



ANNUAL GENERAL MEETING OF ELECTORS MINUTES

Held on

Thursday, 31 January 2019

Commencing at 6.00pm

Council Chamber,
Collins Street, Donnybrook

A handwritten signature in black ink, appearing to read 'BGR & e', with a long horizontal flourish extending to the right.

Ben Rose
Chief Executive Officer

4 January 2019

DISCLAIMER

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations, which have not yet been adopted by Council.

SHIRE OF DONNYBROOK BALINGUP

ANNUAL GENERAL MEETING OF ELECTORS

MINUTES

Held at the Council Chamber, Collins Street, Donnybrook
Thursday, 31 January 2019 at 6.00pm

Pursuant to Section 5.27 of the *Local Government Act 1995*, a General Meeting of Electors is to be held within a local government district once every financial year.

The meeting was advertised for public information, as follows:

Bunbury South Western Times, circulating on 10 January and 17 January 2019.

Notices were posted on the Shire Notice Boards, Donnybrook Library, Balingup Library, Donnybrook Recreation Centre and the Shire website.

Radio advertising of the meeting date, time and venue was broadcast via Donnybrook Balingup Community Radio.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

Shire President – Acknowledgment of Country

The Shire President acknowledged the traditional custodians of the land, the Noongar People, paying respects to Elders, past and present.

The Shire Present declared the meeting open and welcome the public gallery.

Shire President - Public Notification of Recording of Meetings

The Shire President advised that the meeting is being digitally recorded to assist with minute taking in accordance with Council Policy 1.25. The Shire President further states the following:

If you do not give permission for your participation to be recorded, please indicate this at the meeting. Members are reminded that no other visual or audio recording of this meeting by any other means is allowed without the permission of the Chairperson.

MEMBERS PRESENT**COUNCILLORS:**

Cr Piesse (President)
Cr Atherton
Cr Lindemann
Cr King
Cr Mills
Cr Mitchell
Cr Tan
Cr Van Der Heide
Cr Wringe

SHIRE OFFICERS:

B Rose – Chief Executive Officer
G Harris – Manager Finance and
Administration
D Morgan – Manager Works and Services
L Guthridge – Manager Development and
Environmental Services
B Wallin – Principal Planner
K Okeeffe – Executive Assistant

APOLOGIES

Nil.

ELECTORS:

Simon McInnes	Lou Haydock	Lucille Piesse
Sue Radford	Kerrie Thomson	Marie Woodley
Alicia Keall	John Wringe	Jean Wringe
Elaine Clucas	Don Hyland	Angelo Logiudice
Enrico Logiudice	Steve Potter	

OPENING

The President welcomed those in attendance to the meeting and introduced fellow Councillors and staff, including Mr Steve Potter who will be commencing with the Shire in February as the newly appointed Executive Manager Operations.

1 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**COUNCIL DECISION
(Executive Recommendation)**

Moved: Cr Atherton

Seconded: Mr John Wringe

That the minutes from the Electors Meeting held on 18 December 2017 be confirmed.

Carried 14/0

2 ANNUAL REPORT

The format of the Annual Report aligns to Council's Community Strategic Plan.

2.1 President's Report

The Shire President to present the Shire President's Report for the 2017/18 year.

COUNCIL DECISION (Executive Recommendation)

Moved: Cr Piesse

Seconded: Cr Atherton

That the President's Report for 2017/18 year be received.

Carried 14/0

2.2 Chief Executive Officer's Report

The Chief Executive Officer to present his report for the 2017/18 year.

COUNCIL DECISION (Executive Recommendation)

Moved: Mr Angelo Logiudice

Seconded: Cr Mills

That the Chief Executive Officer's Report for 2017/18 year be received.

Carried 14/0

2.3 Annual Financial Report and Audit Report

The Shire President called for questions from electors regarding the 2017/18 Annual Financial Report.

John Wringe

What are the expected consequences for the two non-compliance matters noted in the Audit report?

Chief Executive Officer

We are required under the *Local Government Act 1995* to submit our annual financial report to the auditor by 30 September each year. If that date cannot be met we are required to apply for an extension from the Department of Local Government. This year,

a one-month extension was requested under the assumption that this would be ample time to finalise the report to present to our auditor. The Department will only allow one extension and the auditors are required to notify the Department of any breach in this timeline. The impact of not submitting the report by the due date means the auditing organisation (AMD, in this instance) has less time to complete their audit. The other compliance element was with regards to the Compliance Audit Return for the annual year finishing 31 December 2017. The return was supposed to be lodged with the Department of Local Government by 31 March 2017, however it was lodged directly after the Easter public holiday period. There are no penalties or sanctions for either of these delays. The Department was advised prior to the lodgement date about the delay and the lodgement date was noted.

