



SHIRE OF

Chapman Valley

love the rural life!

ORDINARY COUNCIL MEETING

Notice is hereby given that an Ordinary Meeting of Council will be held on Wednesday 20 June 2018 at the Yuna Multipurpose Community Centre, Yuna commencing at 9:00am.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

CONFIRMED MINUTES

JUNE 2018

DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley 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 Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on **WRITTEN CONFIRMATION** of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

A handwritten signature in black ink, appearing to read "M. Battilana", is written over a large, stylized, circular flourish.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

INDEX

- 1.0 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS
- 2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER
- 3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)
 - 3.1 APOLOGIES
 - 3.2 PREVIOUSLY APPROVED LEAVE OF ABSENCE
- 4.0 PUBLIC QUESTION TIME
 - 4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE
 - 4.2 PUBLIC QUESTION TIME
- 5.0 APPLICATIONS FOR LEAVE OF ABSENCE
- 6.0 DISCLOSURE OF INTEREST

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

Section 5.60A:

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

Section 5.60B:

*"a person has a **proximity interest** in a matter if the matter concerns –
(a) a proposed change to a planning scheme affecting land that adjoins the person's land; or
(b) a proposed change to the zoning or use of land that adjoins the person's land; or
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land."*

Regulation 34C (Impartiality):

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

Item No.	Member/Officers	Type of Interest	Nature of Interest

- 7.0 PETITIONS/DEPUTATIONS/PRESENTATIONS
 - 7.1 PETITIONS
 - 7.2 PRESENTATIONS
 - 7.3 DEPUTATIONS

8.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETINGS

8.1 Ordinary Meeting of Council – 16 May 2018
(Previously provided under separate cover)

9.0 ITEMS TO BE DEALT WITH EN BLOC

10.0 OFFICERS REPORTS

PAGE NO.

10.1 MANAGER OF PLANNING

6

10.1.1 Proposed relocation of Building Envelope – Lot 17 James Eastough Close
Nanson

10.2 FINANCE

19

10.2.1 Financial Reports for May 2018
10.2.1 Budget Variation

10.3 CHIEF EXECUTIVE OFFICER

26

10.3.1 Purchasing Policy Review & Panel Tenders

11.0 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

13.0 DELEGATES REPORTS

14.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

15.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

16.0 CLOSURE

ORDER OF BUSINESS:

1.0 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS

The President, Cr Farrell welcomed Elected Members, Staff and Visitors and declared the meeting open at 9.00am.

2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Nil

3.0 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

3.1 Present

a. Councillors

Member
Cr Anthony Farrell (President)
Cr Kirrilee Warr (Deputy President)
Cr Trevor Royce
Cr Darrell Forth
Cr Ian Maluish
Cr Nicole Batten
Cr Pauline Forrester
Cr Peter Humphrey

b. Staff

Officer	Position
Mr Maurice Battilana	Chief Executive Officer
Mrs Dianne Raymond	Manager of Finance & Corporate Services
Mrs Karen McKay	Executive Services Administrator (Minute Taker)
Mrs Solataire Cameron	Community Development Officer

c. Visitors

Name	

Apologies

Name
Simon Lancaster

4.0 PUBLIC QUESTION TIME

4.1 Response to Previous Public Questions On Notice

Nil

4.2 Public Question Time

Nil

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6.0 DISCLOSURE OF INTEREST

Item No.	Member/Officers	Type of Interest	Nature of Interest
Nil			

7.0 PETITIONS/DEPUTATIONS/PRESENTATIONS

7.1 Petitions

Nil

7.2 Presentations

Nil

7.3 Deputations

Nil

9.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETINGS

COUNCIL RESOLUTION

MOVED: CR BATTEN

SECONDED: CR FORRESTER

8.1 Ordinary Meeting of Council held on Wednesday 16 May 2018

That the minutes of the Ordinary Meeting of Council held Wednesday 16 May 2018 be confirmed as a true and accurate record.

**Voting 8/0
CARRIED**

Minute Reference: 06/18-1

9.0 ITEMS TO BE DEALT WITH EN BLOC

Nil

10.0 OFFICERS REPORTS

10.1 Manager of Planning June 2018

Contents

10.1 AGENDA ITEMS

10.1.1 Proposed relocation of Building Envelope – Lot 17 James Eastough Close Nanson

AGENDA ITEM:	10.1.1
SUBJECT:	PROPOSED RELOCATION OF BUILDING ENVELOPE
PROPONENT:	K & M JONES
SITE:	LOT 17 JAMES EASTOUGH CLOSE, NANSON
FILE REFERENCE:	A2072
PREVIOUS REFERENCE:	Nil
DATE:	12 JUNE 2018
AUTHOR:	SIMON LANCASTER

SUPPORTING DOCUMENT:

Ref	Title	Attached to Report	Under Separate Cover
10.1.1(a)	Applicant's Correspondence	√	
10.1.1(b)	Existing Building Envelope Plan	√	
10.1.1(c)	Shire of Chapman Valley 'Building Envelopes' Local Planning Policy	√	
10.1.1(d)	Received Supporting Submission	√	

