

Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer

Author: Mrs Jeanette Bessell
Finance Officer

Proposed Meeting Date: 23 September 2016

Location/Address: N/A

Name of Applicant: N/A

Author Disclosure of Interest: Nil

REPORT PURPOSE

Council endorsement of payment to creditors.

BACKGROUND

As per the attachment list, outlines payments made to creditors since the Council meeting on the 26TH AUGUST 2016.

COMMENTS/OPTIONS/DISCUSSIONS

FUND	VOUCHER	AMOUNT
EFT Payments	EFT# 34599 to EFT#34909	\$2,149,934.33
	Total	\$2,149,934.33
Cheque Payments	CHQ# 24125 to CHQ#24139	\$77,783.95
Manual Cheque Payments	CHQ# 274 to CHQ# 275	\$14,693.28
	Total	\$92,477.23
	GRAND TOTAL	<u>\$2,242,411.56</u>

Please note the computer system allows for only a limited field for the description of goods/services purchased, therefore the description shown on the attached Schedule of Accounts may not show the entire description entered for the goods/services purchased.

CANCELLED AND UNUSED CHEQUES:

UNUSED CHEQUES
CHQ# 24134

CANCELLED CHEQUES & EFTS
EFT#'S 34875 and 34897

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government (Financial Management) Regulations 1996
Part 2 – General financial management
Reg 11

- (1) *A local government is to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of –*
- (a) *cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and*
 - (b) *petty cash systems.*

Local Government (Financial Management) Regulations 1996
Part 2 – General financial management
Reg 12

- (1) *A payment may only be made from the municipal fund or the trust fund –*
- (a) *if the local government has delegated to the CEO 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.*
- (2) *The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.*

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

Nil.

RISK MANAGEMENT CONSIDERATIONS

Should the Council choose not to endorse the Creditors for Payments, Council may be subject to some reputational risk.

FINANCIAL IMPLICATIONS

Total expenses of \$2,242,411.56

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/47

MOVED: Cr Dean Hatwell

SECONDED: Cr Gerry Parsons

THAT Council endorse the payments:

FUND	VOUCHER	AMOUNT
EFT Payments	EFT# 34599 to EFT#34909	\$2,149,934.33
	Total	\$2,149,934.33

Cheque Payments	CHQ# 24125 to CHQ#24139	\$77,783.95
Manual Cheque Payments	CHQ# 274 to CHQ# 275	\$14,693.28
	Total	\$92,477.23

GRAND TOTAL	\$2,242,411.56
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CARRIED
RECORD OF VOTE: 7 - 0

To be actioned by Mrs Jeanette Bessell, Finance Officer

9.3 DIRECTOR TECHNICAL AND DEVELOPMENT SERVICES

9.3.1 DIRECTOR TECHNICAL AND DEVELOPMENT SERVICES STATUS OF COUNCIL DECISIONS - AUGUST 2016

File Ref:	CLR-4-5
Responsible Officer:	Mr Rick Miller Director Technical and Development Services
Author:	Mrs Sheryl Pobrica Executive Services Administration Officer
Proposed Meeting Date:	23 September 2016

REPORT PURPOSE

To inform of the action taken in relation to Council decisions.

BACKGROUND

Council requested to be informed of the progress and completion of previous decisions.

COMMENTS/OPTIONS/DISCUSSIONS

The status list of Council decisions is included as an attachment to the agenda.

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government Act 1995
Part 2 Constitution of local government
Division 2 Local governments and councils of local governments
Section 2.7

- (1) The council –
 - (a) governs the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to -
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by

community engagement – leading to the effective allocation of the Shire’s resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
- 1.1.1 *Ethical, accountable and transparent decision-making*

RISK MANAGEMENT CONSIDERATIONS

In order to remain transparent and to facilitate timely and appropriate decision-making it is necessary that actions items be reviewed at each Council meeting.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/48

MOVED: Cr Dean Hatwell

SECONDED: Cr Lang Coppin

THAT the Director Technical and Development “Status of Council Decisions” Report for the month of August 2016 be received.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Rick Miller, Director Technical and Development Services

COUNCIL MEETING DATE	ITEM NO	COUNCIL RESOLUTION	DIRECTORATE	ACTION TAKEN/ STATUS	ESTIMATED COMPLETION DATE
16 December 2011	13.5	SIGNS – RECOGNITION ON THE DESERT ROADS Cr Lang Coppin	MDS-P	Refer to Information Bulletin	In Progress
28 September 2012	13.4	NEW ROAD LINKED TO LIGHT INDUSTRIAL AREA (LIA) – newman - Cr Shane	MDS-P	Refer to Information Bulletin	In Progress
28 August 2015	13.8	CARAWINE GORGE Cr Lang Coppin	MDS-P	Refer to Information Bulletin	In Progress
27 May 2016		BBQ AT NULLAGINE LOOKOUT Cr Bidy Schill commented that the BBQ at the Nullagine lookout is not working. Ms Sian Appleton to follow up.	MTS-R DTDS	<ul style="list-style-type: none"> • Location for townsite replacement BBQ being investigated; • Temporary signage at Lynas lookout installed; • Final signage to be installed when new BBQ is in place. • Need for BBQ to be assessed. 	Oct 2016
26 August 2016	13.2	TESTING OF DUST ELEMENTS Cr Shane Carter asked if it was possible for the Department of Health to test the dust, surrounding the town of Newman for particulates and if a report could be tabled at Council Manager Development Services – Health to follow up.	MDS-H CEO	CEO has sent correspondence, awaiting on a response.	Sept 2016
26 August 2016	13.4	NEWMAN AIRPORT LUGGAGE TROLLEY Cr Gerry Parsons asked if it was possible to get a couple of luggage trollies at Newman Airport as she has had requests from the community. Director Technical and Development Services to follow up.	MDA	Options and costings to be investigated	Sept 2016

9.3.2 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN BHP BILLITON IRON ORE (BHPBIO) AND THE SHIRE OF EAST PILBARA ON THE PROTECTION OF HUMAN HEALTH POSED BY THE RECREATIONAL USE OF OPHTHALMIA DAM

Attachments: [Ophthalmia dam MOU.pdf](#)
[Management Plan Ophthalmia Dam V10.pdf](#)

Responsible Officer: Mr Rick Miller
Director Technical and Development Services

Author: Mr Edmore Masaka
Manager Development Services - Health

Proposed Meeting Date: 23 September 2016

Location/Address: N/A

Name of Applicant: N/A

Author Disclosure of Interest: Nil

REPORT PURPOSE

To request council to endorse the MOU between BHPBIO and the Shire of East Pilbara on management of and the protection of human health posed by any recreational use of Ophthalmia dam.

