

## **MINUTES OF ORDINARY MEETING OF COUNCIL FEBRUARY 2020**

---

**Wednesday 26 February 2020**

5.00pm

Shire of Donnybrook Balingup Council Chambers, Donnybrook

---

A handwritten signature in black ink, appearing to read 'Ben Rose'.

**Ben Rose  
Chief Executive Officer**

**3 March 2020**

## TABLE OF CONTENTS

---

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	4
2	ATTENDANCE .....	4
2.1	<i>APOLOGIES</i> .....	5
2.2	<i>APPROVED LEAVE OF ABSENCE</i> .....	5
2.3	<i>APPLICATION FOR A LEAVE OF ABSENCE</i> .....	5
3	ANNOUNCEMENTS FROM PRESIDING MEMBER.....	5
4	DECLARATION OF INTEREST .....	5
5	PUBLIC QUESTION TIME .....	6
5.1	<i>RESPONSES TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE</i> .....	6
5.2	<i>PUBLIC QUESTION TIME</i> .....	6
6	PRESENTATIONS .....	10
6.1	<i>PETITIONS</i> .....	10
6.2	<i>PRESENTATIONS</i> .....	10
6.3	<i>DEPUTATIONS</i> .....	10
7	CONFIRMATION OF MINUTES.....	13
7.1	<i>ORDINARY MEETING OF COUNCIL – 18 DECEMBER 2019</i> .....	13
7.2	<i>BUSHFIRE ADVISORY COMMITTEE MINUTES – 17 OCTOBER 2019</i> .....	13
7.3	<i>LOCAL EMERGENCY MANAGEMENT COMMITTEE MINUTES – DECEMBER 2019</i> .....	14
7.4	<i>AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES 20 FEBRUARY 2020</i> 14	
8	REPORTS OF COMMITTEES .....	15
8.1	<i>AUDIT REPORT FOR YEAR ENDING 30TH JUNE 2019</i> .....	15
8.2	<i>ANNUAL REPORT FOR THE YEAR ENDING 30TH JUNE 2019</i> .....	21
9	REPORTS OF OFFICERS .....	24
9.1	<i>EXECUTIVE MANAGER OPERATIONS</i> .....	24
9.1.1	<i>PERFORMANCE CONCERNS WITH STATE MANAGED ROADS – SHIRE OF DONNYBROOK BALINGUP</i> .....	24
9.2	<i>EXECUTIVE MANAGER CORPORATE AND COMMUNITY</i> .....	28
9.2.1	<i>ACCOUNTS PAID LISTING</i> .....	28
9.2.2	<i>MONTHLY FINANCIAL REPORT – DECEMBER 2019</i> .....	28

9.2.3	MONTHLY FINANCIAL REPORT – JANUARY 2020.....	28
9.2.4	STRATEGIC PRICING REVIEW RESIDENTIAL AGED CARE CHARGES 29	
9.3	<i>CHIEF EXECUTIVE OFFICER</i> .....	33
10	ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	34
10.1	<i>2020/21 DRAFT BUDGET PARAMETERS</i> .....	34
11	QUESTIONS FROM MEMBERS.....	37
12	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING .....	37
12.1	DONNYBROOK TOWN CENTRE REVITALISATION PROJECT – COMMUNITY REFERENCE GROUP .....	38
13	MEETINGS CLOSED TO THE PUBLIC .....	41
13.1	<i>MATTERS FOR WHICH THE MEETING MAY BE CLOSED</i> .....	41
13.1.1	WRITE OFF OF RATES AND CHARGES.....	41
13.1.2	UNIT 8 PRESTON RETIREMENT VILLAGE - MARKETING .....	41
13.2	<i>PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC</i> .....	42
14	CLOSURE .....	42

**SHIRE OF DONNYBROOK BALINGUP**  
**ORDINARY MEETING OF COUNCIL**

Held at the Council Chambers  
Wednesday 26 February 2020 at 5.00pm

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Shire Present declared the meeting open at 5.02pm and welcomed the public gallery.

**Shire President – Acknowledgment of Country**

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

The Shire Present declared the meeting open and welcomed 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 stated 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.*

**2 ATTENDANCE**

**MEMBERS PRESENT**

<b>COUNCILLORS</b>	<b>STAFF</b>
Cr Brian Piesse (President)	Ben Rose – Chief Executive Officer
Cr Jackie Massey (Deputy President)	Paul Breman – Executive Manager Corporate and Community
Cr Shane Atherton	Jaimee Earl – Administration Officer Executive Services
Cr Anita Lindemann	Damien Morgan – Manager Works and Services
Cr Anne Mitchell	Bob Wallin – Manager Development Services
Cr Chaz Newman	
Cr Shane Sercombe	
Cr Chris Smith	
Cr Leanne Wringe	

**PUBLIC GALLERY**

10 attendees.

## **2.1 APOLOGIES**

---

Nil.

## **2.2 APPROVED LEAVE OF ABSENCE**

---

Steve Potter, Executive Manager Operations

## **2.3 APPLICATION FOR A LEAVE OF ABSENCE**

---

Nil.

## **3 ANNOUNCEMENTS FROM PRESIDING MEMBER**

---

21/01/20	Hon Michelle Roberts Minister for Police and Road Safety, Hon Mick Murray MLA - Donnybrook
22/01/20	Department of Local Government Sport & Cultural Affairs – Council Chamber
23/01/20	Bunbury Geographe Alliance (BGEA) – Board Meeting – Albemarle, Australind
29/01/20	Hon Liza Harvey MLA and Opposition State Cabinet - Donnybrook
02/02/20	Warren Blackwood Alliance of Council – Board meeting – Bridgetown
11/02/20	Brad Hammersley, Chair BGEA – Bunbury
10/02/20	Alicia Keall re SW Highway Bush Block – Donnybrook
20/02/20	Shire Donnybrook Balingup Audit & Risk Management Committee Donnybrook
20/02/20	Donnybrook District Sporting and Recreation Precinct Working – Donnybrook
21/02/20	Berry Delightful Newlands re 21-23/02 Event

## **4 DECLARATION OF INTEREST**

---

Nil.

## 5 PUBLIC QUESTION TIME

---

### 5.1 RESPONSES TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

---

Nil.

### 5.2 PUBLIC QUESTION TIME

---

Mr Simon McInness

1. *I would like to quote from the auditor's report regarding the operating surplus ratio.*

*Essentially, last year's response to this issue was to focus on improvements in integrated planning and reporting outcomes as a means of establishing the Shire's capacity to make improvements in this ratio's outcome. This is again the focus however, to place this issue in context, to achieve this minimum standard, the Shire of Donnybrook Balingup would need to find an extra \$3.3m in revenue or reduce operating expenses by the same amount, or a combination of both. To find this amount in rates revenue would mean an increase of 67% on the current levels. This would require a significant level of structural change to the Council's financial structure over time and may not be within the communities' capacity or willingness to pay.*

*Does the Council acknowledge that these figures are correct?*

Chief Executive Officer response:

The figures have been externally audited and found to be correct.

Executive Manager Corporate and Community response:

The ratio to achieve the minimum standard set by the Department of Local Government would require those changes to be applied. As mentioned in the report there is no immediate expectation for those changes.

2. *What actions is Council going to take to address the shortfall in the upcoming budget?*

Executive Manager Corporate and Community response:

As mentioned, there will continue to be focus on long term planning with an effort to improve the ratio. It is not likely we will achieve the minimum standard within 15 years. I also believe the levels and targets set by the Department of Local Government which are under review will change over time, along with the approach of the Office of the Auditor General.