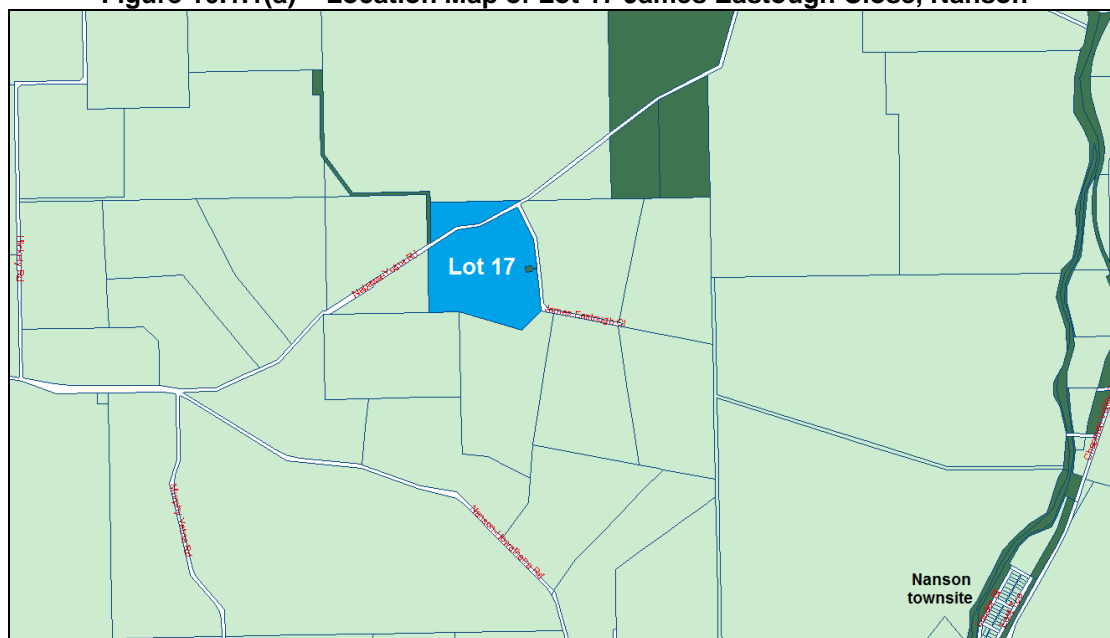
DISCLOSURE OF INTEREST

Nil.

BACKGROUND

Council is in receipt of an application to relocate the building envelope upon Lot 17 James Eastough Close, Nanson. The application has been advertised for comment and this report recommends approval of the application.

Figure 10.1.1(a) – Location Map of Lot 17 James Eastough Close, Nanson



COMMENT

Lot 17 is a 41.6544ha undulating property located on the corner of James Eastough Close and Nanson-Howatharra Road that has partially been cleared with the elevated portions retaining remnant vegetation.

Lot 17 was created as part of the James Eastough Close subdivision that followed Scheme Amendment No.15 to Shire of Chapman Valley Town Planning Scheme No.1. A Subdivision Guide Plan was prepared to accompany the rezoning that designated a 4,000m² building envelope for each lot within which all development was required to be located, to ensure the retention of the remnant vegetation and that development was

clustered to protect the visual appearance of the locality. The applicant is seeking to relocate the building envelope that was identified upon this original plan.

The existing building envelope is setback approximately 130m from James Eastough Close and 300m from Nanson Howatharra Road and the applicant is seeking to relocate the building envelope to a new site that would be setback approximately 350m from James Eastough Close and 350m from Nanson Howatharra Road.

A copy of the applicant's submitted plan that illustrates their proposed new building envelope location along with their supporting correspondence has been included as **Attachment 10.1.1(a)**. A copy of the building envelope plan that was prepared for Scheme Amendment No.15 has been included as **Attachment 10.1.1(b)**.

Figure 10.1.1(b) – Aerial Photograph of Lot 17 James Eastough Close, Nanson



Shire staff raise no objection to the relocation of the building envelope on the following basis:

- the new building envelope location would not require clearing of remnant vegetation;
- the intended location for the new building envelope is well setback from Nanson Howatharra Road and obscured by a ridge from James Eastough Close;
- the proposed outbuilding location has been advertised to surrounding landowners inviting comment and no objections were received;
- there is ability to reduce the visual impact of future buildings through the use of materials and colours in earth tones and planting of additional landscaping at time of development;
- Lot 17 is almost entirely within the area identified by the State Map of Bushfire Prone Areas and the relocation of the building envelope to any point upon the property would not remove the requirement for a Bushfire Attack Level Assessment to be prepared at time of lodgement of a development application;

- the proposed location for the building envelope is not within vicinity of a watercourse and therefore presents no additional risk with regards to installation of an effluent disposal system to the existing building envelope location;
- Council has previously approved on-merit at its 17 November 2010 meeting the relocation of a building envelope upon Lot 21 James Eastough Close from the original location as shown upon the Subdivision Guide Plan; &
- the purpose of the building envelope was to ensure that development upon the lot was clustered and the proposed relocation of the building envelope would retain this.

Figure 10.1.1(c) – View looking west from James Eastough Close towards existing building envelope location



Figure 10.1.1(d) – View looking south-west from Nanson Howatharra Road towards proposed building envelope location



STATUTORY ENVIRONMENT

Lot 17 James Eastough Close, Nanson is zoned ‘Rural Smallholding 1’ under Shire of Chapman Valley Local Planning Scheme No.2 (‘the Scheme’).

Section 4.2.5 of the Scheme lists the objectives of the ‘Rural Smallholding’ zone as being:

- “(a) Provide for residential development within a low density environment and integrated with a variety of agricultural/rural activities, including agricultural/rural activities undertaken on a commercial basis;
- (b) Provide for other land-uses compatible with the predominant use of the land;
- (c) Prevent the establishment of land-uses more appropriately undertaken in commercial and/or industrial areas; and
- (d) Protect the environmental and landscape values of the land.”