BACKGROUND

In Western Australia there is no clear delineation for State or Crown land surrounding the responsibility to ensure the water quality is safe for members of the public to recreate. However, the current process typically involves a coordinated effort between the Department of Health WA (DoH) and the local government authority where the water body is located. With respect to Ophthalmia Dam, DoH is considered the primary coordinating and monitoring agency with the local government (Shire of East Pilbara) and other stakeholders such as BHPBIO being engaged to assist in collection of samples, inspections and other applicable management actions.

Ophthalmia dam has for years been a popular source of recreation for Newman residents, with a picnic area equipped with shed structures, toilets and BBQ facilities having been developed under a partnership with BHPBIO. This site has also become a major tourist attraction to the Newman town and surrounds. The Shire of East Pilbara is currently responsible for the maintenance of the picnic area and its ancillary infrastructure.

The DoH who are the regulator have advised BHPBIO and its partner to create a formalised management plan for Ophthalmia Dam to manage the recreational water bodies in accordance with the National Health and Medical Research Council (NHMRC) "*Guidelines for Managing Risks in Recreational Water* (2008). Currently the risk management approach to recreational water use of Ophthalmia Dam is fragmented.

COMMENTS/OPTIONS/DISCUSSIONS

Whilst BHP Billiton Iron Ore (BHPBIO) and the Shire of East Pilbara do not actively support or encourage usage of the Ophthalmia Dam for recreational activities, both parties recognise that residents of the township of Newman and visitors to the area do use the dam for some recreational water based activities and that it is not possible to effectively prohibit or enforce a prohibition on usage of the dam for recreational purposes, particularly having regard to its location and size.

To this end both parties embarked on a process to develop a Recreational Water Quality Management Plan (RWQMP) for the effective risk management of Ophthalmia dam.

Elected Members, (Councillors Craig Hoyer and Gerry Parsons), Director Technical and Development Services, Mr Rick Miller and Manager Development Services – Health, Mr Edmore Masaka, and BHP Billiton Iron Ore (BHPIO) staff have conducted several workshops and meetings where the attached RWQMP was developed. The draft has been positively reviewed by the DoH (regulator) as well as the DoW who are the regulators of the water catchment area in which the dam is located and recommendations made have been incorporated.

BHPIO also made a presentation to Council at the 26th August 2016 Council meeting about the Ophthalmia Dam Management Plan.

An MOU (attached) has been designed to ensure the roles and responsibilities of both parties are clearly defined as outlined in the RWQMP whose approach is to ensure that identified risks are eliminated where possible or controlled so far as reasonably practicable. The management plan is a live document which will be constantly reviewed and updated as and when found necessary.

STATUTORY IMPLICATIONS/REQUIREMENTS

Nil

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

Goal 2 – Social – Planned Actions

The Shire of East Pilbara seeks to foster harmonious communities that acknowledge a shared heritage; develop strong community connections, and have access to relevant and affordable community services and well-managed community infrastructure.

RISK MANAGEMENT CONSIDERATIONS

The local government is under Section 26 of the Public Health Act 2016, authorised and directed to carry out within its district the provisions of this Act and the regulations, local laws, and orders made thereunder under. This includes human health risks posed by the recreational use of Ophthalmia dam falls. Failure to comply with this requirement would result in a statutory breach after which a statutory order

may be issued by the Executive Director Public Health to do so as per the provisions of Section 35 of the Public Health Act 2016.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/49

MOVED: Cr Michael Kitchin

SECONDED: Cr Gerry Parsons

THAT Council endorses the Ophthalmia dam Recreational Water Quality Management Plan (RWQMP) and the MOU between BHPBIO and the Shire of East Pilbara for the management of Ophthalmia dam and that it authorises the Chief Executive Officer to sign the MOU on behalf of council.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Edmore Masaka, Manager Development Services - Health

9.3.3 PROPOSED LOCAL PLANNING POLICY NO12 NEWMAN ESTATE DESIGN GUIDELINES

File Ref:	PLN-2-7
Attachments:	Draft LPP 12 Newman Estate Design Guidelines
Responsible Officer:	Mr Rick Miller Director Technical and Development Services
Author:	Mr Roy Winslow Manager Development Services - Planning
Proposed Meeting Date:	23 September 2016
Location/Address:	Area bounded by Daniels Drive, Kalgan Drive, Great Northern Highway and Blanche Loop, Newman
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

For Council to consider advertising a draft local planning policy relating to design guidelines for future housing in the 'Newman Estate'.

BACKGROUND

Newman Estate comprises 244 lots constructed in 2014-15 that are currently vacant. Prior to any of the lots being developed, it is prudent to ensure that future dwellings are built to an appropriate standard given the prominent location of the Estate at the entrance to Newman.

The developer of the Estate previously prepared a set of design guidelines that would have been enforced as a condition of sale on each of the lots. Due to the developer entering receivership there is a strong likelihood that the lots will be sold unencumbered by the guidelines. Under its Town Planning Scheme, Council has the ability to apply the guidelines as a local planning policy.

Shire officers have prepared the attached draft Local Planning Policy No.12 to act as the design guidelines for the Newman Estate. Public advertising of the draft Policy will be required prior to adoption should Council resolve to formally 'prepare' the Policy.

COMMENTS/OPTIONS/DISCUSSIONS

Policy Purpose

The purpose of the Policy is to provide design guidelines for the development of housing in the Newman Estate.

Policy Objectives

The key objectives of the Policy are to:

- Achieve a high quality standard of built form that reflects the location of the Estate at the entrance to Newman.
- Promote sustainability through residential design that is site and climate responsive to achieve thermal comfort.
- Maximise views of public spaces to improve security, whilst respecting individual privacy.
- Provide a process by which purchasers can have their building plans approved by the local government.

STATUTORY IMPLICATIONS/REQUIREMENTS

The ability to prepare a local planning policy is provided by Part 2, Division 2 of the *Deemed Provisions for Local Planning Schemes* (the Deemed Provisions). Clause 4 of the Deemed Provisions outlines the procedure for making a local planning policy.