The Shire President asked the Manager Finance and Administration to summarise the explanation provided at a previous Council Meeting on this matter.

Manager Finance and Administration

With regards to the Annual Financial Report, we are required under the *Local Government Act 1995* to submit our annual financial report to the auditor by 30 September. If that date cannot be met we are required to apply for an extension. This year, for a number of reasons which have been explained to Council, we found ourselves in the situation where we had to apply for an extension. A one month extension was requested under the assumption that this would be ample time to finalise the report. The department will only allow one extension and the auditors are required to notify the department of the technical breach. To answer your question, at worst the department may issue a letter to the Shire President. We will be asked to respond but it is considered a minor compliance matter.

The Compliance Audit Return is required to be adopted by Council prior to lodgement with the department. The return was taken to the March Ordinary meeting which was held prior to the Easter break. The meeting did not conclude until quite late into the night preventing staff from lodging the return prior to the 31 March 2018. The Department was advised of the situation prior to the meeting. Staff loaded the Compliance Audit Return at the opening of business upon return from the Easter public holiday break. This was the earliest opportunity shire staff could submit it. We are required to note it in the Audit Report. This is a one-off occurrence and is not expected to be replicated.

COUNCIL DECISION
(Executive Recommendation)

Moved: Cr Wringe

Seconded: Cr Lindemann

That the Annual Financial Report and Audit Report for the 2017/18 year be received.

Carried 14/0

2.4 Annual Report

The Shire President called for questions from electors concerning the 2017/18 Annual Report. None were forthcoming.

COUNCIL DECISION (Executive Recommendation)

Moved: Cr Lindemann

Seconded: Cr Wringe

That the Annual Report for the 2017/18 Financial Year be received.

Carried 14/0

3 GENERAL BUSINESS

In accordance with the Shire of Donnybrook Balingup *Meeting Procedures Local Law* a member of the public shall have two minutes to submit a question. Statements can not be accepted.

3.1 Questions which have been received prior to the meeting

Nil.

3.2 Questions from Electors at the meeting

Angelo Logiudice

Could you please advise how much it cost to complete the renovation and upgrade to Shire Council Chamber?

Chief Executive Officer

I don't have the final figures in front of me to present to you immediately, however, the Manager Development and Environmental Services will be able to provide an approximation for you now. A precise number can be sent to you in writing if you wish?

Manager Development Environmental Services

My understanding is the project cost \$240,000 to complete.

Chief Executive Officer

To clarify, this figure includes works to create disabled access toilets and ablutions, which were required to be undertaken as part of the upgrade to the Council Chamber.

Angelo Logiudice

So was there a significant overspend on the budget for this project? I thought \$139,000 was allocated for the upgrade and \$13,000 for improvements to the toilet block?

Chief Executive Officer

I will need to go through the project acquittal data to obtain the precise financial information for you for this project.

Angelo Logiudice

It's my understanding that the budget blow-out for this project is close to \$80,000.

Manager Development and Environment Services

The budget approved by the Council for this project was approximately \$220,000 and the completed project was approximately \$240,000; this equates to about a 10% cost overrun on the budgeted cost.

Shire President

An answer will be provided to Mr Logiudice. The renovation and upgrade has been a good investment. I'm not suggesting that we should over-run on projects but the feedback received has been very positive.

John Wringe

At the 2017 Annual General Meeting of Electors the comment was made that Tuia Lodge was making a contribution to the Shire's finances. Is that still the case in the current financial year?

Chief Executive Officer

Yes, Tuia Lodge, while it is recognised in the community as being a separate entity to the Shire, is financially and legally an entity of the Shire. Tuia Lodge has always done, and continues to, provide offset administration costs (technically termed Activity Bases Costs) to counter-balance the costs and resources to the Shire in operating the facility.

John Wringe

Further to my question, is Tuia Lodge contributing above and beyond that, in other words, is it running at a profit or a drain?