Schedule 12 of the Scheme lists the following additional requirements for the ‘Rural Smallholding 1’ zone:

- “2 *Building*
All dwellings shall be sited in accordance with the setback requirements specified in the Scheme for the Rural Smallholding Zone, except where for specific lots, building envelopes are shown on the Structure Plan. Where building envelopes are shown then all dwellings, associated structures and effluent disposal systems must be located within that envelope.”
- “8 *Location, siting and appearance of buildings*
 - (a) All residential and ancillary buildings shall be located and constructed within an approved building envelope for each proposed lot;
 - (b) Notwithstanding (a) above, where by reason of the nature of material to be stored in a building it is considered that it would be undesirable that the buildings be clustered, the buildings may be separated by such distance as determined by the local authority;
 - (c) No building shall be constructed in such a manner or of such materials that it would in the opinion of the local authority, have a detrimental impact on the local amenity.”

Section 5.11 of the Scheme states:

“5.11 *Building Envelopes*

- 5.11.1 *Where a building envelope is identified on a subdivision guide, structure or fire management plan, all development shall be contained within the designated envelope area.*
- 5.11.2 *No development of any structures shall occur within any area/s identified as ‘Development Exclusion Area’, ‘Re-vegetation Area’, ‘Remnant Vegetation’ or similar on the subdivision guide, structure or fire management plan;*
- 5.11.3 *Notwithstanding the requirements of Clause 9.1 of the Scheme, where a building envelope exists on a particular lot an application for planning approval to change or relocate the building envelope shall be accompanied by relevant building plans and information addressing visual amenity, privacy and screening, vegetation loss, access, and proximity to natural features.*
- 5.11.4 *In considering an application to relax the requirements of Clause 5.11.2 and 5.11.3 the Local Government shall, in addition to the general matters set out in Clause 5.5, give particular consideration to:*
 - (a) *unacceptable visual clutter, especially in elevated areas of high landscape quality or visually exposed locations;*
 - (b) *unnecessary clearing of remnant native vegetation;*
 - (c) *visual obtrusiveness and/or impact on an adjoining property by way of privacy, noise, odour or light spill;*
 - (d) *suitability for landscape screening using effective screening vegetation; and*
 - (e) *compliance with the land-use, setback, building height, development exclusion, vegetation protection, bushfire requirements and other pertinent provisions of the Local Planning Scheme and associated Local Planning Policies.”*

POLICY IMPLICATIONS

Section 2.2 of the Scheme provides for Council to prepare a Local Planning Policy in respect of any matter related to the planning and development of the Scheme area.

A copy of the Shire of Chapman Valley Local Planning Policy ‘Building Envelopes’ has been provided as **Attachment 10.1.1(c)**.

Council's 'Building Envelopes' policy was adopted to provide guidance to landowners and staff when dealing with applications that requested the relocation and amendment of designated building envelopes.

The objectives of the 'Building Envelopes' Local Planning Policy are listed as:

- “3.1 To provide guidance with respect to the amendment of a building envelope (relocation, expansion) that will not lead to unacceptable impacts on surrounding properties.
- 3.2 To provide criteria by which the amendment of a building envelope should be considered to assist in protecting the integrity of the application of building envelopes.
- 3.3 To provide guidance in relation to the information required to be submitted as part of an application for the amendment of a building envelope.”

Sections 4.3 & 4.4 of the 'Building Envelopes' Local Planning Policy state that:

- “4.3 In considering an application to relax the development standards pursuant to Section 5.5 of Local Planning Scheme No.2, the Council will give particular consideration to:
 - (a) justification for the proposed amendment;
 - (b) the secondary nature of the development should the application be to site a building/s outside of the envelope (i.e. horse stables);
 - (c) unacceptable visual clutter, especially in elevated areas of high landscape quality or visually exposed locations, such as the edge of hill or mesa tops within prominent parts of the Moresby Range;
 - (d) unnecessary clearing of remnant native vegetation;
 - (e) visual obtrusiveness and/or impact on an adjoining property by way over looking, noise, odour or light spill;
 - (f) suitability for landscape screening using effective screening vegetation and the availability of a proven water supply for this purpose;
 - (g) use of materials and colours to assist in softening any perceived visual impact;
 - (h) compliance with the land-use, setback, building height, development exclusion, vegetation protection, bushfire requirements and other pertinent provisions of the Local Planning Scheme and associated Planning Policies.
- 4.4 Building envelopes are generally imposed at the time of subdivision to provide an area in which buildings upon a property will be clustered and provides an understanding for surrounding landowners of the potential location of future built form. Whilst this Policy provides guidelines for an application to be submitted to amend a building envelope it should not be construed that approval will be granted with each application assessed on its individual merits.”

A Local Planning Policy does not bind the local government in respect of any application for planning approval but the local government is to have due regard to the provisions of the policy and the objectives which the policy is designed to achieve before making its determination.

In most circumstances the Council will adhere to the standards prescribed in a Local Planning Policy, however, the Council is not bound by the policy provisions and has the right to vary the standards and approve development where it is satisfied that sufficient justification warrants a concession and the variation granted will not set an undesirable precedent for future development.

FINANCIAL IMPLICATIONS

Nil.

- **Long Term Financial Plan:**

The Shire of Chapman Valley Long Term Financial Plan was endorsed by Council at its 19 July 2017 meeting. It is not considered that the determination of this application by Council would have impact in relation to the Long Term Financial Plan.

