



## **AGENDA**

### **ORDINARY COUNCIL MEETING**

**TO BE HELD ON**

**THURSDAY, 21 JUNE 2018**

**5.30<sup>PM</sup>**

**SHIRE COUNCIL CHAMBERS**



**WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY**

# **DISCLAIMER**

## **INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS**

**PLEASE NOTE:**

**THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.**

**THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.**

**MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING AN OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.**

**CHRIS LINNELL  
CHIEF EXECUTIVE OFFICER**

## COUNCIL MEETING INFORMATION NOTES

1. Your Council generally handles all business at Ordinary or Special Council Meetings.
2. From time to time Council may form a Committee to examine subjects and then report to Council.
3. Generally all meetings are open to the public, however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.
4. Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.

When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

5. **Councillors** may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter **trivial, insignificant** or **in common with a significant number of electors** or **ratepayers**. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

**Members of staff** who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of meeting will advise the Officer if he/she is to leave the meeting.

6. Agendas including an Information Bulletin are delivered to Councillors within the requirements of the Local Government Act 1995, ie seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item including a recommendation will then be submitted to Council for consideration. The Agenda closes the Monday week prior to the Council Meeting (ie ten (10) days prior to the meeting).

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

7. Agendas for Ordinary Meetings are available in the Morawa Shire offices seventy two (72) hours prior to the meeting and the public are invited to secure a copy.
8. Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda.
9. Public Question Time – Statutory Provisions – Local Government Act 1995.
  1. Time is to be allocated for questions to be raised by members of the public and responded to at:
    - (a) Every ordinary meeting of a council; and
    - (b) Such other meetings of councils or committees as may be prescribed

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meeting - s5.24 (1) (b)

Local Government (Administration) Regulations 1996

- Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:
- (a) every special meeting of a council; and
  - (b) every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

- Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.
- (2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

- Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:
- (a) by the person presiding at the meeting; or
- (b) in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members,
- having regard to the requirements of sub regulations (2) and (3).
- (2) The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.
- (3) Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.
- (4) Nothing in sub regulation (3) requires:
- (a) A council to answer a question that does not relate to a matter affecting the local government;
- (b) A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or
- (c) A committee to answer a question that does not relate to a function of the committee.

10. Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection in the Morawa Shire Offices within ten (10) working days after the Meeting.

# Table of Contents

	Page
1. Declaration of Opening.....	1
1.1 Recording of those present .....	1
1.2 Apologies.....	1
1.3 Approved leave of absence .....	1
1.4 Welcoming of visitors to the meeting.....	1
1.5 Announcements by the presiding member without discussion .....	1
2 Public Question Time .....	1
2.1 Response to previous public questions taken on notice .....	1
2.2 Public question time .....	1
3 Declarations of Interest.....	1
4 Confirmation of Minutes of Previous Meetings .....	1
5 Public Statements, Petitions, Presentations and Approved Deputations.....	1
6 Method of Dealing with Agenda Business .....	2
7 Reports.....	2
7.1 Reports from committees .....	2
<b>7.2.1 Chief Executive Officer</b>	
7.2.1.1 Voting Delegates for WALGA AGM.....	3
7.2.1.2 Appointment to Morawa Sinosteel Future Fund Committee .....	18
7.2.1.3 Players Shelters – Morawa Football Club .....	22
<b>7.2.2 Executive Manager Corporate &amp; Community Services</b>	
7.2.2.1 Accounts Due for Payment (May 2018) .....	26
7.2.2.2 Reconciliation (May 2018).....	37
7.2.2.3 Monthly Financial Statements (May 2018) .....	42
7.2.2.4 Differential Rating .....	71
<b>7.2.3 Executive Manager Development &amp; Administration</b>	
7.2.3.1 Adoption of Local Laws .....	87
7.2.3.2 Netball Courts.....	135
<b>7.2.4 Economic Development Manager</b>	
Nil	

	<b>Principal Works Supervisor</b>	
7.2.5.1	Disposal Delegation to CEO.....	142
7.2.5.2	Memorandum of Understanding – Mungada Road.....	148
7.2.5.3	Submission to WALGA – Waste Levy .....	152
8	New Business of an Urgent Nature .....	176
9	Applications for Leave of Absence .....	176
10	Motions of Which Previous Notice Has Been Given.....	176
11	Questions from Members without Notice.....	176
12	Meeting Closed to Public.....	176
12.1	Matters for which meeting may be closed .....	176
12.2	Public reading of resolutions that may be made public.....	176
13	Closure .....	176
14	Next Meeting .....	176



## **1 Declaration of Opening**

The Shire President to declare the meeting open at 5:30pm.