Should Council resolve to 'prepare' the attached local planning policy, it is required to advertise the draft for public comment for a minimum 21 day period prior to considering to either proceed or not proceed with the policy.

The design guidelines are designed to complement the standard residential development requirements contained in the Residential Design Codes (R-Codes). The ability to supplement the R-Codes is permitted under Part 7 of the R-Codes.

POLICY IMPLICATIONS

9.2 EAST NEWMAN MASTER PLAN – LOCAL PLANNING POLICY NO. 1

10.10 ROAD VERGE DEVELOPMENT CRITERIA

10.13 USE OF NATIVE PLANTS, SHRUBS AND GRASSES

The draft Policy is drafted to complement the above Council policies.

STRATEGIC COMMUNITY PLAN

Goal 3 – Economic – Planned Actions

The Shire of East Pilbara seeks to support the economic development of its communities through the establishment of partnerships with industry, local businesses, government agencies and the tourism sector.

3.4 Land use and development control

3.4.1 Encourage the release of adequate amounts of housing, industrial and commercial land

Partnering With: State Government, Industry

Responsible officer: CEO

Timing: 1-5 years

3.4.2 Plan well for the future development of the Shire

Partnering With: State Government, Industry

Responsible officer: CEO

Timing: 1-5 years

Goal 4 – Environmental – Planned Actions

The Shire of East Pilbara seeks to effectively manage and maintain its iconic Pilbara environmental assets by reducing ecological footprints and developing clean, green towns.

4.2 Promote a sustainable environment

4.2.1 Cultivate clean green towns

Partnering With: State Government, Industry, Community

Responsible officer: MCW

Timing 1 year

4.2.2 Promote improved water management

Partnering With: Federal Government, State Government, Industry

Responsible officer: DTDS

Timing: 1-3 years

RISK MANAGEMENT CONSIDERATIONS

It is recommended that the draft Policy be made in accordance with the Deemed Provisions and Part 7 of the R-Codes. This will ensure there is no increase in risk to Council in carrying out its statutory obligations under the Planning and Development Act.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/50

MOVED: Cr Dean Hatwell

SECONDED: Cr Craig Hoyer

THAT Council

1. In accordance with clause 3 of the Deemed Provisions for Local Planning Schemes, prepare draft Local Planning Policy No.12 *Newman Estate Design Guidelines* as attached; and
2. Instruct the Chief Executive Officer to carry out the advertising procedure for making a local planning policy for draft Local Planning Policy No.12 *Newman Estate Design Guidelines*, as required by clause 4 of the Deemed Provisions for Local Planning Schemes, prior to further consideration by Council.

CARRIED
RECORD OF VOTE: 7 - 0

To be actioned by Mr Roy Winslow, Manager Development Services - Planning

9.3.4 MOTOR GRADER REPLACEMENT

File Ref: P2829
Responsible Officer: Mr Rick Miller
Director Technical and Development Services
Author: Mr Oliver Schaer
Manager Technical Services - Rural
Proposed Meeting Date: 23 September 2016
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To consider price submissions for the replacement of Council's Motor Grader Plant 2829, 2008 Caterpillar 140M and to utilise the WALGA Preferred Supply Panel tender exemption to carry out the procurement process.

BACKGROUND

Council's Grader Fleet currently consists of four graders:

Plant No	Year	Make/Model
2742	2014	Komatsu GD655-5
2743	2012	Caterpillar 140M
2828	2015	Komatsu GD655-5
2829	2008	Caterpillar 140M

Plant 2829, 2008 Caterpillar 140M is the grader considered for replacement in this report in line with Council's adopted Plant Replacement Program and budget allocations for the 2016/2017 financial year.

Council's Plant Replacement Policy (10.8 Plant Replacement Policy) states that the preferred replacement period for Graders is 10,000 hours or 7 years. Plant has reached 9,581 hours and is 8 years old.

Quotes have been obtained utilising the WALGA Preferred Supply Panel for Plant and Equipment Contract No C023-11. The limitation of this contract is that it doesn't allow for the inclusion of a trade. As such, disposal needs to be conducted by a public process, either tender or public auction, and as such it is proposed to dispose of Council's current grader Plant 2829 by public auction in order to comply with this requirement.

Prices have been obtained from Westrac and Komatsu for the supply and delivery of the following:

1 x 2016 Caterpillar 140M Motor Grader
1 x 2016 Komatsu GD655-5 Motor Grader
1 x 2016 Caterpillar 12M Motor Grader

Due to the remote, isolated and extreme operating conditions it is essential that the graders are not only reliable but are also backed up by superior servicing and parts support hence the request for quotes has been limited to the suppliers that have a proven record in this area and have previously demonstrated that they are able and capable in providing the required back up and support necessary to support Council's graders. Both Caterpillar and Komatsu have service centres and field service staff at numerous locations throughout the Pilbara and as such are considered to be the most suitable for Council's operational support and backup.

COMMENTS/OPTIONS/DISCUSSIONS

The following table represents the three price submissions received for Council's consideration:

	Caterpillar 12M	Caterpillar 140M	Komatsu GD 655-5
Selling Price (ex GST)	\$365,170	\$398,670	\$374,617.17
Plus GST	\$36,517	\$39,867	\$37,461.72
Selling Price (Inc GST)	\$401,687	\$438,537	\$412,078.89
Engine	Caterpillar C7 183HP/213 VHP Plus	Caterpillar C7 183HP/233 VHP Plus	Komatsu SAA6D107E-1 183HP/203HP/221VHP
Maximum Torque	1052 N-m	1159 N-m	941 N-m
Tyres	17.5 R25	17.5 R25	17.5 R25
Blade	14 Foot	14 Foot	14 Foot
Blade Down Pressure:	11,739 kg	12,929 kg	8,920 kg
Blade Pull:	13,685 kg	14,405 kg	11,835 kg
Ripper			
Penetration Force:	9,199 kg	9,317 kg	9,202 kg
Pry Out Force:	11,641 kg	11,911 kg	13,020 kg
Cabin Noise Level	74dB(A)	74dB(A)	74dB(A)
Fuel Capacity	416L	416L	416L
Gross Vehicle Weight (Typically Equipped, as per Manufacturers Brochures)	18,400kg Front Axle: 5,090 kg Rear Axle: 13,310 kg	18,991kg Front Axle: 5,314 kg Rear Axle: 13,677 kg	18,520kg Front Axle: 5,371 kg Rear Axle: 13,150 kg
Warranty	60 months/6,000 hours Premium	60 months/6,000 hours Premium	60 months/6,000 hours Premium
Complementary Servicing	Not Offered	Not Offered	3 year/2000 Hours

Caterpillar 12M

Traditionally a smaller machine in terms of engine size, rims and blade however the new 12M has been upgraded to be identical to the previous model 140M (our current 2008 140M).