STRATEGIC IMPLICATIONS

The Shire of Chapman Valley Local Planning Strategy (2008) identifies Lot 17 as being located within 'Precinct 3 – Chapman Valley' the vision for which is:

“A diverse range of rural pursuits and incidental tourist developments that complement the sustainable use of agricultural resources.”

- **Strategic Community Plan:**

The Shire of Chapman Valley Strategic Community Plan was endorsed by Council at its 15 November 2017 meeting. It is not considered that the determination of this application by Council would have impact in relation to the Long Term Financial Plan.

CONSULTATION

Section 4.1 of the Shire’s ‘Building Envelopes’ Local Planning Policy notes that an application seeking to relocate, remove or expand a building envelope may be advertised to surrounding landowners prior to being placed before a meeting of Council for consideration.

The Shire wrote to the 4 surrounding landowners, and placed a sign on-site, inviting comment on 1 May 2018. At the conclusion of the advertising period on 25 May 2018, 1 submission had been received, expressing support for the proposal, no objections were received. A copy of the received submission has been provided as **Attachment 10.1.1(d)**.

RISK ASSESMENT

Rating 1 (Insignificant) Measures of Consequence – Risk Assessment and Acceptance Criteria

VOTING REQUIREMENTS

Simple Majority required

COUNCIL RESOLUTION / STAFF RECOMMENDATION

MOVED: CR WARR

SECONDED: CR FORRESTER

That Council grant planning approval for the relocation of the building envelope upon Lot 17 James Eastough Close, Nanson in accordance with the approved plans dated 20 June 2018.

**Voting 8/0
CARRIED
Minute Reference: 06/18-2**

Attention:
Simon Lancaster
Deputy Chief Executive Officer
Shire of Chapman Valley
NABAWA WA 6532

Hello Simon,

Thanks again for sending all the information regarding Lot 17.

We wish to relocate Lot 17's housing envelope a small distance south west of the existing envelope.

The existing envelope (1998) was positioned on top of the ridge to gain 360 degree views of the surrounding area.

Our proposed position for the housing envelope on Lot 17:

- a) is screened by the natural landscape from surrounding properties.
This proposed new housing envelope would not have any visual obtrusiveness and/or impact on an adjoining property by way of over looking, noise, odour or light spill.
- b) would be protected from the cold easterly winds in winter.
- c) would be protected from the hot easterly winds in summer.
- d) is located below the ridge, in a secluded valley. (for privacy and for a feeling of living in the country).

Enclosed is the aerial map, showing the location of our proposed new housing envelope.

Please let me know if this is sufficient information to allow us to relocate the housing envelope on Lot 17.

Many thanks.

Yours sincerely,

Maureen Jones.

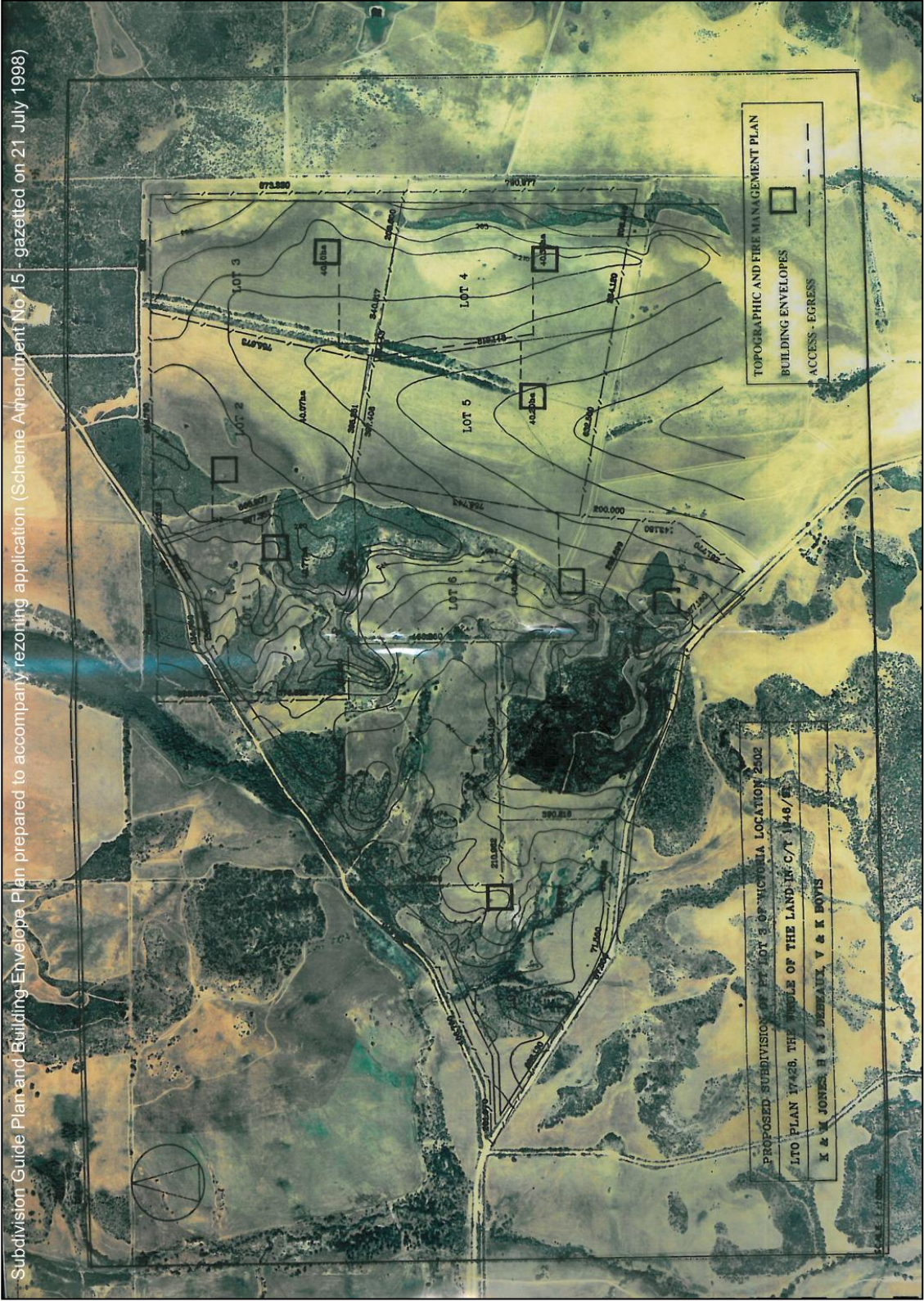
(for KM & MP Jones
KM & MP Jones
Box 18
NABAWA WA 6532