### **1.1 Recording of Those Present**

Cr D S Carslake	Deputy President
Cr D S Agar	
Cr Coaker	
Cr D B Collins	
Cr SD Katona	
Cr K Stokes	
Mr C Linnell	Chief Executive Officer
Ms S Appleton	Executive Manager Development & Administration
Mrs J Goodbourn	Executive Manager Corporate & Community Services
Ms E Cuthbert	Economic Development Manager
Mr R Davy	Principal Works Manager
Mrs S Adams	Executive Assistance to CEO

### **1.2 Apologies**

Cr K J Chappel	President
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### **1.3 Approved Leave of Absence**

### **1.4 Welcoming of Visitors to the Meeting**

### **1.5 Announcements by the Presiding Member without Discussion**

## **2 Public Question Time**

### **2.1 Response to previous public questions taken on notice**

### **2.2 Public question time**

## **3 Declaration of Interest**

Members are to declare financial, proximity and indirect interests.

## **4 Confirmation of Minutes of Previous Meetings**

That the minutes of the Special Council Meeting held on 8 May 2018 and the Ordinary Council Meeting held on 17 May 2018 be confirmed as a true and accurate record.

## **5 Public Statements, Petitions, Presentations and Approved Deputations**

**6 Method of Dealing with Agenda Business**

**7 Reports**

**7.1 Reports from Committees**

Nil

**7.2 Reports from the Chief Executive Officer**

**7.2.2 Executive Manager Corporate & Community Services**

**7.2.3 Executive Manager Development & Administration**

**7.2.4 Economic Development Manager**

Nil

**7.2.5 Principal Works Manager**

Nil

*Item No/ Subject:* **7.2.1.1 Voting Delegates for WALGA**

*Date of Meeting:* **AGM 21 June 2018**

*Date & Author:* **1 June 2018 – Chris Linnell**

*Responsible Officer:* **Chris Linnell - CEO**

*Applicant/Proponent:* **WALGA**

*File Number:* **GR.STL.15**

*Previous minute/s &  
Reference:*

### **SUMMARY**

To select two voting delegates for the WA Local Government Association (WALGA) Annual General Meeting (AGM).

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 – 7.2.1.1a Notice of Proposed Amendments to the Association Constitution

### **BACKGROUND INFORMATION**

All member councils are entitled to be represented by two voting delegates at the AGM of the WALGA to be held on Wednesday, 1 August 2018.

### **OFFICER'S COMMENT**

As the representatives for the Shire of Morawa attending the WALGA convention and AGM are Cr Chappel and Collins, they should be elected as voting delegates on behalf of the Shire of Morawa with the CEO as proxy voting delegate.

### **COMMUNITY CONSULTATION**

Nil

### **COUNCILLOR CONSULTATION**

Nil

**STATUTORY ENVIRONMENT**

Nil

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Nil

**RISK MANAGEMENT**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER'S RECOMMENDATION**

That Council resolve to elect Cr Chappel and Cr Collins as Voting Delegates and the CEO as Proxy Voting Delegate for the Shire of Morawa in respect of the WALGA Annual General Meeting for 2018.

14 May 2018

**Notice**  
of  
**Proposed Amendments**  
**to the Association**  
**Constitution**

**WALGA**  
**Annual General Meeting**  
**Wednesday, 1 August 2018**

## Notice of Item Proposing Amendments to the Association Constitution

The following item will be presented as an item of business at the WALGA Annual General Meeting to be held on Wednesday, 1 August 2018 at the Perth Convention and Exhibition Centre.

As per Clause 29 of the Constitution, below, amendment to the Constitution requires a resolution passed by special majority by both State Council and at a general meeting.

The amendments to the Constitution detailed in the attached item were endorsed by State Council at their 4 May 2018 meeting. The information contained in this notice will be included in the agenda papers for the Annual General Meeting.

This notice complies with the requirements of Clause 29 (2)(b) that the WALGA Chief Executive Officer must give at least 60 days' notice of any proposal to alter the Constitution.