The 12M now features the same C7 engine along with larger diameter wheels, 14 foot blade etc. The only notable difference between the new 12M and new 140M is the engine horsepower range in the higher gears and a marginal weight difference.

Why the similarity between the two machines is not clear and when queried with the sales representative it was unknown. Given that there is a significant price difference between the 12M and 140M (\$33,500) and given that the two machines are virtually identical other than a few minor engine tweaks (the 140M has a higher horsepower range in the higher gears) and the weight difference of around 600kg to 900kg, the only explanation would be a market share decision from Caterpillar in order to place machines in line with their competitors.

The only downside that can be determined is that the market would still view the 12M as a smaller machine and as such determine future trade values accordingly.

Caterpillar 140M

The 140M is identical to the machine being replaced. The current model 140M has had a power upgrade in the higher gears. Caterpillar Graders are now fitted with the Cat Grade Control System. The cross slope system automatically controls elevation on the other end of the blade to maintain the target cross slope.

The 140M is the most powerful machine in terms of performance on paper which doesn't necessarily translate to performance on the ground. Operators have reported that the Caterpillar machines struggle in soft sandy conditions whereas the Komatsu is able to transfer power to the ground much more effectively.

The electronic operating and steering controls on the Caterpillar graders are prone to failures due to our remote, hot and dusty operating conditions.

Westrac servicing has been to a high standard and response times have been very good.

Komatsu GD655-5

The model on offer is identical to the machine purchased by Council last year and the year before.

Council's current two GD 655-5 graders have been operating well with no notable reliability/maintenance issues. Komatsu servicing has been to a good standard and the complementary 2,000 hours free servicing (excluding travel above 100km) has been advantageous.

Komatsu still has the traditional lever controls and steering wheel which is preferred by some operators. The steering wheel offers greater control when tramming particularly when travelling on sealed roads with regular public traffic.

The use of less electronics has an advantage in remote dusty operating environments. Additionally, the reverse fan function is an excellent addition in keeping the radiator free of dirt/dust thus improving machine operating temperatures.

We have had several operators on the Komatsu graders and all have reported that the Komatsu is noticeably bouncier (rougher) when grading and tramming compared to the Caterpillar.

The quoted price includes a cab pressuriser valued at \$10,347.24 in order to provide greater cabin comfort to the operator by limiting dust intrusion to the cabin. Should this option not be required the cost can be deleted from the quoted price. It should be noted however that both of Council's current Komatsu graders have this option fitted with great results.

Conclusion

Both the Caterpillar M series and the Komatsu GD series are suitable for our operational requirements. Neither machine ticks all the boxes in terms of operator comfort and operational performance however both perform their primary function extremely well.

The majority of our operators prefer the Komatsu GD series due to the use of less electronics and the retention of the traditional steering wheel controls and levers vs the Caterpillar's use of all joy stick controls.

The Komatsu has a reverse fan function for the radiator which allows easy cleaning of the radiator additionally the Komatsu has the dual mode transmission (auto or manual mode) with a non-stall function which provides much greater control at slow operating speeds particularly in soft sandy conditions.

Whilst the Komatsu appears down on torque, blade pressure and pull based on the manufacturers documentation compared to the Caterpillar this is not noticeable on the ground particularly given the non-stall function at low speeds in soft sand where the Komatsu outperforms the Caterpillar.

In conclusion, based on operator feedback, demonstrated reliability and performance over the past two years from Komatsu as well as the gratis 2,000hr servicing the recommendation is to purchase the Komatsu GD655-5.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 3 - Functions of local governments (Division 3 - Executive functions of local governments) (Subdivision 6 - Various executive functions) 3.57 - Tenders for providing goods or services (pg 70) and Section 3.58 - Disposing of Property.

Quotes have been obtained utilising WALGA's Preferred Supply Panel for Plant and Equipment Contract C023-11

POLICY IMPLICATIONS

4.5 EXECUTION OF DOCUMENTS

Minute No: Item 9.1.3

Date: 27th June 2003

Objective

To allow for the proper execution of documents.

Policy

All documents validly executed will have the common seal affixed and the Shire President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.



10.8 Plant Replacement Policy

Responsible Directorate	Technical and Development Services
Responsible Officer	Director Technical and Development Services
File Number	TCH 2-7

Objective

To outline Council's policy for the management of the minor and major plant and equipment, and the fleet of light, medium and heavy vehicles.

Policy

The categories of plant and vehicles are established to recognise the different operational and replacement requirements of the items.

The purpose of a replacement policy is to ensure that the items of plant and vehicles utilised by Shire staff:

1. meets safe operational needs
2. minimises the cost of maintenance and repairs
3. Is replaced at the appropriate time to minimise net changeover costs

The operation of plant and vehicles within the North-West of Western Australia incurs reduced service life when compared with the cooler and less harsh operating environment of the southern areas of the State.