- Lot 17 -

ATTACHMENT 10.1.1(b)

Subdivision Guide Plan and Building Envelope Plan prepared to accompany rezoning application (Scheme Amendment No 15 - gazetted on 21 July 1998)



BUILDING ENVELOPES

LOCAL PLANNING POLICY



1. PURPOSE

Local Planning Policies are guidelines used to assist the local government in making decisions under the Scheme. The Scheme prevails should there be any conflict between this Policy and the Scheme.

It is not intended that a policy be applied rigidly, but each application be examined on its merits, with the objectives and intent of the policy the key for assessment. However, it should not be assumed that the local government, in exercising its planning discretion, be limited to the policy provisions and that mere compliance will result in an approval. This approach has produced many examples of inappropriate built form that has a long-term impact on the amenity and sustainability of the locality.

The Shire encourages applicants to produce innovative ways of achieving the stated objectives and acknowledges that these may sit outside the more traditional planning and architectural approaches. In these instances the local government is open to considering (and encourages) well-presented cases, during pre-application consultation, having due regard to the outcome of any public consultation undertaken and the orderly and proper planning of the locality.

2. SCOPE

A Local Planning Policy is not part of the Scheme and does not bind the local government in respect of any application for planning approval but the local government is to have due regard to the provisions of the Policy and the objectives which the Policy is designed to achieve before making its determination.

3. OBJECTIVE

- 3.1 To provide guidance with respect to the amendment of a building envelope (relocation, expansion) that will not lead to unacceptable impacts on surrounding properties.
- 3.2 To provide criteria by which the amendment of a building envelope should be considered to assist in protecting the integrity of the application of building envelopes.
- 3.3 To provide guidance in relation to the information required to be submitted as part of an application for the amendment of a building envelope.

4. POLICY STATEMENT

- 4.1 An application for the relocation, removal or expansion of a building envelope may be advertised to surrounding landowners prior to being placed before a meeting of Council for consideration.
- 4.2 In submitting an application for planning consent to amend, relocate or site development outside of a designated building envelope on a particular lot the proponent shall:

- a. Provide justification, relevant building plans (sketch floor plan and elevations, and schedule of materials and colours), and information addressing visual amenity, privacy and screening, vegetation loss, access, and proximity to natural features; and
 - b. Mark the revised/amended building area on-site to clearly delineate the change or new location for assessment purposes.
- 4.3 In considering an application to relax the development standards pursuant to Section 5.5 of Local Planning Scheme No.2, the Council will give particular consideration to:
- a. justification for the proposed amendment;
 - b. the secondary nature of the development should the application be to site a building/s outside of the envelope (ie horse stables);
 - c. unacceptable visual clutter, especially in elevated areas of high landscape quality or visually exposed locations, such as the edge of hill or mesa tops within prominent parts of the Moresby Range;
 - d. unnecessary clearing of remnant native vegetation;
 - e. visual obtrusiveness and/or impact on an adjoining property by way over looking, noise, odour or light spill;
 - f. suitability for landscape screening using effective screening vegetation and the availability of a proven water supply for this purpose;
 - g. use of materials and colours to assist in softening any perceived visual impact;
 - h. compliance with the land-use, setback, building height, development exclusion, vegetation protection, bushfire requirements and other pertinent provisions of the Local Planning Scheme and associated Planning Policies.
- 4.4 Building envelopes are generally imposed at the time of subdivision to provide an area in which buildings upon a property will be clustered and provides an understanding for surrounding landowners of the potential location of future built form. Whilst this Policy provides guidelines for an application to be submitted to amend a building envelope it should not be construed that approval will be granted with each application assessed on its individual merits.

5. REFERENCES AND ADOPTION

Shire of Chapman Valley Local Planning Scheme No.2
Planning & Development Act 2005

Adopted at the 19 February 2014 Ordinary Meeting of Council



22 MAY 2018

DEVELOPMENT APPLICATION SUBMISSION FORM

Shire Reference: A2072

APPLICATION TO RELOCATE BUILDING ENVELOPE LOT 17 JAMES EASTOUGH CLOSE, NANSON

Name: Kate Symes

Postal Address: P.O. Box 6 Nabawa

Phone Number: 99205140

SUBMISSION: [X] Support [] Object [] Indifferent

Give in full your comments and any arguments supporting your comments (if insufficient space, please attach additional sheets) -

1 They're my parents of course I support!
2 Its in a secluded valley - will not obstruct any body else's views etc.
3 There is a hill between our house and the proposed housing envelope. They won't bother us with noise etc

Signature: K Symes Date: 8/5/18

Please return to: Chief Executive Officer Shire of Chapman Valley PO Box 1 NABAWA WA 6532 or cso@chapmanvalley.wa.gov.au or (fax) 9920 5155

NOTE: The local government in determining the application will take into account the submissions received but is not obliged to support those views.