3. *Alliance have paid for half of a valuation (\$495). Could you give us an update on this multi-million dollar project, and could you outline the level of public consultation that was undertaken with the ratepayers for this project?*

Chief Executive Officer response:

The matter is still confidential. When it is no longer confidential, I will provide you with the information. As mentioned previously, you will be the first to know.

4. *How much money has been spent on consultants for the heritage development since the money was pledged for this project and how much money has been spent on consultants for the Apple Fun Park upgrade since that money was pledged?*

Shire President response:

I assume you are referring to the Donnybrook Town Centre Revitalisation Project.

Chief Executive Officer response:

No consultants have been engaged for the Apple Fun Park renewal project, this process has been run in-house including market research and consultation.

I will have to get back to you regarding figures for the Goods Shed and Town Centre Revitalisation area. A response will be provided in the Agenda and Minutes of the March Ordinary Council Meeting.

5. *Recently there was an invitation only function held at the football club and paid for by the ratepayers. The catering and club room hire came to \$2,780 and the guest speaker was \$3,036. What was the purpose of this \$5,816 party? Was it considered value for money by the Council?*

Shire President response:

It is common practice following the formation of a new Council which occurred in October 2019, for an event to be held welcoming the new Councillors and thanking the outgoing Councillors. In 2017 a strategic planning session was conducted with the new Council. There is budget available for this activity and the event was delivered within the budget. The event was not a party – I believe the outcome of bringing the community together was achieved and the Shire's strategic direction was discussed. Peter Kenyon, a well-known presenter attended and his message was 'rising to the occasion and strengthening our community'. I believe we got a good return on the investment and the expenses were within the budget. The event was also used to acknowledge the outgoing Councillors which in the past has been held as a separate function.

6. *The Shire President announced at the Christmas Party that the Shire was going to borrow \$3 million for the development of a sports precinct and the State Government was going to give the Shire \$6 million. Will the Shire borrow first and wait for the State Government or will the Shire wait for the State Government to pledge the money first?*

Shire President response:

It has been mentioned before that the Shire has given conditional approval on the basis that the proposition put to us from the State Government was that they no longer provide matching funding as they have done previously. The advice we received from the department of Sport and Recreation and the South West Development Commission was to run past Council whether we were prepared to put in matching funding for the project and that is what Council has been asked to do. It was conditional on the State Government putting up matching funding on a 2:1 basis.

7. *The borrowing of \$3 million for the sports precinct will put 2% on top of the rates if the principal is payed back over 10 years as its \$500 per ratepayer or 1.2% over 20 years. This is on top of any CPI increase or price increases. With the auditor's report in mind, has this rate increase been factored into deliberations and when will the ratepayers be told of the cost?*

Shire President response:

I understand it has been mentioned to ratepayers, possibly not formally. It is printed in the Minutes. It will be of course, which is why it was a conditional approval by the Shire. The concept is based on intergenerational equity so future generations will make a contribution to this facility which should be something that this town should be proud of.

I think the earlier comment made by the Executive Manager Corporate and Community stands. It was a conditional approval by Council and we haven't gone through our budget process yet. We have to put a provisional business case to the State Government on the basis whether we will be asking them to support this project. Of course it will be taken into consideration in terms of setting the rates.

8. *Is the Blackwood United Football Club happy with moving their club 30km to the north and moving out of the Blackwood zone into the Bunbury zone? Have they been consulted on this and what is the extent of consultation with other clubs?*

Chief Executive Officer response:

We have a working group which includes representation from junior netball, senior netball, tennis, basketball, football and hockey. We put a call out by direct email to all sporting groups and on Facebook prior to establishing the working group. We have run consultation with mail drops to all residents around the precinct. In terms of consultation and outreach it has been an extensive exercise. My understanding is the Blackwood United Football Club do not want to be involved and move to a location that may not have space for them.

9. *When will the ratepayers meeting be held?*

Chief Executive Officer response:

A date has been confirmed and advertising will commence this Friday.

### Ms June Scott

1. *Is the local government administration actively developing a tourism strategy? Is there a draft local tourism strategy ready to be released for comment by the community?*

Chief Executive Officer response:

We do not have a local tourism strategy, however we are part of a regional tourism approach; being a part of the Bunbury Geographe Tourism Partnership which incorporates local elements. A lot of projects we are undertaking at the moment are developed with local tourism visitation in mind. A local tourism strategy is not on our program of works at the moment.



2. *Under the previous Community Development Officer a draft Donnybrook Heritage Trail was developed – the community representatives involved are now deceased. Can this draft please be revisited and the trail moved to fruition and aligned with the Donnybrook Town Centre Revitalisation Project as an overarching document?*

Chief Executive Officer response:

I was unaware of this document and will research as it does sound like a good idea to look to integrate the document with other projects.

Mr Tony Scaffidi

1. *I believe that the management numbers of the last 2-3 years have doubled to the extent of \$600,000 to the ratepayers. What is the reason behind that?*

Chief Executive Officer response:

If you are referring to the numbers referenced by a previous Councillor in the Preston Press I would advise the numbers are inaccurate. My advice is that it is probably less than a third of that figure. To answer the second part of the question – we have delivered a restructure to the organisation which has introduced new positions, as well as modifying existing positions. Changes made in this current financial year have been implemented within the existing, approved budget.

Ms Jill Duncan

1. *I would like to know under what section of the Local Government Act the Council makes its decisions 'en bloc' and what are the requirements for those decisions to be made? Why are there so many 'en bloc' decisions being made without any public debate?*

Chief Executive Officer response:

You will not find reference to en bloc decisions in the *Local Government Act* or Regulations. It is in the Shire of Donnybrook Balingup Meeting Procedures Local Law – which has been passed by Parliament. Specifically part 5.5 (1-6) deal with en bloc motions or adoption by exception resolutions. En bloc motions are a fairly standard process for most local governments.

*Which decisions cannot be made en bloc?*

Chief Executive Officer response:

There are five categories that an adoption by exception resolution may not be used and those are for a matter:

- a) That requires a 75% majority or a special majority;
- b) In which an interest has been disclosed;
- c) That is a matter on which a member wishes to ask a question;
- d) That is a matter on which a member wishes to make a statement;
- e) That is a matter on which a member wishes to move a motion that is different to the recommendation

Councillors have until 3pm the day before the Council Meeting to submit any items that they wish to pull from the adoption by exception / en bloc.

The Meeting Procedures Local Law can be accessed on the Shire of Donnybrook Balingup website.

2. *What is the current balance of the reserves?*

Executive Manager Corporate and Community response:

The balance of the reserves as at 30 June 2019 was just over \$9 million. This is contained within page 14 of the Annual Report. It moved from the start of the financial year from \$6.3 million.

## 6 PRESENTATIONS

---

### 6.1 PETITIONS

---

Nil.

### 6.2 PRESENTATIONS

---

Nil.

### 6.3 DEPUTATIONS

---

Mr Steve Dilley requested to make a deputation regarding item 12.1 Donnybrook Town Centre Revitalisation Project – Community Reference Group.

In accordance with Clause 6.9(2)(b) of the Meeting Procedures Local Law, Council is requested to determine Mr Dilley's application for a deputation.

#### **COUNCIL RESOLUTION 1/20**

**Moved: Cr Atherton**

**Seconded: Cr Wringe**

**That Council, in accordance with Clause 6.9(2)(b) of the Meeting Procedures Local Law approves Mr Steve Dilley's application for a deputation in relation to item 12.1 'Donnybrook Town Centre Revitalisation Project – Community Reference Group'.**

**CARRIED 8/1**

## **NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

**This item was brought forward from item 12 in the Agenda.**

In cases of extreme urgency or other special circumstances, matters may, on a motion by the Presiding Member that is carried by the meeting, be raised without notice and decided by the meeting.