The following table sets out the preferred replacement period of the various categories of plant and vehicles:

Category	Description	Replacement Period
Light Vehicles:	Utilities, Cars & 4WDs	80,000 km or 3 years
Light trucks:	2 ½ 214rgan up to 8 tonnes	80,000 km
Buses:	RPT Bus and any others	120,000 km
Rubbish Compactor Trucks:	Cab/Chassis truck Compactor Unit	80,000 km or 5 years 10 years
Heavy Trucks:	over 8 tonne	Every 250,000 km or 5 years
Trailers:	Operating capacity exceeding 6 tonne Operating capacity between 2 tonne and up to 6.0 tonne Up to 2 tonne	By Council Resolution, but not exceeding 15 years By Council Resolution, but not exceeding 10 years 7 years



	Caravans	7 years
Ride on Mowers	all sizes	1,000 hours or 4 years
Road Sweepers	Self-propelled Sweeper attachments	5,000 hours or 100,000 km 5 years
Light Plant – A	Tractors (up to 60 kW), Skid Steer Loaders and similar.	5,000 hours or 5 years
Light Plant – B	Backhoes	5,000 hrs. or 7 years
Heavy Plant -	Graders, Bulldozers, Tractors (over 60kW), Front End Loaders, Fork Lifts, Excavators and similar	10,000 hours or 7 years
Miscellaneous Equipment – A	Chainsaws, whipper-snippers	2 years
	Walk behind mowers	2 years
	Cement mixers	3 years
	Plate compactors, tampers	4 years
	Portable fire pumps, air compressors and similar	4 years
Miscellaneous Equipment – B	Welders, air compressors and similar	10 years 5 years
	Generators	
Tractor and Skid Steer Loader attachments	Slashers, turf mowers, and similar	5 years

A review of the rolling 5-year replacement program will be prepared and considered as part of the annual Budget.

References			
Related Procedures	Nil		
Date Adopted by Council	27 June 2003	Item No	9.1.3
Review/Amendment Date	5 May 2006	Item No	
Next Review			



10.12 Purchasing and Tender Procedures

Responsible Directorate	Technical and Development Services
Responsible Officer	Chief Executive Officer Deputy Chief Executive Officer Director Technical and Development Services
File Number	TCH 1-7

Objective

1. To provide compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* (as amended).
2. To set guidelines which must be followed when inviting tenders for works and services within the Shire.
3. To ensure consistency that purchasing activities integrate within all Shire of East Pilbara operational areas.

Purchase Procedures

NOTE: All Figures in this policy are exclusive of GST

The following procedures will be adhered to when purchasing items and other goods and services as per the adopted budget. All purchase orders are to be completed as set out below.

\$0 - \$50	Under direction from the authorised supervisor, petty cash may be utilised for purchases in this range.
\$51 - \$5,000	Under direction from the authorised supervisor, a purchase order book will be utilised without quotes necessarily being obtained.
\$5,001 - \$39,999	Under direction from the authorised supervisor, a purchase or other order will be utilised and three verbal or written quotes shall be obtained.
\$40,000 - \$149,999	Under direction from the authorised supervisor, and in consultation with the Chief Executive Officer, the Deputy Chief Executive Officer and/or the Director Technical and Development Services a purchase order will be utilised and three written quotes shall be obtained. In obtaining written quotations the Council Purchasing Service shall be utilised wherever practicable.



\$150,000 & greater	Under direction from the authorised supervisor tenders will be invited as follows. If work is allowed for in the budget a request for tender form is to be submitted to the Chief Executive Officer for approval. If the work is not allowed for in the budget permission to go to tender must be obtained from Council.
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Capital Expenditure

All capital purchase orders will be signed by the Chief Executive Officer, Deputy Chief Executive Officer or the Director Technical & Development Services with the exception of road construction and plant fleet which can be signed by Manager Technical Services – Rural.

Definition of a Capital Item for the purpose of the Shire of East Pilbara:

1. Any item budgeted as a capital item in the adopted budget;
2. Any item to be purchased, which involves the replacement of an existing asset through the sale, trade-in, write-off or disposal of an item on the fixed asset register.

Refer to the Accounting Policy in the Council's Policy Manual for the further treatment of non-current assets.

No item of a capital nature may be purchased unless included in the adopted budget, or if unbudgeted, has been approved by "absolute majority" of Council prior to the purchase of the item. (Council has no retrospective right of approval of purchase of non-budgeted items of capital).

In order to preserve the cash flow of the Shire, major items of budgeted capital expenditure should be deferred, where possible, until the second or third quarter of the financial year. However all capital orders must be raised by the 30 April to allow adequate time for payment by June 30 of each year. In all cases, the timing of the expenditure on major items of capital should be discussed and agreed with the Deputy Chief Executive Officer.

Orders for Goods & Services

Purchase orders must be made out and signed by authorised persons for all goods and services ordered for the Shire at the time that the order is placed. **Orders should never be raised retrospectively.**

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$150,000. If the purchase is in excess of \$150,000 a requisition is to be authorised by the Chief Executive Officer prior to the order being issued:

1. Deputy Chief Executive Officer
2. Director Technical & Development Services
3. Manager Technical Services – Rural (road construction and plant only)



The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$30,000. If the purchase is in excess of \$30,000 a requisition is to be authorised by their supervisor prior to the order being issued;

1. Managers
2. Coordinator Property Services

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$10,000.

1. Coordinators
2. Works Supervisor (Newman and Marble Bar)

If the purchase is in excess of \$10,000 a requisition is to be authorised by their supervisor prior to the order being issued.

Other officer's in line with relevant procedures will have authority to authorise purchases to the value of \$2,000.

Light Vehicle Purchases

The designated Fleet Officer is authorized to purchase light vehicles under \$150,000 utilising the WA State Purchasing Agreement and adhering to Council's budget decisions and Council's Light Vehicle Policy. Any vehicle incurring the luxury car tax will have to be approved by the Chief Executive Officer or the Deputy Chief Executive Officer.

Consultants Services

Services separately identified in the adopted budget to be at officer's discretion up to \$20,000.

Between \$20,001 and \$150,000 a Request For Quote procedure shall be utilised, in compliance with purchase thresholds.

A request for services, which it is envisaged, will exceed \$150,000 shall undergo the full tender process.

Light Vehicle Disposals

The preference for the disposal of light vehicles (less than \$150,000) is by public auction.

The reserve sale price is to be determined by the Manager Technical Services – Rural in conjunction with the Chief Executive Officer and/or the Director Technical and Development Services.

The following information sources will be utilised in determining the reserve sale price:

1. Valuation by the auction house.
2. Valuation from a recognised source ie: red book.
3. Internet research.
4. Past sales by auction house.