Submissions Close: 4:00pm Friday 25 May 2018

10.2 Finance June 2018

Contents

10.2 AGENDA ITEMS

10.2.1 Financial Reports for May 2018

10.2.2 Budget Variation

AGENDA ITEM:	10.2.1
SUBJECT:	FINANCIAL REPORTS FOR MAY 2018
PROPONENT:	SHIRE OF CHAPMAN VALLEY
SITE:	SHIRE OF CHAPMAN VALLEY
FILE REFERENCE:	307.04
PREVIOUS REFERENCE:	N/A
DATE:	20 JUNE 2018
AUTHOR:	DIANNE RAYMOND, MANAGER FINANCE & CORPORATE SERVICES

SUPPORTING DOCUMENTS:

Ref	Title	Attached to Report	Under Separate Cover
10.2.1	Merged Financial Reports		√

DISCLOSURE OF INTEREST

Nil

BACKGROUND

Financial Regulations require a monthly statement of financial activity report to be presented to Council.

COMMENT

The monthly financial statements for May 2018 have been provided as a **separate attachment** for Council's review.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.4

Local Government (Financial Management) Regulations 1996 Section 34

POLICY IMPLICATIONS

There are no policy implications

FINANCIAL IMPLICATIONS

As presented in May 2018 financial statements.

- **Long Term Financial Plan (LTFP):**

No significant effect on the LTFP

STRATEGIC IMPLICATIONS

Nil

- **Strategic Community Plan/Corporate Business Plan:**

Nil

CONSULTATION

Not applicable

RISK ASSESSMENT

The associated risk would be the failure to comply with Local Government Financial Regulations requiring monthly reporting of financial activity. The Risk Rating is Level 1 Insignificant.

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION / STAFF RECOMMENDATION

MOVED: CR HUMPHREY

SECONDED: CR FORRESTER

That Council receives the financial report supplied under separate attachment for the month of May 2018 comprising the following:

- Statement of Financial Activities with notes
- Note 1 – Significant Accounting Policies
- Note 2 – Explanation of Material Variances
- Note 3 – Net Current Funding Position
- Note 4 – Cash & Investments
- Note 5 – Budget Amendments
- Note 6 – Receivables
- Note 7 – Cash Backed Reserves
- Note 8 – Capital Disposals
- Note 9 – Rating Information
- Note 10 – Information on Borrowings
- Note 11 – Grants & Contributions
- Note 12 – Trust
- Note 13 – Capital Acquisitions
- Appendix A – Budget by Program
- Summary of Payments
- Bank Reconciliation
- Credit Card Statement

**Voting 8/0
CARRIED
Minute Reference: 06/18-3**

AGENDA ITEM:	10.2.2
SUBJECT:	BUDGET VARIATION
PROPONENT:	CHIEF EXECUTIVE OFFICER
SITE:	SHIRE OF CHAPMAN VALLEY
FILE REFERENCE:	801.00
PREVIOUS REFERENCE:	N/A
DATE:	20th JUNE 2018
AUTHORS:	DIANNE RAYMOND, MGR FINANCE & CORP SERVICES; and MAURICE BATTILANA, CHIEF EXECUTIVE OFFICER

SUPPORTING DOCUMENTS:

Ref	Title	Attached to Report	Under Separate Cover
	Nil		

DISCLOSURE OF INTEREST

Nil

BACKGROUND

Council is yet to resolve a Bore Water supply at the Bill Hemsley Park Precinct and is currently accessing scheme water from the Water Corporation. The Scheme water was used extensively to work & rework the basecourse for the asphalt path, building construction and to establish the lawn area. It is anticipated this consumption level will drop, though will continue to be monitored.

In regards to the Office/Chambers renovations there is a need to vary the existing maintenance budget to accommodate the installation of Shelves for the new file room and the acquisition of kitchen furniture & equipment. The Original Budget (COA 0473) had the following itemised allocations, which are separate to the Contract Budget for the actual structural renovations the Shire has with PS Chester:

Remove superfluous air-conditioner & repair ceiling	\$ 4,600
Repair Ceiling in Office & Repaint	\$ 4,900
Replace Public Notice Board	\$ 1,000
General Maintenance	\$ 5,500
Total Budget for these items	\$16,000

Costs have come in cheaper than expected for some items so the variation being requested is to group all the various items currently specified under COA 0473 as follows:

Remove superfluous air-conditioner & repair ceiling	\$16,000 (All Items Grouped, not specified)
Repair Ceiling in Office & Repaint	
Replace Public Notice Board	
General Maintenance	
Purchase Kitchen Furniture & Equipment	
Total Budget for these items	\$16,000

This will have a nil effect on the 17/18 Budget.

COMMENT

Council's adopted budget at times will need variations made to reflect changes which occur after the budget has been formally adopted. The purpose of this report is to seek Council's endorsement for an amendment to the original budget to allow for increased expenditure on the utilities for Bill Hemsley Park water account (estimated cost for scheme water is approximately \$7,300 and current budget is well under this amount) and to group items currently specified under COA 0473 for the Office Maintenance.