In subclause (1), “cases of extreme urgency or other special circumstances” means matters that have arisen after the preparation of the agenda that are considered by the Presiding Member to be of such importance and urgency that they are unable to be dealt with administratively by the local government and must be considered and dealt with by the Council before the next meeting.

### **EXECUTIVE RECOMMENDATION**

That pursuant to section 5.4 of the Shire of Donnybrook Balingup Meeting Procedures Local Law, Council agrees to receive the item entitled *12.1 Donnybrook Town Centre Revitalisation Project – Community Reference Group* as new business of an urgent nature.

### **COUNCIL RESOLUTION 2/20**

**Moved: Cr Piesse**

**Seconded: Cr Wringe**

**That pursuant to section 5.4 of the Shire of Donnybrook Balingup Meeting Procedures Local Law, Council agrees to receive the item entitled *12.1 Donnybrook Town Centre Revitalisation Project – Community Reference Group* as new business of an urgent nature, and include in the En Bloc items.**

**CARRIED 9/0**

**The vote was recalled and it was CARRIED 6/3**

**ADOPTION BY EXCEPTION:**

**COUNCIL RESOLUTION 3/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the following items be carried En Bloc:**

- 7.1 Confirmation of Minutes – Ordinary Meeting of Council 18 December 2019**
- 7.2 Bushfire Advisory Committee Minutes – 17 October 2019**
- 7.3 Local Emergency Management Committee Minutes December 2019**
- 7.4 Audit and Risk Management Committee Minutes – 20 February 2020**
- 9.1.1 Performance Concerns with State Managed Roads – Shire of Donnybrook Balingup**
- 9.2.2 Monthly Financial Report – December 2019**
- 9.2.3 Monthly Financial Report – January 2020**
- 9.2.4 Strategic Pricing Review Residential Aged Care Charges**
- 12.1 Donnybrook Town Centre Revitalisation Project – Community Reference Group**

**CARRIED 9/0**

## **7 CONFIRMATION OF MINUTES**

---

### **7.1 ORDINARY MEETING OF COUNCIL – 18 DECEMBER 2019**

---

Minutes of the Ordinary Meeting of Council held 18 December 2019 are attached (*attachment 7.1(1)*).

#### **EXECUTIVE RECOMMENDATION**

**That the Minutes from the Ordinary Meeting of Council held 18 December 2019 be confirmed as a true and accurate record.**

#### **COUNCIL RESOLUTION 4/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the Minutes from the Ordinary Meeting of Council held 18 December 2019 be confirmed as a true and accurate record.**

**CARRIED 9/0 by En Bloc Resolution**

### **7.2 BUSHFIRE ADVISORY COMMITTEE MINUTES – 17 OCTOBER 2019**

---

Minutes of the Bushfire Advisory Committee Meeting held 17 October 2019 are attached (*attachment 7.2(1)*).

#### **EXECUTIVE RECOMMENDATION**

**That the Minutes from the Bushfire Advisory Committee Meeting held 17 October 2019 be accepted**

#### **COUNCIL RESOLUTION 5/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the Minutes from the Bushfire Advisory Committee Meeting held 17 October 2019 be accepted**

**CARRIED 9/0 by En Bloc Resolution**

**7.3 LOCAL EMERGENCY MANAGEMENT COMMITTEE MINUTES –  
DECEMBER 2019**

---

Minutes of the Local Emergency Management Committee Meeting are attached (*attachment 7.3(1)*).

**EXECUTIVE RECOMMENDATION**

**That the Minutes from the Local Emergency Management Committee Meeting held December 2019 be accepted**

**COUNCIL RESOLUTION 6/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the Minutes from the Local Emergency Management Committee Meeting held December 2019 be accepted**

**CARRIED 9/0 by En Bloc Resolution**

**7.4 AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES 20 FEBRUARY  
2020**

---

Minutes of the Audit and Risk Management Committee Meeting are attached (*attachment 7.4(1)*).

**EXECUTIVE RECOMMENDATION**

**That Council receive the unconfirmed Minutes from the Audit and Risk Management Committee Meeting held 20 February 2020 and endorse the recommendations contained within.**

**COUNCIL RESOLUTION 7/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That Council receive the unconfirmed Minutes from the Audit and Risk Management Committee Meeting held 20 February 2020 and endorse the recommendations contained within.**

**CARRIED 9/0 by En Bloc Resolution**

## 8 REPORTS OF COMMITTEES

### 8.1 AUDIT REPORT FOR YEAR ENDING 30TH JUNE 2019

<b>Location</b>	Shire of Donnybrook Balingup
<b>Applicant</b>	Shire of Donnybrook Balingup
<b>File Reference</b>	N/A
<b>Author</b>	Paul Breman, Executive Manager Corporate and Community
<b>Responsible Manager</b>	Paul Breman, Executive Manager Corporate and Community
<b>Attachments</b>	8.1 (1) Audit Report 8.1.(2) Management Letter Findings 8.1.(3) Draft report to the Minister of Local Government
<b>Voting Requirements</b>	Simple Majority

Committee Recommendation
<p><b>That Council:</b></p> <ol style="list-style-type: none"> <li><b>1. Receive the Audit Report for the year ending 30<sup>th</sup> June 2019; and</b></li> <li><b>2. Forward to the Minister for Local Government, Sport and Cultural Industries the report on significant findings as attached for the year ending 30<sup>th</sup> June 2019, as required by Section 7.12A(4)(b) of the Local Government Act 1995.</b></li> </ol>

### STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

Outcome	4.2	A respected, professional and trusted organisation
Strategy	4.2.1	Effective and efficient operations and service provision
Action	4.2.1.3	Monitor and measure organisational performance

### EXECUTIVE SUMMARY

The Office of the Auditor General has completed the Audit of the Annual Financial Report for the year ended 30<sup>th</sup> June 2019. The audit opinion was issued on 11<sup>th</sup> February 2020 and is attached to this item for reference.

The audit opinion is unqualified and concludes that the report fairly represents the results of the operations of the Shire for the period ended 30<sup>th</sup> June 2019.

There are two items included under the heading of 'Report on Other Legal and Regulatory Requirements' which require consideration by the Committee and the Council and relate to a significant adverse trends opinion as follows:

1. *The asset sustainability ratio as reported in Note 31 on the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the last three years; and*
2. *The operating surplus ratio as reported in Note 31 on the annual financials report is below the DLGSCI standard for the last three years.*

There is one item included under the heading of 'Report on Other Legal and Regulatory Requirements' which requires consideration by the Committee and the Council and relates to statutory compliance as follows:

*The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1) of the Local Government (Financial Management) Regulations 1996 as there is not a current long term financial plan and asset management plan.*

In addition to the items on the face of the Audit report mentioned above, the Auditor also provided a management letter with two items not mentioned on the Audit report. These items were rated as a moderate risk rather than significant and as such did not warrant reporting in the audit report. The findings are attached and will be addressed by the Chief Executive Officer in the ordinary course of business.

## **BACKGROUND**

The Shire of Donnybrook Balingup audit for year ending 30<sup>th</sup> June 2019 was conducted by the Office of the Auditor (OAG) (using a private contractor; Anderson Munford Down, Chartered Accountant) for the first time.

The timing of completion of the audit and issue of the audit report has been delayed by staff turnover issues and is expected to be completed earlier in future years.

The Shire is required by the *Local Government (Financial Management) Regulations 1996* to calculate and include in the audited annual financial report seven financial ratios. The calculation components of the ratios relevant to this item are set out below:

### ***Operating surplus ratio***

$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

***Own source operating revenue*** means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

The Operating Surplus Ratio measures the extent to which revenues raised cover operational expenses (including depreciation). The DLGSCI considers the ratio standard is met if the ratio is above 0.00. To achieve a positive level in the ratio requires operating revenue (excluding capital grants and contribution) to be greater than operating expenditure (including depreciation).