### **Clause 29 – Amendment to the Constitution**

*The Constitution of the Association may be altered, added to or repealed by:*

- (1) *A resolution at any meeting of the State Council on the receipt of a special majority of not less than 75% of representatives as, being entitled to do so, vote in person or by their deputy representatives; and*
- (2) *A resolution at an Annual General Meeting or Special General Meeting passed by a majority of not less than 75% of delegates as, being entitled to do so, vote in person or duly authorize a proxy vote to be exercised on their behalf, provided that:*
  - a. *75% of Ordinary Members who are eligible to vote are present or represented; and,*
  - b. *The Chief Executive Officer has given not less than sixty (60) days notice of any proposal to alter, add or repeal the Constitution to all Ordinary Members.*

## Proposed Amendments to the WALGA Constitution

*By Tony Brown, Executive Manager Governance and Organisational Services and Tim Lane, Manager Strategy and Association Governance*

### Recommendation

1. That Clause 18 and Clause 19 of the Association Constitution be amended as follows:

I. Clause 18, sub-clause (1) be amended with the addition of the underlined words, as follows:

(1) Following determination of the election of the President pursuant to clause 17 of this Constitution, the State Council shall elect a Deputy President from amongst its metropolitan and country representatives, provided the Deputy President represents the alternate constituency to the President elected pursuant to clause 17.

II. Clause 19 be amended with the addition of the underlined words and the deletion of the strikethrough words, as follows:

(1) If the office of the President becomes vacant or if for any other reason the President is unable to take or hold office at a period which exceeds six months from the date of the next scheduled election for that office, then the State Council shall meet to elect from among their number a President who, subject to this Constitution shall hold the office of President for the balance of the term of the President replaced.

(2) Where a vacancy occurs in the office of President at a period which is six months or less from the date of the next scheduled election for that office, the State Council may convene a meeting to elect from among their number a President who, subject to this Constitution, shall hold the office of President for the balance of the term of the President replaced, or the State Council may in its discretion, determine that the vacancy be filled by the Deputy President until the date of the next scheduled election.

~~(3)~~ An election pursuant to sub-clause 19(1) or sub-clause 19(2) shall cause the office of Deputy President to be declared vacant immediately prior to the conduct of the election.

~~(4)~~ Following an election pursuant to sub-clause 19(1) or sub-clause 19(2) an election pursuant to Clause 19(5) will be conducted for the office of Deputy President from amongst representatives of the alternate constituency to that of the President just elected.

~~(3)~~(5) If the office of Deputy President becomes vacant or if for any other reason the Deputy President is unable to take or hold office, then the State Council shall meet to elect from among their number a Deputy President who shall hold the office for the balance of the term of the Deputy President replaced, provided the Deputy President represents the alternate constituency to that of the President.

**(4)(6)** A State Council representative elected to fill a vacancy of President or Deputy President pursuant to clause ~~48~~ 19 shall still be eligible for election to a subsequent two (2) full consecutive terms.

2. That Clause 17A – Rotation of Presidency be added to the Association Constitution, as follows:

**17A – Rotation of Presidency**

1. At an election for the position of President conducted under sub-clause 17(2), only the incumbent President, subject to complying with sub-clause 17(5), or State Councillors from the alternate constituency to the incumbent President will be eligible to be elected.
2. At an election for the position of President conducted under Clause 19, only State Councillors from the alternate constituency to the incumbent President will be eligible to be elected.

3. That Clause 20 of the Association Constitution be amended with the addition of the underlined words as follows:

A person shall cease or be disqualified from being a representative or deputy representative on the State Council, or from being President or Deputy President of the Association, or from attending State Council in an ex-officio capacity, if that person:

4. That sub-clause 20(j) of the Association Constitution be amended with the addition of the underlined words and the deletion of the strikethrough words as follows:

(j) Is a Councillor that has been suspended by the Minister for Local Government under Part 8 of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the Local Government Act 1995.

5. That sub-clause 10(2) of the Association Constitution be amended with the addition of the underlined words as follows:

(2) Each representative on the State Council shall be entitled to exercise one (1) deliberative vote on any matter considered by the State Council provided that this clause shall not apply to any ex-officio members of the State Council. The President shall exercise a casting vote only, in the event of there being an equality of votes in respect of a matter considered by the State Council but excluding an election held in accordance with Clause 16 in which the President is entitled to a deliberative vote only.