Manager Finance and Administration

Broadly speaking, the activity based costing we are charging through to Tuia Lodge remains essentially the same as it was in the prior year. It should be noted that Tuia Lodge staff have started undertaking services that used to be provided by the Shire Administration. Examples of this are running Preston Village, the Well Aged Units and looking after the cemeteries. Tuia Lodge are being recouped for these activities. The initial Activity Based Costing (ABC) charges to Tuia Lodge were \$350,000 per year however close to \$150,000 of this will be recouped back to Tuia Lodge. Depending on the final result at the end of the financial year, a surplus will be added to the Aged

Housing Reserve and if there is a deficit, the Shire will cover that cost. The Shire has budgeted for a small deficit at Tuia Lodge this year.

To provide an overview of ABC charges, within the Shire we have administration overheads comprised of labour, superannuation, building running costs etc. We are required under the accounting standards to apply a portion of these activities to the scope of works and services undertaken by the Shire.

Simon McInnes (for Debbie McTaggart)

I have been ringing the Shire now for ten years to clear and remove the fig trees on Mandalay Road. They have grown over the road and are impacting on the line of site for the corners. An accident nearly occurred on Saturday between a logging truck and a car. We need this problem to be dealt with as soon as possible. The Shire has been told that the tree cuttings can be put on my property and I will burn them in the winter.

Chief Executive Officer

The Shire has a system for Works Requests, generally/locally known as a 'Blue Slips'. I am happy to take this as a works request if it hasn't already been added to the system. To provide you with a bit of background, during the 2017/18 Financial Year, the Shire received 707 works requests. The 12-year rolling average is 650 works requests per year which indicates last year was very busy. From the 2017/18 Financial Year, 662 requests were actioned.

Simon McInnes

Will the Shire remove Special Control Area Four provisions from Local Planning Scheme No. 7 as there is no longer a need to protect an industry that has shrunk to the level that employs two people? Returning the rights to the land owners will allow them to develop the land as they see fit. Landholders could then consider sub-division as other landholders in Irishtown have already taken advantage of. The roads etc. are already in place and the impact of the land release could increase population and have a positive economic benefit on the Shire. The protected Stone Industry is contributing nothing to the growth or revenue of the Shire and restrictions should be removed. The removal will have no impact on the current workforce.

Chief Executive Office

For the benefit of the members of the Public Gallery who are not aware of what Special Control Area 4 is; Special Control Area 4 is a part of our Local Planning Scheme and is essentially a prohibited development area associated with either known or predicted Donnybrook Stone resource. Through the Local Planning Scheme there are fairly wide tracts of undevelopable land created by this special control area. The Department of Minerals and Energy require the special control areas to be identified in the Shire's Local Planning Scheme.

Principal Planner

The Shire is starting to review the Local Planning Strategy and the process will take about two years to complete. One of the areas that can be included in the review is

Special Control Area 4, including whether it is still required. We have held discussions with the state government about removing the special control area. They have provided a great deal of information and have requested additional information and research which has been difficult to accommodate without a budget allocation specific for these works and studies. It is not just the special control area that restricts potential subdivision but also fire management controls. Many of the lots in that area are serviced by long meandering cul-de-sacs which would be difficult to protect in a fire event. The commission has advised that even if the special control areas were to be removed, it would be unlikely to support subdivision without addressing fire access.

Simon McInnes

Will the Shire build a Summer Track from the end of Irishtown Road to Beelerup Road to provide an escape route to both communities in the event of a bushfire?

Chief Executive Officer

This is not in the works program on the short term however I will ask the Manager Works and Service to advise whether it's scheduled in a longer term program.

Manager Works and Services

This is not identified in the shire's program of works because it's not an official road. It will need to be considered through other processes.

Simon McInnes

How do we get the job onto the Works and Services program?

Chief Executive Officer

By lodging the request in writing to myself at the Shire. The matter will be considered on both whether we have budget for it and whether Council are in support of it as part of the Works Program.

Simon McInnes

With Minninup Cottages, Langley Villas and Preston Retirement Village and the Kelly Road Development in Donnybrook how was the need to develop the land on Bridge Street for over 55's accommodation discovered?

Chief Executive Office

The Shire, some years ago, undertook a local ageing in place strategy which was completed in concert with a South West regional ageing strategy. Both of the reports identified a need for different forms of accommodation types for people as they reach the 65 year plus age bracket. The types of developments and housing options that you have mentioned are all very different and cater to differing market needs. I can provide more detail if you wish.

Simon McInnes

The development company, Alliance Housing, will be allocating people to these units and they will be allocated as 'property poor people' as indicated by their website. Does the Shire have any veto power over who will be allocated to the Bridget Street units?