### **Asset sustainability ratio**

$$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$$

**Capital renewal and replacement expenditure** means expenditure to renew or replace existing assets;

The asset sustainability ratio measures the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives. The DLGSCI considers the ratio standard is met if the ratio is above 0.90, meaning that spending on renewal in any one year is 90% of the level of depreciation in that year.

### **Asset renewal funding ratio**

$$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

The asset renewal funding ratio measures the level of alignment between spending in the Long Term Financial Plan (LTFP) on asset renewals and the timing of asset renewal requirements set out the asset management plan(s). The closer the ratio is to one the closer alignment.

The DLGSCI currently have the calculation methodology and target levels of seven statutory ratios under review as they acknowledge issues relating to their suitability as an indicators of financial health. This review is being undertaken by WA Treasury Corp. It is expected changes will occur to these ratios in conjunction with future amendments to the *Local Government (Financial Management) Regulations 1996*.

### **FINANCIAL IMPLICATIONS**

Nil

### **POLICY COMPLIANCE**

Not Applicable.

### **STATUTORY COMPLIANCE**

#### *7.12A. Duties of local government with respect to audits*

- (3) *A local government must —*
  - (aa) *examine an audit report received by the local government; and*
  - (a) *determine if any matters raised by the audit report, require action to be taken by the local government; and*
  - (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government must —*
  - (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*

- (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.*

## **CONSULTATION**

Not Applicable

## **OFFICER COMMENT/CONCLUSION**

The draft report to the Minister as required by *Section 7.12A(4) of the Local Government Act 1995* is attached to this item.

The OAG have adopted a different position to the Shire's previous auditors in relation to a number of issues including the assessment of what constitutes a significant adverse trend in the financial position of the Shire and also the level of information necessary to support the calculation of the asset renewal ratio.

In relation to the issues under the significant adverse trend in financial position, the matter of the adverse operating surplus ratio was raised in the Shire's audit report last year and was the subject of a report to the Audit and Risk Management Committee and the Council.

Essentially, last year's response to this issue was to focus on improvements in integrated planning and reporting outcomes as a means of establishing the Shire's capacity to make improvements in this ratios outcome. This is again the focus however, to place this issue in context, to achieve this minimum standard, the Shire of Donnybrook Balingup would need to find an extra \$3.3m in revenue or reduce operating expenses by the same amount, or a combination of both. To find this amount in rates revenue would mean an increase of 67% on the current levels. This would require a significant level of structural change to the Council's financial structure over time and may not be within the communities' capacity or willingness to pay. As these ratios and the targets set by the DLGSCI are under review, it is important for the ratios and targets not to guide the Council's future financial structures.

Research on the outcomes of audit reports and the ratio calculations of the Shire's neighbouring local governments (Dardanup, Busselton, Collie, Boyup Brook, Bridgetown Greenbushes and Nannup) shows that, in relation to the operating surplus ratio, all of them have been issued with a similar significant adverse trend in financial position of some kind by their Auditor due to a series of negative ratio outcomes.

The OAG has also identified that the Shire recorded three consecutive asset sustainability ratios under the DLGSCI target thresholds. This ratio relates to the level spending on renewing assets in a year compared to the leakage in value of the asset base due to depreciation in the same year. The ratio doesn't take into account any money transferred to Cash Reserves as future saving for future renewal works on large items so should only be assessed on a very long term basis. There is little merit in applying only a three-year period as an assessment of this ratio as a LTFFP.

The Shire's Asset Sustainability ratio has been under the target level of 0.90 for the past three consecutive years. The Shire is about to embark on a substantial capital works program over the next five years on renewing and upgrading key assets and this is predicted to result in a

spike in the ratio during this time and is likely to be above the DLGSCI's target. Research on the neighbouring Shires shows that Bridgetown Greenbushes, Boyup Brook and Capel are in a similar situation to Donnybrook Balingup in relation to this ratio and others have two consecutive under target ratios and may fall into this category next year.

The shortcoming in the calculation of these ratios and the associated target levels set by the DLGSCI are part of the reason the ratios are under review at present. It is not considered that the existence of three consecutive ratios under the DLGSCI targets presents a short to mid-term threat to the financial position of the Council. The structural issues surrounding these ratios results will be considered as part of the development of the LTFP.

The asset renewal funding ratio requires a completed assets management plan for all categories of assets and a current LTFP. In previous years, the Shire's Auditors prior to the OAG have accepted the calculations made by staff in the absence of an adopted asset management plan for all asset classes and an older LTFP received in 2017. The OAG has changed this approach and they are not prepared to accept these calculations without a formal asset management plan for all categories and a current LTFP.

Progress has been made by staff on completing the following asset management plan categories and planning is underway to complete the remaining categories and prepare an updated LTFP to be used as a basis of calculating the ratio for the 2019/20 financial year.

<b>Asset Category</b>	<b>Introduced</b>
Asset Management Plan – Vehicles	2018
Asset Management Plan – Buildings	2019
Asset Management Plan – Parks & Reserves	2019

The following plans have been identified as required and are planned to be completed in 2020.

- Asset Management Plan – Plant, Furniture and Equipment
- Asset Management Plan – Roads and Pathways

The two additional items concerning the establishment of a rehabilitation provision for the Donnybrook Waste Management Facility and the related party disclosure processes are minor items and will be corrected in future annual financial reports.

**COUNCIL RESOLUTION 8/20**

**Moved: Cr Lindemann**

**Seconded: Cr Wringe**

**That Council:**

- 1. Receive the Audit Report for the year ending 30<sup>th</sup> June 2019; and**
- 2. Forward to the Minister for Local Government, Sport and Cultural Industries the report on significant findings as attached for the year ending 30<sup>th</sup> June 2019, as required by Section 7.12A(4)(b) of the Local Government Act 1995.**

**Note: Thank Members of the Audit and Risk Management Committee and staff.**

**CARRIED 9/0**

## **8.2 ANNUAL REPORT FOR THE YEAR ENDING 30TH JUNE 2019**

<b>Location</b>	Shire of Donnybrook Balingup
<b>Applicant</b>	Shire of Donnybrook Balingup
<b>File Reference</b>	N/A
<b>Author</b>	Paul Breman, Executive Manager Corporate and Community
<b>Responsible Manager</b>	Paul Breman, Executive Manager Corporate and Community
<b>Attachments</b>	8.2 (1) Annual Financial Report 2018/2019
<b>Voting Requirements</b>	Absolute Majority

<b>Committee Recommendation</b>	
<b>That Council approve the Annual Report for the year ending 30<sup>th</sup> June 2019.</b>	

### **STRATEGIC ALIGNMENT**

The following outcomes from the Corporate Business Plan relate to this proposal:

Outcome	4.2	A respected, professional and trusted organisation
Strategy	4.2.1	Effective and efficient operations and service provision
Action	4.2.1.2	Seek a high level of legislative compliance and effective internal controls

### **EXECUTIVE SUMMARY**

The annual report seeks to provide a record of the events and operations of the Shire for the past financial year. The minimum content is prescribed and includes a full copy of the annual financial report and a copy of the Auditor' s report.

The annual report is required to be accepted by the Council prior to making it publically available to the community by posting it on the Shire's website and presenting it to the annual meeting of electors.

### **BACKGROUND**

The Shire's annual financial report for the year ending 30<sup>th</sup> June 2019, shows an improvement in the Shire's net result (negative \$1.09m) compared to the previous year (negative \$1.61m). This was principally due to an increase in operating and capital grants for the period and is shown on the Statement of Comprehensive Income.