6. That sub-clauses 2(1), 5(7)(a), 9(1)(d), and 31(4)(b) be amended as follows:

- I. That the following strikethrough words be replaced with the following underlined words in sub-clause 2(1):



~~“Local Government Managers Australia” means the Western Australian Division of the Local Government Managers Australia (LGMA), which body is incorporated under the Victorian Companies Act 1961.~~  
“Local Government Professionals Australia WA” means the Western Australian Division of Local Government Professionals Australia.

- II. That sub-clause 5(7)(a) of the Association Constitution relating to Associate Members of WALGA be amended with the words “Local Government Managers Australia (LGMA)” to be replaced with the words “Local Government Professionals Australia WA”.
  - III. That sub-clause 9(1)(a) of the Association Constitution relating to ex-officio members of State Council be amended to replace the words “Local Government Managers Australia (LGMA)” with the words “Local Government Professionals Australia WA”.
  - IV That sub-clause 31(4)(b) of the Association Constitution relating to a dispute resolution panel be amended by replacing the word “LGMA” with the words “Local Government Professionals Australia WA”.
7. That sub-clause 14(4a)(h) of the Association Constitution be amended with the addition of the underlined words and the deletion of the strikethrough words as follows:
- (h) Is a Councillor that has been suspended by the Minister for Local Government under part 8 of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the Local Government Act 1995.

## In Brief

- A number of potential amendments to the Association Constitution have arisen since the last governance review and Constitutional amendments in 2016;
- Amendment to the Constitution requires endorsement by a special majority of State Council and by a special majority at a WALGA Annual General Meeting;
- The issues identified and discussed in this report are as follows, with each issue corresponding to the numbers of the recommendations above:
  - i. President and Deputy President – Metropolitan and Country Representation;
  - ii. President and Deputy President – Rotation of Presidency between Metropolitan and Country constituencies;
  - iii. State Councillor Eligibility – Ex-officio Members;
  - iv. State Councillor Eligibility – Ministerial Suspension of Council or Councillor;
  - v. Election Procedure – Confirmation that the WALGA President is entitled to vote in elections for the positions of President and Deputy President;
  - vi. Change of Name – Local Government Professionals Australia WA; and,
  - vii. Zone Delegate Eligibility – Ministerial Suspension of Council or Councillor.
- If one or more of the amendments above are endorsed by State Council by special majority an item will be prepared for the 2018 WALGA Annual General Meeting to be held on 1 August.

## Background

This item considers a number of potential amendments to WALGA's Constitution that have been raised or identified since the last governance review and amendments to WALGA's Constitution in 2016.

Amendment of the Constitution involves a two-step process, as detailed in Clause 29 of the Constitution, as follows:

The Constitution of the Association may be altered, added to or repealed by:

- (1) A resolution at any meeting of the State Council on the receipt of a special majority of not less than 75% of representatives as, being entitled to do so, vote in person or by their deputy representatives; and
- (2) A resolution at an Annual General Meeting or Special General Meeting passed by a majority of not less than 75% of delegates as, being entitled to do so, vote in person or duly authorize a proxy vote to be exercised on their behalf, provided that:
  - a. 75% of Ordinary Members who are eligible to vote are present or represented; and,
  - b. The Chief Executive Officer has given not less than sixty (60) days notice of any proposal to alter, add or repeal the Constitution to all Ordinary Members.

This report considers six issues put forward for Constitutional Amendment, with each issue corresponding to the numbered recommendations, as follows:

1. President and Deputy President – Metropolitan and Country Representation
2. President and Deputy President – Rotation of Presidency between Metropolitan and Country constituencies
3. State Councillor Eligibility – Ex-officio Members
4. State Councillor Eligibility – Ministerial Suspension of Council or Councillor
5. Election Procedure – Confirmation that the WALGA President is entitled to vote in elections for the positions of President and Deputy President
6. Change of Name – Local Government Professionals Australia WA
7. Zone Delegate Eligibility – Ministerial Suspension of Council or Councillor

## Comment

Background and secretariat comment for the following issues have been combined below on a per-issue basis.

### **Issue 1 – President and Deputy President: Metropolitan and Country Representation**

An emerging issue was raised at the March 2018 meeting of State Council in relation to the representation of both the Metropolitan and Non-metropolitan constituencies in the positions of President and Deputy President of WALGA.