The Office furniture and equipment mention above for the kitchen could include (yet not restricted to) table & chairs, microwave/convection oven, dishwasher. This is still to be determined so flexibility is requested to ensure the kitchen is fitted out properly.

STATUTORY ENVIRONMENT

In accordance with legislative requirements of the Local Government Act, 1995, Section 6.8(1)(b) Council is required to resolve by **Absolute Majority** to incur expenditure from its municipal fund for an additional purpose that is not identified in the Adopted Budget i.e.

Local Government Act (1995) – Section 6.8. - Expenditure from municipal fund not included in annual budget

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

- (a) is incurred in a financial year before the adoption of the annual budget by the local government; or*
- (b) is authorised in advance by resolution*; or*
- (c) is authorised in advance by the mayor or president in an emergency.*

** Absolute majority required.*

(1a) In subsection (1):

additional purpose means a purpose for which no expenditure estimate is included in the local government's annual budget.

(2) Where expenditure has been incurred by a local government —

- (a) pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
- (b) pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The Staff Recommendation is requesting the reallocation of funds, yet with no increase in total expenditure across the 2017/2018 Annual Budget. Below is a summary of Budget Variations being requested:

Bill Hemsley Park (Water Consumption)

COA/Job No.	COA / Job Description	Adopted Budget	Proposed Revised Budget	Effect on Budget	Comments
127220.03	Public Halls & Showgrounds Expense	4,233	10,733	6,500	Additional Budget required for scheme water at Bill Hemsley Park Community Centre
126420.02	Parks, Gardens Expense	24,950	18,450	(6,500)	Full Budget allocation not required
Total Effect on Budget				0.00	

Office Maintenance (Items Grouped)

COA/Job No.	COA/Job Description	Adopted Budget	Proposed Revised Budget	Effect on Budget	Comments
104730	Admin Building Repairs & Maintenance	\$16,000 (Itemised)	\$16,000 Items Grouped	NIL	Same expenditure, yet flexibility provided to vary itemised costs

• **Long Term Financial Plan (LTFP):**

No significant effect on the LTFP

STRATEGIC IMPLICATIONS

Nil

• **Strategic Community Plan/Corporate Business Plan:**

5.2	Be accountable and transparent in managing resources	Asset Management	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Continue implementation of Bill Hemsley Park Concept Plan
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CONSULTATION

Not applicable

RISK ASSESSMENT

As the overall effect to the current budget is nil there is no significance financial risk.

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response

VOTING REQUIREMENTS

Absolute Majority

COUNCIL RESOLUTION / STAFF RECOMMENDATION 1 & 2

MOVED: CR FORTH

SECONDED: CR MALUISH

Council endorses the following variation to the 2017/2018 Annual Budget:

Bill Hemsley Park (Water Consumption)

COA/Job No.	COA / Job Description	Adopted Budget	Proposed Revised Budget	Effect on Budget
127220.03 Job 1013	Public Halls & Showgrounds Expense	4,233	10,733	6,500
126420.02	Parks, Gardens Expense	24,950	18,450	(6,500)
Total Effect on Budget				0.00

Council endorses the following variation to the 2017/2018 Annual Budget:

Office Maintenance (Items Grouped)

COA/Job No.	COA/Job Description	Adopted Budget	Proposed Revised Budget	Effect on Budget	Comments
104730	Admin Building Repairs & Maintenance	\$16,000 (Itemised)	\$16,000 (Items Grouped)	NIL	Same expenditure, yet flexibility provided to vary itemised costs

COUNCIL RESOLUTION

MOVED: CR HUMPREY

SECONDED: CR FORRESTER

That Standing Orders be suspended.

**Voting 8/0
CARRIED
Minute Reference: 06/18-4**

COUNCIL RESOLUTION

MOVED: CR BATTEN

SECONDED: CR FORRESTER

That Standing Orders be re-instated.

**Voting 8/0
CARRIED
Minute Reference: 06/18-5**

The Substantive Motion was then put and carried.

**Voting 8/0
CARRIED
Minute Reference: 06/18-6**

10.3

Chief Executive Officer

June 2018

Contents

10.3 AGENDA ITEMS

10.3.1 Purchasing Policy Review & Panel Tenders

AGENDA ITEM:	10.3.1
SUBJECT:	PURCHASING POLICY REVIEW & PANEL TENDERS
PROPONENT:	CHIEF EXECUTIVE OFFICER
SITE:	WHOLE OF SHIRE
FILE REFERENCE:	411.01
PREVIOUS REFERENCE:	NA
DATE:	20th JUNE 2018
AUTHOR:	MAURICE BATTILANA, CHIEF EXECUTIVE OFFICER

SUPPORTING DOCUMENTS:

Ref	Title	Attached to Report	Under Separate Cover
10.3.1(a)	Purchasing Policy CP-024 (Amended)		√

DISCLOSURE OF INTEREST

Nil

BACKGROUND

There are concerns with purchasing delegations not complying with legislation where specific providers of good and/or services may exceed the \$150,000 (GST Exclusive) tender threshold over an accumulation of individual requests for the supply of a good and/or service.

Though the individual requests for a good or service amounts do not exceed the tender threshold the accumulation of several request may do, which is considered non-compliant in accordance with the Local Government (Functions & General) Regulations.

One solution to address possible non-compliance with the Regulations is to introduce a Panel of Preferred Suppliers of Goods & Services in specific areas where possible non-compliance would be more prevalent e.g.