The Cash Flows Statement shows a net increase in the amount of cash held from the beginning of the year \$8.5m to \$14.96m at the end of the year. Approximately \$5.05m of this increase was due to an inflow of cash from the Trust account to the Municipal account relating to bonds and deposits.

Analysis of the Rate Setting Statement reveals a net cash amount of \$3.34m in rate revenue remained after the operations of the Shire and the opening surplus of \$1.56m. The \$3.34m together with net financing activities of \$0.2m, was used to fund the Shire's net contribution to the capital works program \$3.52m.

Key analysis of the Statement of Financial Position (Balance Sheet) follows:

	<b>Movement</b>	<b>Direction</b>
<b>Current Assets</b>		
Cash	\$6.48m	Increase
Trade Receivables	\$0.78m	Increase
<b>Current Liabilities</b>		
Trade and Other Payables	\$5.57m	Increase
<b>Noncurrent assets</b>		
Property Plant and Equipment	\$1.30m	Reduction in WDV
Infrastructure	\$1.12m	Reduction in WDV
<b>Equity</b>		
Retained Surplus	\$3.80m	Reduction
Cash Reserves	\$2.71m	Increase
<b>Net Assets</b>	\$1.09m	Reduction

## **FINANCIAL IMPLICATIONS**

Nil

## **POLICY COMPLIANCE**

Not applicable

## **STATUTORY COMPLIANCE**

### **5.54. Acceptance of annual reports**

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*

*\* Absolute majority required.*

- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

### **5.55. Notice of annual reports**

*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.*

### **5.55A. Publication of annual reports**

*The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.*

## **CONSULTATION**

Not applicable.

## **OFFICER COMMENT/CONCLUSION**

The annual report is presented for acceptance prior to calling the annual electors meeting.

## **OUTCOME OF MEETING**

## **COMMITTEE RECOMMENDATION**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

That Council approve the Annual Report for the year ending 30<sup>th</sup> June 2019.

## **AMENDMENT**

**Moved Cr Mitchell**

**Seconded Cr Wringe**

**That Council approve the Annual Report for the year ending 30<sup>th</sup> June 2019, subject to:**

**The words ‘Organisation Structure 2020’ on page 8 being replaced with ‘Executive Staff Responsible for the Annual Report 2018/19’.**

**Note: Thank you to relevant staff for their work in preparation of the document.**

**CARRIED 8/1**

## **COUNCIL RESOLUTION 9/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That Council approve the Annual Report for the year ending 30<sup>th</sup> June 2019, subject to:**

**The words ‘Organisation Structure 2020’ on page 8 being replaced with ‘Executive Staff Responsible for the Annual Report 2018/19’.**

**Note: Thank you to relevant staff for their work in preparation of the document**

**CARRIED 9/0**

## 9 REPORTS OF OFFICERS

### 9.1 EXECUTIVE MANAGER OPERATIONS

#### 9.1.1 PERFORMANCE CONCERNS WITH STATE MANAGED ROADS – SHIRE OF DONNYBROOK BALINGUP

<b>Location</b>	Shire of Donnybrook Balingup
<b>Applicant</b>	Not applicable
<b>File Reference</b>	WRK/20
<b>Author</b>	Steve Potter, Executive Manager Operations
<b>Responsible Manager</b>	Steve Potter, Executive Manager Operations
<b>Attachments</b>	Nil
<b>Voting Requirements</b>	Simple Majority

Recommendation
<p><b>That Council:</b></p> <ol style="list-style-type: none"> <li><b>1. Instructs the Chief Executive Officer to write to Main Roads WA advising that the Shire of Donnybrook Balingup is deeply concerned with the standard of sealing works on the South Western Highway and Donnybrook–Boyup Brook Road which have suffered from substantial flushing/bleeding in recent years during periods of high temperatures.</b></li> <li><b>2. Instructs the Chief Executive Officer to write to Main Roads WA requesting they undertake remedial action during 2020 to permanently rectify the recurrence of flushing/bleeding on the South Western Highway and the Donnybrook – Boyup Brook Road.</b></li> <li><b>3. Authorises the Chief Executive Officer to present a report to the South West Zone of WALGA to seek WALGA’s support in taking an advocacy position on the matter with Main Roads WA as detailed in Resolution 2.</b></li> <li><b>4. Authorises the Chief Executive Officer to formally seek the endorsement of the South West Regional Road Group (SWRRG) for Council’s actions as outlined in Resolutions 1-3.</b></li> </ol>

### STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

<i>Outcome:</i>	2.1	<i>An attractive and maintained built environment.</i>
<i>Strategy:</i>	2.1.1	<i>Maintain, renew and improve infrastructure within allocated resources</i>
<i>Action:</i>	2.1.1.2	<i>Seek funding for development and renewal of infrastructure</i>



## **EXECUTIVE SUMMARY**

Over the past two summers, the performance of recent sealing works administered by Main Roads Western Australia (MRWA) on State Highways and significant roads located in the Shire of Donnybrook Balingup has been of on-going concern to Council, businesses, residents, tourists and motorists during extended periods of high temperatures.

It is recommended that the Shire make formal representation to Main Roads WA and seek the endorsement of the Warren Blackwood Alliance of Councils (WBAC) and the South West Regional Road Group (SWRRG) for Council taking a report to the SW Zone of WALGA to request WALGA take an advocacy position on the matter.

## **BACKGROUND**

In the summer of 2017/18, large sections of recently completed MRWA works on State Highways and significant roads suffered from substantial flushing/bleeding of new seals, during periods of high temperatures. This also occurred in the summer of 2018/19 and again in the early heat wave in late 2019/20.

When flushing/bleeding does occur, it results in bitumen and aggregate collecting on vehicle tyres, which is subsequently flicked off, potentially causing damage to both the vehicle being driven and those travelling in close proximity.

The collected material is also spreading well beyond the problem areas, impacting on the amenity of the Shire's townsites and residential areas, when it is carried by vehicles (and subsequently pedestrians) into businesses, parks, reserves and private properties.

The bleeding has been severe enough in some cases, to remove (or reduce the visibility of) line markings on the road, which has resulted in motorists travelling outside of designated traffic lanes, and increases the risk of accidents occurring.

MRWA have previously advised that this issue typically only occurs in the first year of a new seal, and that the treatment is to apply aggregate or sand to the affected area to mop up the excess bitumen. Unfortunately, the Shire has noted repeated occurrences of the flushing/bleeding in the same sections of highways and significant roads over multiple summers,

The Shire's concern is that the remedial treatment being undertaken represents a temporary short-term fix (rather than an enduring solution) and is not reducing the frequency of the flushing/bleeding of these seals, nor is it dealing with the cause. Furthermore, unless MRWA adopts an alternative methodology for future upgrades and re-sealing works, it is anticipated that the South Western Highway and the Donnybrook - Boyup Brook Road are likely to face this issue on an ongoing annual basis.

The Shire appreciates the significant role that major transport routes play in the region, and the challenges associated with maintaining and upgrading them. The Shire also acknowledges that flushing/bleeding is always a risk when new seals are applied and that this issue has occurred in the past. However, the frequency and the extent of the flushing/bleeding appears to be far greater than in the years prior to the summer of 2017/18, and appears to be occurring at higher rates than in other regions of the State.

The impacts of this reoccurring issue have not been measured, however the Shire has received a number of complaints from both private residents, visitors and business operators. Furthermore, the Shire is aware of significant negative publicity that has been generated across all forms of media (including social media) which is likely to have influenced road users (including tourists) to use alternative routes, thereby impacting on local businesses. The Shire is concerned that this issue is likely to be compounded in the next 3-5 years given the forecast increase from circa 8,300 current traffic movements a day through Donnybrook to more than 11,000 plus in the next three years and with particular reference to the increased road train and axle loadings relating thereto.