Following consideration of this issue, State Council resolved as follows:

*That an item for decision be prepared for the May 2018 State Council agenda to provide consideration to proposed amendments to the WALGA Constitution and*

*Corporate Governance Charter to ensure representation from both Metropolitan and Country constituencies for the President and Deputy President positions.*

Since the formation of WALGA as the single Local Government association in 2001, there has been a convention that the President and Deputy President would be elected from opposite constituencies. That is, if the President is from the country constituency, the Deputy President would be elected from the metropolitan constituency and vice-versa.

This convention has not been challenged or broken in the 17 years since WALGA's formation, although it is possible that State Council could elect a President and Deputy President from the same constituency.

The argument in favour of this Constitutional amendment is that it would ensure that the Deputy President is drawn from the alternate constituency from that of the President, ensuring representation for both constituencies.

The argument against this Constitutional amendment is that it reduces the decision-making function of State Council to elect the 'best person for the job' and, as the convention has not been broken since WALGA's formation, it may not be an issue that requires regulation via Constitutional amendments.

To effect the change, amendments are required to Clause 18 – Deputy President, and to Clause 19 – Vacancy: President and Deputy President.

The following amendment is proposed to Clause 18 – Deputy President, by adding the underlined text as follows:

- (1) Following determination of the election of the President pursuant to clause 17 of this Constitution, the State Council shall elect a Deputy President from amongst its metropolitan and country representatives, provided the Deputy President represents the alternate constituency to the President elected pursuant to clause 17.
- (2) The Deputy President shall be elected by the State Council at the first Ordinary Meeting of State Council of an even numbered year. The Deputy President's term shall commence from the date of election and shall conclude on the day of the first Ordinary Meeting of State Council of the following even numbered year.
- (3) Prior to expiration of a term of office, a Deputy President may seek re-election for a consecutive term.
- (4) Where a Deputy President seeks and is re-elected for a consecutive term, that person shall not hold office beyond two (2) full consecutive terms.

The proposed amendment above would sufficiently address the issue for regular, end-of-term elections following the election of a new State Council.

However, where a vacancy arises in the office of President, the election of a replacement President would need to ensure that metropolitan and country representation remains in the two positions. Ensuring continued representation of both constituencies in the event of a casual vacancy in the office of President could be addressed in one of two ways, both of which have pros and cons.

Either:

- A. The replacement President must be drawn from same constituency as the current President. That is, if the WALGA President is from the country constituency, election of the replacement President for the balance of the President's term must be drawn from the country constituency.

Or:

- B. The office of Deputy President is declared vacant at the time the election for President is held. This would enable State Council to elect a President from amongst all members with the subsequent election for Deputy President being limited to the alternate constituency.

Option A – Replacement President from the same constituency – limits the options of State Council in electing a President to half of State Council, the half representing the same constituency as the departing President. While this may be appropriate in some circumstances, it does not necessarily provide State Council with the ability to elect the 'best person for the job'. Secondly, the Deputy President may be an appropriate candidate for the position of President, but would be unable to nominate for the position under this scenario unless they resigned from the position of Deputy President.

Option B – Office of Deputy President declared vacant at election of President – addresses the issues with Option A outlined above in that State Council would be able to elect a President from amongst all State Councillors, including the Deputy President who may be suitable. However, it may not be considered appropriate that the Deputy President loses office due to the resignation or inability of the President to continue in the role.

On the basis that electing a President from amongst all State Councillors is considered the most important criteria, amendments in accordance with Option B have been drafted to Clause 19 – Vacancy: President and Deputy President – by adding the underlined text and amending the numbering as follows:

- (1) If the office of the President becomes vacant or if for any other reason the President is unable to take or hold office at a period which exceeds six months from the date of the next scheduled election for that office, then the State Council shall meet to elect from among their number a President who, subject to this Constitution shall hold the office of President for the balance of the term of the President replaced.
- (2) Where a vacancy occurs in the office of President at a period which is six months or less from the date of the next scheduled election for that office, the State Council may convene a meeting to elect from among their number a President who, subject to this Constitution, shall hold the office of President for the balance of the term of the President replaced, or the State Council may in its discretion, determine that the vacancy be filled by the Deputy President until the date of the next scheduled election.
- (3) An election pursuant to sub-clause 19(1) or sub-clause 19(2) shall cause the office of Deputy President to be declared vacant immediately prior to the conduct of the election.
- (4) Following an election pursuant to sub-clause 19(1) or sub-clause 19(2) an election pursuant to Clause 19(5) will be conducted for the office of Deputy President from amongst representatives of the alternate constituency to that of the President just elected.