Chief Executive Officer

A similar question has been asked and answered previously by yourself; the contract details between the Shire and Alliance Housing will include provisions to allow for the Shire to retain voting rights on which tenants will be admitted.

Simon McInnes

In the current climate is the \$650,000 of rate payer's money being well spent on the housing development?

Chief Executive Officer

I believe you have quoted these figures previously and I have corrected them previously. The Shire's contribution is not \$650,000. The Shire is contributing the land which has an estimated value of \$250,000. This land is not a gift to Alliance Housing, it will be leased. The other contribution to the project is site works to remediate and prepare it for development. The Shire has allocated up to \$250,000 for the site works, within the present Budget.

Shire President

In terms of the strategic vision for this project it is part of our 'Ageing in Place' strategy.

Simon McInnes

At the Auditors Meeting I asked for the amount of money left in the Tuia Lodge Reserve. A quarter of a million dollars was taken out of the Tuia Lodge Reserve for day-to-day expenses. I would like to know how long the reserve will last?

Manager Finance and Administration

It depends on the end result each financial year. With regards to your question raised at the Special Council Meeting, I have asked the Shire Accountant to prepare a breakdown of the individual components of the Reserve.

Shire President

I will ask the Chief Executive Officer to provide an update on the independent external review on the future operational status of Tuia Lodge.

Chief Executive Officer

Tuia Lodge is a 40-bed high-care aged care facility. There is a diminishing number of this smaller scale of facility in the State and across the nation. There are not too many running in a surplus position and we are certainly not out of step in this sector. To provide you a bit of background, the genesis of the aged care review came from the last Annual General Meeting of Electors in 2017, the motion being presented by Mr Lui Tuia. The motion, and CEO recommendation, was taken to Council in February 2018 and budget was made for a wholesale review of the aged care portfolio which includes Tuia Lodge,

Preston Retirement Village and Langley Villas and Minninup Cottages. The review is now well underway. Multiple items have been presented to Council seeking community membership on the review committee. The committee has met to set the Terms of Reference for an independent external consultant to review the governance, finances and processes for the Shires entire aged care portfolio. The results of this are due in the coming weeks to months and there will be community consultation around the findings to help the Council and the Shire Administration set the future strategy with regards to the Aged Care portfolio.

Angelo Logiudice

Is it possible to get the balance of the Tuia lodge reserve for the period from 2013 to 2018?

Chief Executive Officer

The information you have requested is publicly available from the financial reports on the Shire website.

Angelo Logiudice

Are they individualised in regards to the activity?

Chief Executive Officer

The Shire has multiple Reserve accounts, all for different purposes; the Aged Care Housing Reserve Account is one of these reserve accounts.

Shire President

If you have difficulty in obtaining the answers to your question please refer it to the Chief Executive Officer.

John Wringe

In the Annual Financial Statement its difficult separate the activities of the Shire. Is it at all possible to adopt a different Chart of Account separating the operations? for example, I have not been able to identify the cost of bushfire mitigation.

Chief Executive Officer

I recall questions of a similar nature asked at previous Council meetings and the responses provided, on different occasions, have all been consistent. I will ask the Manager Finance and Administration to respond, however, before doing so, I will mention that local government financial reporting requirements are heavily regulated and guided by standards.

Manager Finance and Administration

The statutory reporting doesn't provide the information in relation to individual business units. We do have a schedule format which does break things down to cost centres and components of jobs. All of this information is available to the public upon request. When preparing the printed copy of the Annual Financial Report the Schedules are added to

the report. I am happy to arrange for a copy to be prepared for you. Revising the Shire's Chart of Accounts has been identified to be implemented.

Collin Sharp

I am disappointed at the level of attendance at the meeting tonight and I would like to know what advertising was undertaken to notify the community about the Annual General Meeting of Electors?

Chief Executive Officer

Notice of the Annual General Meeting of Electors was advertised in the Preston Press during November to advise that the meeting will be held in January 2019 and then again in December to advise the time, date and venue. We advertised twice in the Bunbury South Western Times during January 2019. The notice has been on the Shire website for quite a while and it was put up on all Shire noticeboards throughout the Shire and was announced on Donnybrook Community Radio as well, which is an unprecedented level of advertising by the Shire for an Annual General Meeting of Electors.

Colin Sharp

What progress has been made with the \$2M Town Centre Revitalisation project? And how many Councillors were aware that the first Donnybrook Historical Museum Building was provided by the McNabb family and the building was donated to the Shire?