### **FINANCIAL IMPLICATIONS**

Nil – this only applies to roads managed by Main Roads WA.

### **POLICY COMPLIANCE**

Nil.

### **STATUTORY COMPLIANCE**

Nil.

### **CONSULTATION**

The Shire has received a number of complaints from members of the public on this issue, and has raised this matter with MRWA on a number of occasions.

If the resolution is supported by Council, Staff will seek the support of the Warren Blackwood Alliance of Councils and the South West Regional Road Group, prior to taking a report to the SW Zone of WALGA.

### **OFFICER COMMENT/CONCLUSION**

Due to the adverse impacts on local residents, businesses and visitors; and the repeated nature of the issue over several summer periods, it is considered appropriate that the Shire make formal representation to Main Roads WA and seek the support of neighbouring local government authorities and WALGA to identify an enduring solution to the matter.

**COUNCIL RESOLUTION 10/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That Council:**

- 1. Instructs the Chief Executive Officer to write to Main Roads WA advising that the Shire of Donnybrook Balingup is deeply concerned with the standard of sealing works on the South Western Highway and Donnybrook–Boyup Brook Road which have suffered from substantial flushing/bleeding in recent years during periods of high temperatures.**
- 2. Instructs the Chief Executive Officer to write to Main Roads WA requesting they undertake remedial action during 2020 to permanently rectify the recurrence of flushing/bleeding on the South Western Highway and the Donnybrook – Boyup Brook Road.**
- 3. Authorises the Chief Executive Officer to present a report to the South West Zone of WALGA to seek WALGA’s support in taking an advocacy position on the matter with Main Roads WA as detailed in Resolution 2.**
- 4. Authorises the Chief Executive Officer to formally seek the endorsement of the South West Regional Road Group (SWRRG) for Council’s actions as outlined in Resolutions 1-3.**

**CARRIED 9/0 by En Bloc Resolution**

## **9.2 EXECUTIVE MANAGER CORPORATE AND COMMUNITY**

---

### **9.2.1 ACCOUNTS PAID LISTING**

The Schedule of Accounts Paid (attachment 9.2.1(1)) under Delegation (No 3.1) is presented to Council for information.

---

### **9.2.2 MONTHLY FINANCIAL REPORT – DECEMBER 2019**

The Monthly Financial Report for December is attached (9.2.2 (1)).

#### **EXECUTIVE RECOMMENDATION**

**That the monthly financial report for the period ended 31 December 2019 be received.**

#### **COUNCIL RESOLUTION 11/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the monthly financial report for the period ended 31 December 2019 be received.**

**CARRIED 9/0 by En Bloc Resolution**

---

### **9.2.3 MONTHLY FINANCIAL REPORT – JANUARY 2020**

The Monthly Financial Report for January is attached (9.2.3 (1)).

#### **EXECUTIVE RECOMMENDATION**

**That the monthly financial report for the period ended 31 January 2020 be received.**

#### **COUNCIL RESOLUTION 12/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That the monthly financial report for the period ended 31 January 2020 be received.**

**CARRIED 9/0 by En Bloc Resolution**

---

### 9.2.4 STRATEGIC PRICING REVIEW RESIDENTIAL AGED CARE CHARGES

<b>Location</b>	Tuia Lodge Residential Aged Care Facility
<b>Applicant</b>	Manager Aged Care Services
<b>File Reference</b>	N/A
<b>Author</b>	Bob Lowther - Manager Aged Care Services
<b>Responsible Manager</b>	Bob Lowther - Manager Aged Care Services
<b>Attachments</b>	9.2.4(1) Stewart Brown Benchmarking Report 2019
<b>Voting Requirements</b>	Simple Majority

Recommendation
<p><b>That Council:</b></p> <ol style="list-style-type: none"> <li>1. Instructs the Chief Executive Officer to amend the rates of Refundable Accommodation Deposits (RAD's) paid for entry to rooms at Tuia Lodge as below and to use these changes as the basis for calculating any Daily Accommodation Payments (DAP's) should RAD's not be made:                     <ol style="list-style-type: none"> <li>1.1 Marri Wing – Standard Ensuite Single Room – (Rooms 1-10, 13 and 15) \$320,000</li> <li>1.2 Marri Wing – Renovated Standard Ensuite – (Room 11) - \$350,000</li> <li>1.3 Marri Wing – Renovated Standard Ensuite room with Sensory Garden Access (Rooms 10-12-14) - \$360,000</li> <li>1.4 Jarrah Wing – Deluxe Ensuite Single Room – (Rooms 17-26) \$400,000</li> <li>1.5 Red Gum Wing – Superior Ensuite Single Room (Rooms 27 -40) - \$420,000</li> <li>1.6 Tuart Wing – Superior Ensuite Secure Wing Single Room (Numbers to be assigned once constructed) \$420,000</li> </ol> </li> <li>2. Instructs the Chief Executive Officer to apply the new rates as set out in item 1 immediately and that the new rates only apply to new admissions to the facility and not existing residents.</li> <li>3. Instructs the Chief Executive Officer to ensure that as rooms 1-10 and 13 and 15 are renovated that these rates apply to any new residents occupying these rooms.</li> </ol>

### STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

*Outcome 4.1 A strategically focused, open and accountable local government*

*Strategy 4.1.1 Provide Accountable and strategic leadership*

*Action 4.1.1.1 Review service delivery methodologies for Shire services and implement improvements where appropriate.*

## **EXECUTIVE SUMMARY**

The actions recommended in this report are to ensure that the Shire maintains a level of income in its Aged Care facility that is consistent with the quality of accommodation offered and relative to the market.

In line with maintaining a high standard facility at Tuia Lodge, it is recommended that a prudent course of action is to consistently apply a reasonable level of “user pays” charges balancing the needs of the ageing community with the ongoing funding provided by the ratepayers.

It is recommended that the charges be increased to the following levels:

Marri Wing – Standard Ensuite Single Room – (Rooms 1 – 10 & 13 & 15) from \$300,000 to \$320,000

Marri Wing – Renovated Standard Ensuite – (Room 11) – from \$300,000 to \$350,000

Marri Wing – Renovated Standard Ensuite room with Sensory Garden Access (Rooms 10-12-14) – from \$300,000 to \$360,000

Jarrah Wing – Deluxe Ensuite Single Room – (Rooms 17-26) Maintain at \$400,000

Red Gum Wing– Superior Ensuite Single Room (Rooms 27 -40) – Increase from \$400,000 to \$420,000

Tuart Wing– Superior Ensuite Secure Wing Single Room (Numbers to be assigned once constructed) to be priced at \$420,000.

## **BACKGROUND**

Under the Aged Care Act, all residents must agree to an accommodation price before they enter care. These prices are then used as the basis for calculating the costs that either the resident will pay or the government will assist with.

Whether an approved provider can ask the resident to pay this full amount will depend on their means assessment.

Services Australia decide, based on this assessment if the resident will need to pay the agreed accommodation price or if the Australian Government will pay some or all of the resident’s accommodation costs through the accommodation supplement.

If the resident is eligible for Government assistance with some of their accommodation costs, they will need to pay their contribution as either:

- a refundable accommodation contribution; or
- a daily accommodation contribution; or
- a combination of these two.

If the resident is not eligible for Government assistance with their accommodation costs, they will need to pay the full costs of their accommodation as either:

- a refundable accommodation deposit (RAD); or
- a daily accommodation payment (DAP); or
- a combination of these two.

Tuia Lodge has been in operation since 1983. Over the years as the facility has aged renovations and extensions have taken place which have resulted in the expenditure of millions of dollars in capital cost. Each time there has been major renovations the room rates have been revised.