Disposals are to be completed within the same financial year, or within 3 months of receipt of a new vehicle, whichever is the sooner to maximise sales return

Regulatory Compliance

In the following instances public tenders or quotation procedures are exempt (regardless of the value of expenditure):

7. An emergency situation as defined by the Local Government Act 1995;
8. 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;
9. The purchase is under auction which has been authorised by Council;
10. The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
11. Any of the other exclusions under Regulation 11 of the Local Government (Functions and General) Regulations 1996 apply;
12. The purchase is under the Shire of East Pilbara Supplier Panel and is under \$30,000 exc GST.
13. The goods or services are obtained through a person registered on the Aboriginal Business Directory WA for contracts worth \$250,000 or less.
14. The goods or services are obtained through an Australian Disability Enterprise.

STRATEGIC COMMUNITY PLAN

Nil

RISK MANAGEMENT CONSIDERATIONS

Full Operator Training is included in the purchase of a new machine. Replacement meets with Council's adopted Plant Replacement Program and budget allocations. Retention of existing machine would incur high maintenance costs as the machine is expected to require major overhauls as it reaches the 10,000 hour operational cycle. Disposal values will be greatly reduced as the machine ages and reaches the 10,000 hour threshold. Reliability and performance would be affected by the increased maintenance demands thus affecting service delivery.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

The 2016/2017 Budget GL 129077 has an allocation of \$420,000 for the purchase of a new grader.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/51

MOVED: Cr Lang Coppin

SECONDED: Cr Michael Kitchen

THAT

- 1. Council accepts the price submission from Komatsu for the supply and delivery of One (1) New 2016 plated Komatsu GD655-5 Motor Grader at the quoted price of \$412,078.89 (GST Inclusive).**
- 2. Plant 2829, 2008 Caterpillar 140M Motor Grader is disposed of at Public Auction.**
- 3. Approve the Chief Executive Officer to apply the common seal of the Shire of East Pilbara to the Contract between the Shire and Komatsu.**

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Oliver Schaer, Manager Technical Services - Rural

9.3.5 RFT 02-2016/2017 SUPPLY OF CONCRETE WORKS

Attachments:	<u>RFT 02-2016-17 Recommendation Report.</u> <u>CONFIDENTIAL</u> RFT 02-2016-17- Map 1 and 2 for Agenda Item.pdf
Responsible Officer:	Mr Rick Miller Director Technical and Development Services
Author:	Mr Bhavesh Modi Manager Technical Services - Newman
Proposed Meeting Date:	23 September 2016
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

For Council to consider tender submissions for the provision of concrete works incorporating a number of streets of Newman town, in conjunction with the depot's 3-Year Plan for Newman Infrastructure Renewal and Preservation, and to seek approval for the Chief Executive Officer to apply the common seal of the Shire of East Pilbara to the Contract of the successful tenderer.

BACKGROUND

The concrete renewal works are to align with *the Shire of East Pilbara Strategic Community Plan 2013-2022 "Our Planned Actions- 3.3 "Provide Adequate Community Infrastructure"*.

A number of ageing and/or damaged concrete assets were identified by the depot staff during ground inspections throughout the year 2015, and incorporated in the depot's 3-Year Plan for Newman Infrastructure Renewal and Preservation, which are listed for renewal under this project and the relevant budget details are outlined further in this recommendation.

Furthermore, the budget, for this project, for the 2016-17 financial year were adopted at Council meet held on 24 July 2016 which included the following accounts;

GL	Description	Budget
129530	Newman Town Streets- Reseal (DGMRWA)	\$397,700
129573	Kerbing Program (Muni)	\$ 50,000
129574	Footpath Program (Muni)	\$200,000
Total Budget		\$647,700

It was required to advertise a tender to undertake the procurement for the services of Civil contractors for concrete renewal works for the Shire of East Pilbara.

The Shire advertised tender to seek services of a registered contractor/company to carry out concrete works, as per the Shire supplied specifications, which is including but not limited to the followings;

- The concrete work consists of renewal and/or installation of pathways of varying widths, connected pram crossings and extruded kerbing across various streets of Newman. The estimated quantities of kerbing and pathways are **2250 lineal metre and 2750 square metre**, respectively.

The request for tenders was advertised in the West Australian and the WALGA TenderLink e-Tendering Portal on 13th August 2016.

COMMENTS/OPTIONS/DISCUSSIONS

The contractors were requested to participate in a mandatory briefing meeting on Friday 26th August, 2016 which was attended by seven (7) contractors, including Argonaut Contracting, the Dowsing Family Trust, Jetline Kerbing Contractors, Axis Contracting, All state Kerbing and local contractors Land Lease Corporation Limited and Construction Site Solution with three of those contractors submitted their prices as mentioned just below.

The Shire of East Pilbara is committed to providing safe, adequate and efficient infrastructure that represents “value for money” to its residents and business community across the district.

In order to seek services of a registered contractor/company to carry out concrete works the Shire advertised tender and, on closing date Monday 5th September 2016, received three (3) tender submissions from the following companies:

The Dowsing Family Trust, Jetline Kerbing Contractors and Land Lease Corporation Limited.

The tender evaluation assessed each submission against a set of qualitative criteria being; Relevant Experience, Skills and Experience of Key Personnel, Methodology, Demonstrated Understanding which was then considered in conjunction with the submitted schedule of rates.

Confidential Tender Evaluation Report, including breakdown on quoted tender price and aggregated weighted scores by the evaluation panel are attached with this report

(Please find attached Confidential Tender Evaluation Report and relevant attachments).

Also, please find attached PDF Maps highlighted with streets that to be incorporated for the concrete works as listed below;

Map 1 and 2- Agenda Item for RFT 02-2016-17 Supply of Concrete Works

The supply of materials (concrete) will be coordinated by the contractor but the shire will be invoiced separately as it was deemed that the shire will get a better unit rate price from the shire’s only supplier. This cost is factored in to the overall costs and will be within budget estimates.

STATUTORY IMPLICATIONS/REQUIREMENTS

The requirements of the Local Government Act 1995 and the Local Government (Functions and General Regulations) 1996. Part 3 – Functions (Division 3 – Executive functions) 3.57 Tenders for providing goods or services.

POLICY IMPLICATIONS

4.5 EXECUTION OF DOCUMENTS

Minute No: Item 9.1.3

Date: 27th June 2003

Objective

To allow for the proper execution of documents.

Policy

All documents validly executed will have the common seal affixed and the Shire President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.