- (3)(5) If the office of Deputy President becomes vacant or if for any other reason the Deputy President is unable to take or hold office, then the State Council shall meet to elect from among their number a Deputy President who shall hold the office for the balance of the term of the Deputy President replaced, provided the Deputy President represents the alternate constituency to that of the President.
- (4)(6) A State Council representative elected to fill a vacancy of President or Deputy President pursuant to clause 48 19 shall still be eligible for election to a subsequent two (2) full consecutive terms.

## **Issue 2 – Rotation of Presidency between Metropolitan and Country Constituencies**

Similar to issue 1, above, the Governance and Organisational Services Policy Team of State Council considered the issue of the Presidency of the Association being rotated between the Metropolitan and Country constituencies.

Again, this has been managed since WALGA's formation in 2001 by convention. When a President has retired or stepped down from the role, a representative from the other constituency (often the serving Deputy President) has been elected to the Presidency.

At their recent meeting, the Governance and Organisational Services Policy Team of State Council requested that the issue of rotating the Presidency between the constituencies on a formal basis through Constitutional amendments be considered.

The Policy Team resolved:

*That an item for decision be prepared for the May 2018 State Council agenda to provide amendments to the WALGA Constitution and Corporate Governance Charter to cover the following issues:*

- *That the position of WALGA President transfers between the two constituencies following the completion of the incumbent's entitlement to be elected for two full consecutive terms.*

Similar to Issue 1, above, implementation of this concept through Constitutional amendment has pros and cons. While, an amendment of this nature would ensure rotating representation of metropolitan and country constituencies in the office of President, it could also limit State Council's prerogative to elect the 'best person for the job'.

This proposal raises a number of scenarios that are not necessarily simple to deal with through Constitutional amendments. For instance, depending on the amendments to the Constitution, issues could arise if a President resigns part way through a term, or even if a President only completes one two-year term.

For example, if a President from the metropolitan constituency resigned after one two-year term, there would be three possible scenarios:

1. The country constituency could then have a claim to the Presidency as it would be the country's turn and only State Councillors from the country constituency would be eligible to be elected;
2. A replacement President could be elected from the metropolitan constituency as the metropolitan constituency had only held the Presidency for two years (the newly

- elected President may then expect to be re-elected for a second term, lengthening the reign of the metropolitan constituency to six years, thereby causing further issues); or,
3. State Council could elect a President from either constituency, as per current arrangements.

One option could be to only 'force' the rotation of the Presidency once the President has completed two terms, however this could create an issue if a President resigned part way through their second term as the replacement President would then be 'entitled' to two terms before a constitutionally enforceable rotation of the Presidency.

In the interest of simplicity it is suggested that a new Clause 17A be added to the Constitution to ensure rotation of the office of Presidency no matter the length of time served by the President:

#### 17A – Rotation of Presidency

3. At an election for the position of President conducted under sub-clause 17(2), only the incumbent President, subject to complying with sub-clause 17(5), or State Councillors from the alternate constituency to the incumbent President will be eligible to be elected.
4. At an election for the position of President conducted under Clause 19, only State Councillors from the alternate constituency to the incumbent President will be eligible to be elected.

This would mean, at any election for President, only the incumbent President or State Councillors from the alternate constituency would be eligible to nominate. If the President has retired or has completed two full terms (as per sub-clause 17(5)), only State Councillors from the alternate constituency would be eligible to nominate and be elected.

### **Issue 3 – State Councillor Eligibility: Ex-officio Members**

At the July 2017 State Council meeting, an emerging issue was considered in relation to the continuing eligibility of to serve on State Council following a serious breach of the *Local Government Act 1995*.