It is clear (with 49% of Aged Care providers reporting a loss in the calendar year 2019) the rebates received through the government funding as outlined above have not kept up with the costs of maintaining a facility at the level enjoyed by Tuia Lodge.

Whilst there is little doubt this will be addressed by the current Aged Care Royal Commission it is incumbent on each provider to set room rates that balance their return of investment and minimize losses to the community whilst providing this very important service.

Any change to the level of refundable accommodation rates are required to be advertised in accordance with the Aged Care Act before they may be applied.

In making this recommendation to Council it should be noted that:

- The room prices have not changed since 2015 when the new addition was added.
- Capital expenditure since 2015 to end of FY19-20 will be in excess of \$1M.
- Demand for care services at the facility remains strong

## **FINANCIAL IMPLICATIONS**

- Increasing the RAD's to the recommended levels offers a potential maximum of 8.9% increase in RAD's moving from \$13.9M currently to \$15.1M if all residents and all available rooms are occupied under the new rates.
- If DAP's were to be paid instead of RAD's (Where new residents chose not to pay a RAD) the increase in income would be approximately \$68,000 per annum depending on room turnover timing.
- The average room price would rise from \$347,500 to \$378,750 still well below the State average in the Stewart Brown benchmarking being \$411,366.

## **POLICY COMPLIANCE**

Not applicable

## **STATUTORY COMPLIANCE**

*Aged Care Act 2010*

## **CONSULTATION**

N/A

## **OFFICER COMMENT/CONCLUSION**

This proposal is made on the basis that the Shire annually reviews all its charge out rates. The rooms at Tuia Lodge have been excluded from this review in the past and after almost 5 years without change.

it is suggested that the room rates be increased in line with the market to maintain consistency and recognizing the investment that has taken place and is planned for the facility.

### **COUNCIL RESOLUTION 13/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That Council:**

- 1. Instructs the Chief Executive Officer to amend the rates of Refundable Accommodation Deposits (RAD's) paid for entry to rooms at Tuia Lodge as below and to use these changes as the basis for calculating any Daily Accommodation Payments (DAP's) should RAD's not be made:**
  - 1.1 Marri Wing – Standard Ensuite Single Room – (Rooms 1-10, 13 and 15) \$320,000**
  - 1.2 Marri Wing – Renovated Standard Ensuite – (Room 11) - \$350,000**
  - 1.3 Marri Wing – Renovated Standard Ensuite room with Sensory Garden Access (Rooms 10-12-14) - \$360,000**
  - 1.4 Jarrah Wing – Deluxe Ensuite Single Room – (Rooms 17-26) \$400,000**
  - 1.5 Red Gum Wing – Superior Ensuite Single Room (Rooms 27 -40) - \$420,000**
  - 1.6 Tuart Wing – Superior Ensuite Secure Wing Single Room (Numbers to be assigned once constructed) \$420,000**
- 2. Instructs the Chief Executive Officer to apply the new rates as set out in item 1 immediately and that the new rates only apply to new admissions to the facility and not existing residents.**
- 3. Instructs the Chief Executive Officer to ensure that as rooms 1-10 and 13 and 15 are renovated that these rates apply to any new residents occupying these rooms.**

**CARRIED 9/0 by En Bloc Resolution**



**9.3 CHIEF EXECUTIVE OFFICER**

---

Nil

## 10 ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

### 10.1 2020/21 DRAFT BUDGET PARAMETERS

<b>Location</b>	Donnybrook Balingup
<b>Applicant</b>	Cr Anne Mitchell
<b>File Reference</b>	Not applicable
<b>Author</b>	Cr Anne Mitchell
<b>Responsible Manager</b>	Paul Breman, Executive Manager Corporate and Community
<b>Attachments</b>	Nil
<b>Voting Requirements</b>	Simple Majority

#### Councillor Recommendation

**That Council instruct the Chief Executive Officer to prepare the draft 2020/21 Annual Budget with an increase in the General Rate in the Dollar of no greater than 3.0% on the levels contained in the adopted 2019/20 budget.**

#### STRATEGIC ALIGNMENT

The following outcomes from the Corporate Business Plan relate to this proposal:

*Outcome: 4.1 A strategically focused, open and accountable local government*

*Strategy: 4.1.1 Provide accountable and strategic leadership*

*Action: 4.1.1.5 Endeavour to serve the needs of the entire community while balancing competing interests*

#### EXECUTIVE SUMMARY

Cr Mitchell has provided the CEO with a notice of motion under the clause 5.3 of the Shire of Donnybrook-Balingup Meeting Procedures Local Law 2017.

#### BACKGROUND

The Shires Meeting Procedures Local Law 2017, set out the process for receiving a notice of motion as follows:

##### **5.3 Motions of which previous notice has been given**

- (1) Unless the Act, Regulations or this local law otherwise provides, a Member may raise at a meeting such business as he or she considers appropriate, in the form of a motion, of which notice has been given in writing to the CEO and which has been included on the agenda.
- (2) A notice of motion under subclause (1) is to be given at least 14 clear working days before the meeting at which the motion is moved.

- (3) A notice of motion is to be accompanied by supporting reasons and must relate to the good governance of the district.
- (4) The CEO:
  - (a) may, following consultation with the President, exclude from the agenda any notice of motion deemed to be, or likely to involve, a breach of this local law or any other written law;
  - (b) will inform Members on each occasion that a notice has been excluded and the reasons for that exclusion;
  - (c) may, after consultation with the Member where this is practicable, make such amendments to the form but not the substance as will bring the notice of motion into due form; and
  - (d) may provide to the Council relevant and material facts and circumstances pertaining to the notice of motion on such matters as policy, budget and law.
- (5) A motion of which notice has been given is to lapse unless:
  - (a) the Member who gave notice of it, or some other Member authorised by the originating Member in writing, moves the motion when called on; or
  - (b) the Council on a motion agrees to defer consideration of the motion to a later stage or date.
- 6) If a notice of motion is given and lapses under subclause (5), notice of a motion in the same terms or to the same effect is not to be given again for at least 3 months from the date of such lapse.

## **FINANCIAL IMPLICATIONS**

The item seeks to limit selected components of the 2020/21 draft budget prior to presentation of the draft to the Council.

## **POLICY COMPLIANCE**

Not applicable.

## **STATUTORY COMPLIANCE**

The notice of motion as contained in this report complies with the requirements in accordance with 5.3 of the Shire of Donnybrook-Balingup Meeting Procedures Local Law 2017.

## **CONSULTATION**

Not applicable.

## **ELECTED MEMBER COMMENT**

### Cap on Rates Increase in the 2020/21 Draft Budget

A Councillor initiated Council Resolution (41/19) in April 2019 required the Chief Executive Officer to develop the 2019-20 draft budget containing a maximum rate increase of 3%. This appeared to work well, giving the CEO and Officers clear direction to prepare the budget with a rate increase cap. It is intended to provide the same guidance to the CEO in relation to the 2020/21 Draft Budget.

## **OFFICER COMMENT**

In relation to a cap on the level of rate increase in the draft budget presented by the Staff, it is the intention of staff to present the draft budget within reasonable rating parameters and offer to the Council information relevant to the projects (both operating and capital) that the Staff considered, but could not fit into a reasonable rating increase.

This approach presents the Council with the opportunity to consider matters of prioritisation in the context of the level of rates in the budget.

It is not considered that the adoption of a Council resolution that establishes a cap on a rate increase in the draft budget binds the Council to the final level of rate increase in the adopted budget.

## **OUTCOME OF MEETING**

### **COUNCILLOR RECOMMENDATION**

**Moved: Cr Mitchell**

**Seconded: Cr Atherton**

**That Council instruct the Chief Executive Officer to prepare the draft 2020/21 Annual Budget with an increase in the General Rate in the Dollar of no greater than 3.0% on the levels contained in the adopted 2019/20 budget.**

**LOST 2/7**

## **11 QUESTIONS FROM MEMBERS**

---

Nil.