10.12 Purchasing and Tender Procedures

Responsible Directorate	Technical and Development Services
Responsible Officer	Chief Executive Officer Deputy Chief Executive Officer Director Technical and Development Services
File Number	TCH 1-7

Objective

1. To provide compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* (as amended).
2. To set guidelines which must be followed when inviting tenders for works and services within the Shire.
3. To ensure consistency that purchasing activities integrate within all Shire of East Pilbara operational areas.

Purchase Procedures

NOTE: All Figures in this policy are exclusive of GST

The following procedures will be adhered to when purchasing items and other goods and services as per the adopted budget. All purchase orders are to be completed as set out below.

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Capital Expenditure

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Definition of a Capital Item for the purpose of the Shire of East Pilbara:

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In order to preserve the cash flow of the Shire, major items of budgeted capital expenditure should be deferred, where possible, until the second or third quarter of the financial year. However all capital orders must be raised by the 30 April to allow adequate time for payment by June 30 of each year. In all cases, the timing of the expenditure on major items of capital should be discussed and agreed with the Deputy Chief Executive Officer.

Orders for Goods & Services

Purchase orders must be made out and signed by authorised persons for all goods and services ordered for the Shire at the time that the order is placed. **Orders should never be raised retrospectively.**

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$150,000. If the purchase is in excess of \$150,000 a requisition is to be authorised by the Chief Executive Officer prior to the order being issued:

1. Deputy Chief Executive Officer
2. Director Technical & Development Services
3. Manager Technical Services – Rural (road construction and plant only)



The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$30,000. If the purchase is in excess of \$30,000 a requisition is to be authorised by their supervisor prior to the order being issued;

1. Managers
2. Coordinator Property Services

The following staff may raise a purchase order in accordance with value procedures as previously set out in this clause to the maximum value of \$10,000.

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2. Works Supervisor (Newman and Marble Bar)

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Consultants Services

Services separately identified in the adopted budget to be at officer's discretion up to \$20,000.

Between \$20,001 and \$150,000 a Request For Quote procedure shall be utilised, in compliance with purchase thresholds.

A request for services, which it is envisaged, will exceed \$150,000 shall undergo the full tender process.

Light Vehicle Disposals

The preference for the disposal of light vehicles (less than \$150,000) is by public auction.

The reserve sale price is to be determined by the Manager Technical Services – Rural in conjunction with the Chief Executive Officer and/or the Director Technical and Development Services.

The following information sources will be utilised in determining the reserve sale price:

1. Valuation by the auction house.
2. Valuation from a recognised source ie: red book.
3. Internet research.
4. Past sales by auction house.



Disposals are to be completed within the same financial year, or within 3 months of receipt of a new vehicle, whichever is the sooner to maximise sales return

Regulatory Compliance

In the following instances public tenders or quotation procedures are exempt (regardless of the value of expenditure):

7. An emergency situation as defined by the Local Government Act 1995;
8. 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;
9. The purchase is under auction which has been authorised by Council;
10. The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
11. Any of the other exclusions under Regulation 11 of the Local Government (Functions and General) Regulations 1996 apply;
12. The purchase is under the Shire of East Pilbara Supplier Panel and is under \$30,000 exc GST.
13. The goods or services are obtained through a person registered on the Aboriginal Business Directory WA for contracts worth \$250,000 or less.
14. The goods or services are obtained through an Australian Disability Enterprise.

STRATEGIC COMMUNITY PLAN

Goal 3 – Economic – Planned Actions

The Shire of East Pilbara seeks to support the economic development of its communities through the establishment of partnerships with industry, local businesses, government agencies and the tourism sector.

3.3 Provide adequate community infrastructure

RISK MANAGEMENT CONSIDERATIONS

Should the Council choose not to endorse the below recommendation, it could be deemed as an opportunity loss of engaging a well-known contractor with “value for money” offer. With that, the Council could miss this well planned and budgeted project incorporating renewal of its ageing and damaged concrete assets which community throughout Newman would not expect from the Council.

FINANCIAL IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION/COUNCIL RESOLUTION: 201617/52

MOVED: Cr Michael Kitchin

SECONDED: Cr Dean Hatwell

THAT Council

1. Award tender RFT 02-2016-17 for the provision of Supply of Concrete Works lump sum amount of \$230,400.00 Exclusive of GST to the Dowsing Family Trust for the 2016/17 Annual Works Program with the option of further works with two one year extensions as per the tendered Price Schedule and subject to satisfactory performance.
2. Approve the Chief Executive Officer to apply the common seal of the Shire of East Pilbara to the Contract between the Shire and the Dowsing Family Trust with respect to this tender.

CARRIED
RECORD OF VOTE: 7 - 0

To be actioned by Mr Bhavesh Modi, Manager Technical Services – Newman

11:58 AM Meeting adjourned for Lunch.

**9.2.2 THE CHURCH OF CHRIST THE KING, MARBLE BAR CONSIDERATION
TO TAKE OWNERSHIP OR ENTER INTO PEPPERCORN LEASE**

File Ref: A200017
Attachments: [Christ the King Church.pdf](#)
[Inventory Christ the King Church.pdf](#)
[ICR16-31513](#)
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mr Warren Barker
Coordinator Building Services
Proposed Meeting Date: 23 September 2016
Location/Address: Reserve R37658
Name of Applicant: N/A
Author Disclosure of Interest: Nil

12:40 PM Meeting resumed, All Councillors, staff and Ms Rebecca Parish from the Northwest Telegraph returned to Chambers.

REPORT PURPOSE

For Council to consider taking possession of the Christ the King church in Marble Bar.

BACKGROUND

Council received a letter (attached) from the Bishop of Geraldton, The Most Rev. Justin Bianchini, of St. Xavier Cathedral, formally offering the Christ the King Church in Marble Bar to the Council in ownership or a peppercorn lease.

The letter confirms that the church is registered on the Municipal Inventory. The letter also explains that while they rely on their parishioners to maintain the church and that due to the falling numbers in Marble Bar, the maintenance of the church cannot be maintained and that the church is now becoming quite fragile.

COMMENTS/OPTIONS/DISCUSSIONS

The Church of Christ the King, Marble Bar, is constructed on Reserve Number R37658, Reserve Class C, LU1 Catchment and Vested in Shire of East Pilbara.