State Council resolved as follows:

*That:*

1. *The issue of amending the Constitution relating to State Councillor, ordinary or ex officio, eligibility be considered by the Governance Policy Team;*
2. *The Policy Team to consider the implications of amending the Constitution so that if any State Councillor, ordinary or ex officio, is found guilty of a serious breach of the Local Government Act 1995, as amended, that person will become ineligible to become or continue as a State Councillor, ordinary or ex officio.*

As per State Council's resolution above, the Governance and Organisational Services Policy Team considered this issue at their March 2018 meeting and resolved as follows:

*That an item for decision be prepared for the May 2018 State Council agenda to provide amendments to the WALGA Constitution and Corporate Governance Charter to cover the following issues;*

- *That if any State Councillor, ordinary or ex officio, is found guilty of a serious breach of the Local Government Act 1995, as amended, that person will become ineligible to become or continue as a State Councillor, ordinary or ex officio.*

Clause 20, sub-clause (e) disqualifies a representative or deputy representative from serving on the State Council if that person is convicted of an offence under the *Local Government Act 1995*.

To give effect to the Policy Team's recommendation, an amendment is required to clarify that Clause 20 of the Constitution also applies to ex-officio members, with the addition of the underlined text, as per below:

A person shall cease or be disqualified from being a representative or deputy representative on the State Council, or from being President or Deputy President of the Association, or from attending State Council in an ex-officio capacity, if that person:

- (a) Dies;
- (b) Ceases to be a Councillor of the Ordinary Member;
- (c) Resigns the position by notice in writing delivered or sent by post to the Chief Executive Officer, and such resignation is accepted;
- (d) Is a member of State or Federal Parliament;
- (e) Is convicted of an offence under the *Local Government Act 1995*;
- (f) Is permanently incapacitated by mental or physical ill-health;
- (g) Is absent from more than 3 consecutive State Council meetings;
- (h) Is a member of a Local Government that ceases to be a member of the Association;
- (i) Is the subject of a resolution passed by the Zone from which that person was originally elected terminating his or her appointment as a representative or deputy representative of that Zone, except where that person is the subject of any resolution consequent upon his or her being elected President of the Association and in pursuance of sub-clause 17(4); or,
- (j) Is a Councillor of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the *Local Government Act 1995*.

#### **Issue 4 – State Councillor Eligibility: Ministerial Suspension of Council or Councillor**

A further issue relating to State Councillor eligibility relates to the suspension of Councils and the proposed amendment to the *Local Government Act 1995* to enable the Minister for Local Government to stand down an individual Elected Member.

Currently sub-clause 20(j) of the Constitution states that a State Councillor will not be eligible to be elected or to continue on State Council if "a Councillor of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the *Local Government Act 1995*."

It is the opinion of the secretariat that sub-clause 20(j) is too specific as Councils can also be suspended under Section 8.19 of the *Local Government Act 1995*. Further, if the *Local Government Amendment (Suspension and Dismissal) Bill 2018* passes the Parliament, as expected, the Minister for Local Government will also have the power to suspend individual Elected Members.

It is therefore recommended that sub-clause 20(j) be amended to clarify that a State Councillor who is suspended or stood down by the Minister using various sections of the *Local Government Act 1995* is not eligible to be elected to, or continue on, State Council, as follows:

A person shall cease or be disqualified from being a representative or deputy representative on the State Council, or from being President or Deputy President of the Association if that person:

- (a) Dies;
- (b) Ceases to be a Councillor of the Ordinary Member;
- (c) Resigns the position by notice in writing delivered or sent by post to the Chief Executive Officer, and such resignation is accepted;
- (d) Is a member of State or Federal Parliament;
- (e) Is convicted of an offence under the Local Government Act 1995;
- (f) Is permanently incapacitated by mental or physical ill-health;
- (g) Is absent from more than 3 consecutive State Council meetings;
- (h) Is a member of a Local Government that ceases to be a member of the Association;
- (i) Is the subject of a resolution passed by the Zone from which that person was originally elected terminating his or her appointment as a representative or deputy representative of that Zone, except where that person is the subject of any resolution consequent upon his or her being elected President of the Association and in pursuance of sub-clause 17(4); or,
- (j) Is a Councillor that has been suspended by the Minister for Local Government under Part 8 of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the Local Government Act 1995.

#### **Issue 5 – Election Procedure – Confirmation that the WALGA President is entitled to vote in elections for the positions of President and Deputy President**

Another clarification that has arisen is to confirm that the incumbent President is entitled to vote in elections for President and Deputy President of WALGA.

The Constitution is clear that the President does not exercise a deliberative vote on matters before State Council (but does have a casting vote if there is an equality of votes), but the Constitution is silent on whether the President is entitled to vote in elections. It has been standard operating practice that the President has voted in elections for the position of President and Deputy President.