Shire President

Prior to the Electors Meeting today Council were discussing the Town Centre revitalisation Project. There are strict guidelines for the project that we must adhere to and we are currently deliberating on the outcome of the design. Please be assured that the interests of the Historical Society are upfront in terms of the proposition being considered by Council.

Chief Executive Officer

I'd like to thank Mr Sharp for his information about the first Historical Museum in Donnybrook.

Angelo Logiudice

Mr Chair, going back to 2017 you indicated that you were going to address the issues with the Audit Committee with regards to the compilation and numbers comprising the Committee, have you achieved that?

Shire President

At this stage, no. It remains our intention to remodel the Audit and Risk Committee to include Council membership as well as qualified, skill-based, representatives from the community.

Angelo Logiudice

Why did you raise the question at the time and what was your reasoning behind it?

Shire President

The advice from the Australian Institute of Company Directors is that Chairs and Presidents of Not for Profit organisations or private enterprise should not be Chairs of Audit and Risk Management Committees.

Angelo Logiudice

Who is currently the Chair of the Audit Committee?

Shire President

That would be me.

Angelo Logiudice

I think I should receive an apology, you were very forthright in asking that question at the Special Electors Meeting on 25 September 2017.

Shire President

It is still the intention of the Council to move in that direction.

Manager Finance and Administration

I would like to advise that an agenda item has been presented to Council to look at the makeup of the committee and Council has passed a resolution to that effect. There are a few reasons why the advertising for committee membership has not been called for at this stage. The Shire engaged AMD late last year to undertake a Financial Management Systems Review and a Regulation 17 Review to audit governance, internal controls and risk. The report for these reviews is still being prepared and will be informing documents for the Audit and Risk Committee.

Angelo Logiudice

I was never aware this was the case for an Audit Committee.

Manager Finance and Administration

The Department of Local Government has guidelines for Local Government Audit and Risk Committees.

Colin Sharp

Do Works and Services employ contractors to undertake work around the Shire?

Chief Executive Officer

Yes, we use contractors in a variety of situations and for a variety of reasons. I will ask the Manager Works and Services to assist in answering your question in more detail.

Manager Works and Services

The Shire does use contractors to supplement its workforce in order to achieve the requirements of works programs within budget restrictions. Through the budget process we identify sufficient work for the Shire staff to undertake and allocate work for contractors to undertake. In the engagement of contractors we use a tender process.

Colin Sharp

At one point in time the Road Verges on Charlie Creek Road were graded in every year but I understand from tonight's information that I will need to submit a Works Request for this to be carried out now?

Manager Works and Services

The Shire does not have the budget or resources to grade every road in the Shire annually. Extensive shoulder works were undertaken on Charlie Creek Road two years ago. Maintenance of overhanging trees is undertaken in accordance within the budget limitations of the maintenance program.

Chief Executive Officer

On page 12 of the Annual Report it provides a few statistics on the amount of maintenance gravel road grading undertaken during the 2017/18 financial year across the whole Shire. Last year Shire staff undertook 874km of summer and winter grading on our gravel roads which is slightly above average. The 5-year rolling average is 827 km per year.

Angelo Logiudice

In relation to the Aged Care Review, during the last election you and several other Councillors indicated that Tuia Lodge would be returned to the Community. Is that being considered in this review?

Shire President

I don't recall saying, as the Shire President, that I would facilitate that to happen. In terms of the Review, as a result of a motion moved at the 2017 Annual General meeting of Electors we undertook to have the review. It is not about the sale of assets. I am waiting to see the result of the review.

Angelo Logiudice

My understanding is Tuia Lodge has always belonged to the community has there been any consideration within the review process of returning it to the community?

Shire President

As far as I am concerned Tuia Lodge belongs to the community and is being run by the community (under stewardship by the Council and Shire). The whole idea of the review is to, with objectivity, assess the current situation and provide recommendations which Council will no doubt share with the community.

Angelo Logiudice

How far down the track are you with the review?

Shire President

We are at this point in time waiting for the independent consultant to deliver their report.

3.3 Motions from Electors

The Shire President called for motions from electors. No motions were received.

4 CLOSURE OF MEETING

The Shire President thanked the staff, Councillors and electors for their input to the meeting and advise that the date for the next Ordinary Council Meeting is Wednesday, 13 February 2019, commencing at 5.00pm in the Council Chamber.

The Shire President declared the meeting closed at 7.18pm.

These Minutes were confirmed by the Electors as a true and accurate record at the Electors Meeting held on _____		
Shire President		Presiding Member