A State heritage Council search provided the following listings;
Statutory Heritage Listings – No listings

Other heritage Listings and Surveys:

Municipal Inventory – Adopted – 28 May 1999
Classified by the National Trust – Classified – 09 Feb 1998
RHP – Assessed-Below Threshold – Current – 28 May 1999

The Church of Christ the King was constructed on top of a hill overlooking the township of Marble Bar in 1941. The Church was designed in the shape of a cross, and built from timber and corrugated iron.

Over the years and through all types of weather, including cyclones, the original glass panelled french doors built into the front and sides of the Church have been replaced with heavy but functional doors. The two side sacristies and eventually the alter alcove were also lost to storms.

Significance

This building has aesthetic significance due to its prominent position and its simple design.

It has historic significance, having been built in 1941 due to the efforts of the first residential Catholic priest in the Pilbara, Father Edward Bryan.

It has a social significance in that it was an important part of the life of the Catholic parishioners in the Marble Bar area for many years.

Building Description

The timber framed building is clad in corrugated iron and has a corrugated iron roof. It has a medium gable pitched roof, with a timber cross located at the apex of the gable. Original fittings to the building have been replaced with more sturdy, functional fittings. A report in 1997 and attached to the State Heritage Council page stated that *"the basic structure is doorless, shapeless and structurally unsound, with roof and wall panels missing. It will soon be beyond rescue if repair work is not carried out"*.

Currently this building is in very bad disrepair due to climatic and general ageing conditions.

Looking from the outside the doors are boarded up and any external timberwork is rotting away. The internal of the building has extensive damage from white ants, thus leaving the building in a dangerous condition where parts could collapse.

The structure would require extensive reconstruction/restoration to consider being made available to the public

At the moment there is no real access to the building.

An access road would be required to be constructed followed by a carpark plus a compliant walkway to gain access to the building.

This project would become a very expensive exercise for council, and that is if it is possible to restore this building, and if it can be restored, the ongoing maintenance has also to be taken into account.

The officer's recommendation for this project would be that due to the cost factors it would not be a worthwhile project to continue with.

STATUTORY IMPLICATIONS/REQUIREMENTS

The structure will need to comply with all statutory building regulations, the Public Building Regulations and the Health Act.

POLICY IMPLICATIONS

The structure would need to be assessed and included in Council's building asset management plan and managed in accordance with Council's asset management strategy.

STRATEGIC COMMUNITY PLAN

Goal 1 – Civic Leadership – Planned Actions

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire's resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 Ethical, accountable and transparent decision-making
 - Responsible officer: DCEO
 - Timing: As appropriate

RISK MANAGEMENT CONSIDERATIONS

Should council proceed with the acquisition of this building then the risk to Council would be the significant financial impost, both in capital outlay and ongoing maintenance and upkeep with minimal recovery.

FINANCIAL IMPLICATIONS

Having reviewed the structure in its current state, indicative costs are expected to be:

Structural engineer, site visit and report	\$ 20,000.00
Heritage Architect, site visit, report and plans	\$ 20,000.00
Re-build Costs (worst case scenario)	\$450,000.00
Power, new connection and supply to building	\$ 90,000.00
Water	\$ 85,000.00
New access road and carpark	\$ 75,000.00
Project management costs	<u>\$ 30,000.00</u>
Re-build construction Total	\$770,000.00

Operating Expenditure

Cleaning	\$ 1,200.00
Power & Water	\$ 3,500.00
Consumables	\$ 1,500.00
Maintenance	<u>\$55,000.00</u>
General Operating Expenses Total	\$61,200.00

There are currently no resources allocated for this project and no money within the Building Reserves that could be used.

Therefore, should Council decide to commit to this project then Council would need to either secure funding by:

1. Taking a loan for the full value of the works, or
2. Identify a number of existing approved projects to be cancelled and those allocated funds redirected to this project.

VOTING REQUIREMENTS

Simple

OFFICER'S RECOMMENDATION

THAT Council

1. **Decline to take possession of the Christ the King church and advise the correspondent accordingly.**
2. **Council request the Bishop of Geraldton of St Xavier Cathedral to prepare a report on the cost of restoring the Church of Christ the King building in Marble Bar to its original state incorporating current legislative requirements prior to Council making a determination.**

COUNCIL RESOLUTION: 201617/53

MOVED: Cr Michael Kitchin

SECONDED: Cr Gerry Parsons

THAT Council decline the offer of Christ the King Church and land from the Roman Catholic Bishop of Geraldton but support the same offer being made to the Marble Bar Tourist Association as per email 22nd September 2016, ICR16-31513.

**CARRIED
RECORD OF VOTE: 7 - 0**

To be actioned by Mr Warren Barker, Coordinator Building Services

Reason for Non Acceptance of Officer's Recommendation: Council felt that it is a tourist icon; it would be more relevant for the Marble Bar Tourist Association to take ownership of the building

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF COUNCIL

Nil

12 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS

Nil

13 GENERAL BUSINESS

13.1 CROSSOVER PROVISIONS

Cr Craig Hoyer asked who is responsible for driveway crossovers.

Mr Rick Miller replied, it is the owner's responsibility for crossovers, however there is a subsidy offered by the Shire of East Pilbara, and it does require the approval before proceeding.

13.2 TREES DYING MARBLE BAR

Cr Michael Kitchin said the trees are dying on the main street.

Mr Rick Miller, Director Technical and Development with Cr Michael Kitchin to discuss the matter.

13.3 SHIRE OF EAST PILBARA SIGNS

Cr Michael Kitchin stated that he felt the border signs of the Shire require up grading.

Mr Rick Miller, Director Technical and Development Services said this can be considered in the current signage review.

13.4 1080 BAITs - NULLAGINE

Cr Bidy Schill said she had been advised that there has been baiting occurring within close proximity to Nullagine townsite.

Mr Rick Miller, Director Technical and Development Services to follow up and confirm.

13.5 IPADS FOR COUNCILLORS

Cr Bidy Schill asked when the Councillors will be getting iPads for the agenda.

Ms Sian Appleton, Deputy Chief Executive Officer replied they are in the process of updating the programme for the agenda and minutes and hoping this could be rolled out in early 2017.

13.6 PILBARA REGIONAL COUNCIL (PRC)

Cr Lynne Craigie commented that PRC have now moved into their new office at 2/662 Newcastle Street, Leederville WA 6007.

14 DATE OF NEXT MEETING

28th October 2016, Newman

15 CLOSURE

1:27 PM