- Occasional Supply of Plant, Equipment & Services for Minor Works;
- Building Maintenance Services (e.g. electrical, plumbing, air-conditioning, etc.)
- Engineering, Survey Services (current Engineering Consultancy Tender expires 1/09/2018)

COMMENT

Council could use the Western Australian Local Government Association (WALGA) eQuote Preferred Suppliers for specific suppliers of goods & services (e.g. Engineering) and not necessarily go to tender at all. However; it is important to ensure local businesses are not ostracised from providing Council with goods & services simply because they have not prequalified as WALGA Preferred Supplier. Hence the Panel Tender process can address this issue for certain goods & services.

The advantages to establishing and running panel tenders for specific operational requirements of the organisation can be:

- Compliance with tender threshold amount set in legislation (as previously mentioned);
- Quotes not required as the panel tender members will be asked to revise their schedule of fees annually;
- Less contractor induction required for OSH compliance as panel members will need to do this at the time they are accepted as a panel member.

For a local government authority to call tenders for the establishment of a Panel of Pre-Qualified Suppliers for a good and/or service the local government authorities Purchasing Policy must incorporate the ability to do this in the first instance, this is a requirement of Division 3, Part 4, of the Local Government (Functions & General) Regulation, 1996.

The purpose of this item is to:

- i. seek Council endorsement of the Shire's Purchasing Policy to include the ability for the Shire to establish of a Panel of Pre-Qualified Suppliers for a good and/or service if/ when it is considered necessary; and
- ii. seek Council authority to undertake a tender to establish "Pre-Qualified Suppliers of Plant, Equipment & Traffic Management Services for Occasional Hire".
- iii. Seek Council authority for the CEO to determine any other areas of the organisation, which would be suited to the establishment of a Pre-Qualified Panel and to call tenders accordingly.

As the Panel Tender process is new to the Shire Staff I have co-opted the service of WALGA's Procurement section to step Senior Staff through the process as part of a training exercise for these staff. This allows the training to occur as part of an actual Panel Tender process, rather than in theory only and caters for the need to address possible legislative non-compliance issues, which may exist regarding the procurement of goods and services in the roadworks operational requirements of the Shire.

STATUTORY ENVIRONMENT

Local Government Act, 1995

Section 5.43(b) of the Local Government Act gives Council the ability to delegate the acceptance of tenders up to a specific amount determined by Council. However; in this instance I believe it is appropriate to bring this back to Council for determination, rather than delegating the CEO to accept tenders due to the complexity of the Panel Tender process.

Division 3, Part 4 of the Local Government (Functions & General) Regulation, 1996

POLICY/PROCEDURE IMPLICATIONS

The existing Purchasing Policy CP-024 is provided separately (**see Attachment 10.3.1(a)**).

The new section required to accommodate Panel Tenders is highlighted in **RED** (near the end of the document).

The amendments being suggested have been extracted from the WALGA Model Purchasing Policy and has been through their legal due diligence to ensure compliance with legislation. Senior Staff have also worked with WALGA to revise the Model Policy to suit this Shire's circumstances.

FINANCIAL IMPLICATIONS

There is not expected to be any financial change to the existing operations regarding the procurement of goods and services for the Panel Tender process being requested.

The costs to co-opt the services of WALGA to step Senior Staff through the initial Panel Tender process to establish "Pre-Qualified Suppliers of Plant, Equipment & Traffic Management Services for Occasional Hire" has been accommodated through the 2017/2018 training budget allocations.

- **Long Term Financial Plan (LTFP):**

Nil affect.

STRATEGIC IMPLICATIONS

It is important to ensure both legislative compliance and value for money in the procurement process are evident at all time.

- **Strategic Community Plan/Corporate Business Plan:**

Ref	Objective	Strategy	Action
5.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines.

CONSULTATION

Senior Staff have been (and will continue to be) in consultation with WALGA Procurement Services on establishing a live training exercise to establish “*Pre-Qualified Suppliers of Plant, Equipment & Traffic Management Services for Occasional Hire*” by the Panel Tender process.

RISK ASSESSMENT

The main concern is non-compliance with procurement legislation, which could range between **minor** and **moderate**.

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Minor (2)	First aid injuries	\$1,001 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries	\$10,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION / STAFF RECOMMENDATION

MOVED: CR HUMPHREY

SECONDED: CR FORRESTER

Council:

- 1) Amend the existing Purchasing Policy (CP-024) as presented to incorporate the ability for Council to accommodate Pre-Qualified Panels for the supply of goods & services to the Shire on an as-needs basis;
- 2) Authorise the Chief Executive Officer to call tender to establish “*Pre-Qualified Suppliers of Plant, Equipment & Traffic Management Services for Occasional Hire*” by the Panel Tender process and to bring this back to Council for determination;
- 3) Authorise the Chief Executive Officer to determine any other areas of the organisation which would be suited to the establishment of a Pre-Qualified Panel and to call tenders accordingly. These tenders are to be brought back to Council for determination.

**Voting 8/0
CARRIED
Minute Reference: 06/18-7**

11.0 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

13.0 DELEGATES REPORTS

- Cr Forrester attended the Geraldton Tourism Alliance meeting.
- Cr Warr and Cr Forrester attended the shire office and met with Tenille Webb to discuss the Dongara Northampton bypass transport corridor going through Howatharra.
- Cr Batten attended a Yuna Hall discussion meeting to discuss uses for the hall.

14.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

15.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

Nil

16.0 CLOSURE

The President thanked Elected Members and Staff for their attendance and closed the meeting at 10.24am