## **12 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

---

This item was dealt with at the start of the meeting, the item was accepted as a matter of urgent business and included in the 'en bloc' items.

## 12.1 DONNYBROOK TOWN CENTRE REVITALISATION PROJECT – COMMUNITY REFERENCE GROUP

<b>Location</b>	Shire of Donnybrook Balingup
<b>Applicant</b>	Shire of Donnybrook Balingup
<b>File Reference</b>	PWF 18V
<b>Author</b>	Mr Ben Rose – Chief Executive Officer
<b>Responsible Manager</b>	Mr Ben Rose – Chief Executive Officer
<b>Attachments</b>	Nil
<b>Voting Requirements</b>	Simple Majority

Recommendation
<p><b>That Council instruct the Chief Executive Officer to:</b></p> <ol style="list-style-type: none"> <li><b>1. Thank, in writing, members of the Community Reference Group for their contribution to the Donnybrook Town Centre Revitalisation Project.</b></li> <li><b>2. Dissolve and discontinue the Community Reference Group.</b></li> </ol>

### STRATEGIC ALIGNMENT

The following outcomes listed in the Strategic Community Plan and Corporate Business Plan aligns with the Donnybrook Town Centre Revitalisation Project:

Outcome	Strategy	Actions
1.3 – An attractive visitor and tourist attraction.	1.3.2 – Provide, develop, and maintain visitor infrastructure.	1.3.2.1 - Develop visitor and tourism infrastructure in line with local tourism and visitor's development and promotion strategy, within allocated resources.
2.1 – An attractive and maintained built environment	2.1.1 - Maintain, renew and improve infrastructure within allocated resources	2.1.1.2 - Seek funding for renewal and development of infrastructure
2.2 - Respected Heritage Assets	2.2.1 - Maintain Shire heritage assets within available resources	2.1.1.3 - Promote the districts heritage assets and ageing assets

### EXECUTIVE SUMMARY

Planning for the Donnybrook Town Centre Revitalisation Project (DTCRP) is underway with the Shire:

- Adopting a Project Management Plan (PMP);
- Developing and executing a funding agreement with the State Government;
- Forming a Community Reference Group;
- Undertaking a comprehensive consultation process;
- Adopting a Master Plan;

- Undertaking an Expression of Interest process seeking specialised services for design and potential occupation of the goods shed.

## BACKGROUND

Council at its June 2019 meeting resolved, in part, the following:

1. *Nominates the following Elected Member to sit on the Project Management Team for the Donnybrook Town Centre Revitalisation Project:*
  - *Cr Anne Mitchell.*
2. *Authorises the Chief Executive Officer to seek ‘Expressions of Interest’ for two community members to sit on the Project Management Team for the Donnybrook Town Centre Revitalisation Project.*
3. *Authorises the Chief Executive Officer to review any ‘Expressions of Interest’ received and make appointments to the Project Management Team based on an applicant’s relevant qualifications and/or experience to the project.*

The Project Management Team (PMT) was formed as part of the requirements of the Financial Assistance Agreement (FAA) with the Department of Primary Industries and Regional Development (DPIRD) to guide the project until project closure. Staff from the Shire and DPIRD sit on this group and meet monthly to guide operational elements of the project in line with the PMP and the FAA.

Subsequent to Council’s June 2019 resolution and it was determined that the Project Management Team was not the appropriate forum to involve members of the community given the PMT is operational by nature, and a separate Community Reference Group (CRG) was formed.

The following terms of reference was assigned to the CRG.

- To act as a conduit between the community and the Shire with regards to the Donnybrook Town Centre Revitalisation Project;
- To act in good faith, taking into account the best interests of the community and putting aside any personal interests or views;
- To advocate for the DTCRP and act as an ambassador for the project in the community; and
- To provide recommendations to the Chief Executive Officer with regards to design elements of the project with specific regard to the Masterplan, refurbishment of the Goods Shed, historical information and landscape design elements.

The Shire advertised for expressions of interest and Steve Dilley, Linda Fry and June Scott were appointed to the CRG. The CRG has met, formally, on three occasions to date.

As the project enters the detailed design and procurement phase, it is an opportune time to review the status of the CRG, and the Executive’s recommendation is to dissolve the CRG and discontinue its operation to enable the PMT to focus on project delivery.

## **FINANCIAL IMPLICATIONS**

The DTCRP is subject to a Financial Assistance Agreement with DPIRD under Royalties for Regions to the value of \$2M.

## **POLICY COMPLIANCE**

Nil.

## **STATUTORY COMPLIANCE**

Not applicable.

## **CONSULTATION**

Not applicable.

## **CONCLUSION**

The relevance of the function of the CRG has diminished as the DTCRP project has shifted from a high-level design phase (masterplan) into a procurement and detailed design phase. As such, it is recommended to discontinue the function of a CRG for this project, to enable the PMT to focus on implementation.

## **COUNCIL RESOLUTION 14/20**

**Moved: Cr Atherton**

**Seconded: Cr Mitchell**

**That Council instruct the Chief Executive Officer to:**

- 1. Thank, in writing, members of the Community Reference Group for their contribution to the Donnybrook Town Centre Revitalisation Project.**
- 2. Dissolve and discontinue the Community Reference Group.**

**CARRIED 9/0 by En Bloc Resolution**



## **13 MEETINGS CLOSED TO THE PUBLIC**

---

### **13.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

---

The following confidential reports and recommendations have been distributed separately and are not for circulation:

#### **13.1.1 WRITE OFF OF RATES AND CHARGES**

This report is confidential in accordance with Section 5.23 of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:

- (e) a matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person

#### **13.1.2 UNIT 8 PRESTON RETIREMENT VILLAGE - MARKETING**

This report is confidential in accordance with Section 5.23 of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:

- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

### **COUNCIL RESOLUTION 15/20**

**Moved Cr Mitchell                      Seconded Cr Atherton**

**That the meeting be closed to the public in accordance with section 5.23(2) of the *Local Government Act 1995* to discuss confidential items 13.1.1 and 13.1.2.**

**CARRIED 9/0**

**The meeting was closed to members of the public at 6.47pm to consider items 13.1.1 and 13.1.2.**

**COUNCIL RESOLUTION 19/20**

**Moved Cr Atherton**

**Seconded Cr Newman**

1. That the meeting be re-opened to the public.

**CARRIED 9/0**

The meeting was reopened to members of the public at 6.51pm

---

**13.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC**

---

**COUNCIL RESOLUTION 16/20**

*That the following items be carried 'En Bloc':*

13.1.1 *Write off of Rates and Charges*

13.1.2 *Unit 8 Preston Retirement Village – Marketing*

**COUNCIL RESOLUTION 17/12**

*That Council not write off the amount of outstanding rates as requested by the owner of Lot 68 (16) Victoria Parade, Donnybrook levied for Assessment 4856 for the 2019/20 year.*

**COUNCIL RESOLUTION 18/20**

*That Council instruct the Chief Executive Officer to offer Unit 8, Preston Retirement Village to the market at a price of \$275,000.*

## 14 CLOSURE


---

The Annual General Meeting of Electors will be held on Monday 16 March 2020 commencing at 5.30pm in the Shire of Donnybrook Balingup Council Chamber.

The next Ordinary Council Meeting will be held on Wednesday 25 March 2020 commencing at 5.00pm in the Shire of Donnybrook Balingup Council Chamber.

The meeting was closed at 6.51pm.

These Minutes were confirmed by the Council as a true and accurate record at the Ordinary Council Meeting held 25 March 2020.



Cr Brian Plesse  
**SHIRE/PRESIDENT**