Clause 10 – Proceedings of State Council, sub-clause (2) relates to the President's voting and it is proposed that it be amended with the addition of the underlined words, as follows to make clear that the President may vote for office bearer positions:

- (2) Each representative on the State Council shall be entitled to exercise one (1) deliberative vote on any matter considered by the State Council provided that this clause shall not apply to any ex-officio members of the State Council. The President shall exercise a casting vote only, in the event of there being an equality of votes in respect of a matter considered by the State Council but excluding an election held in accordance with Clause 16 in which the President is entitled to a deliberative vote only.

#### **Issue 6 – Change of Name – Local Government Professionals Australia WA**

Following the change of name of the Local Government Managers Australia (LGMA) to Local Government Professionals Australia WA it is proposed that the following sub-clauses be amended to reflect the name change:

- 2(1)
- 5(7)(a)



- 9(1)(d)
- 31(4)(b)

**Issue 7 – Zone Delegate Eligibility: Ministerial Suspension of Council or Councillor**

Similar to Issue 4 above, this amendment proposes that sub-clause 14(4a)(h) be amended to clarify that a Zone delegate who is suspended or stood down by the Minister using various sections of the *Local Government Act 1995* is not eligible to be elected to, or continue on, the Zone, as follows:

- (4a) The term of a person who is a delegate of a member of a Zone expires when the person:
- (a) dies;
  - (b) ceases to be a Councillor of the Ordinary Member;
  - (c) resigns the position by notice in writing given to the Ordinary Member who elected or appointed the person as its delegate and the resignation is accepted;
  - (d) becomes a member of State or Federal Parliament;
  - (e) is convicted of an offence under the *Local Government Act 1995*;
  - (f) is permanently incapacitated by mental or physical ill-health;
  - (g) is the subject of a resolution passed by the Ordinary Member who appointed the person as its delegate terminating their appointment as the delegate of that Ordinary Member; or
  - (h) Is a Councillor that has been suspended by the Minister for Local Government under part 8 of an Ordinary Member that has been peremptorily suspended under Section 8.15C(2)(c) of the Local Government Act 1995.

<i>Item No/ Subject:</i>	<b>7.2.1.2 Appointment to Morawa Sinosteel Future Fund Committee</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>11 June 2018 – Chris Linnell</b>
<i>Responsible Officer:</i>	<b>Chris Linnell – Chief Executive Officer</b>
<i>Applicant/Proponent:</i>	<b>Chris Linnell</b>
<i>File Number:</i>	<b>GS.PRG.3</b>
<i>Previous minute/s &amp; Reference:</i>	<b>OCM 21 December 2017 – Item 7.2.3.2 Resolution 171209</b>

### **SUMMARY**

The purpose of this item is for Council to select a community member of the Morawa Sinosteel Future Fund Committee.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Nil

### **BACKGROUND INFORMATION**

The Morawa Sinosteel Future Fund was set up by Sinosteel to assist community organisations by providing financial support for:

- Activities or endeavours that will provide community or welfare benefit to persons who are ordinarily resident in the Area or
- Facilities or services that improve the welfare, culture or amenity of persons ordinarily resident in the area

A Public Benefit Agreement (PBA) was entered into by Sinosteel with the Shire of Morawa. An amount of \$2,134,360 is currently invested. 85% of the interest made on this amount is available annually to support the local community as per the Agreement (Attachment 1).

The PBA (clause 6.2) sets out a requirement to establish a committee consisting of five persons, being the Shire President, Deputy President, Shire CEO and two local community representatives.

Following the election to Council of Cr Shirley Katona on 12 May 2018, a new community member is required for the Morawa Sinosteel Future Fund committee.

### **OFFICER'S COMMENT**

The Trust has delivered significant support to local organisations in the past and came about as a way of ensuring Sinosteel's mining project left an enduring and long lasting benefit to the Morawa community.

Council will need to appoint one new committee member to enable the allocation of funds to eligible community groups.

Two members of the community have nominated for the one vacant position on the Committee for the remainder of a two (2) year term commencing 21 December 2017:

- Carol Penn – Middle Earth

Carol is a retired legal professional. Over her professional career she has had experience in collating information for commonwealth funding submissions that supported services for the prevention of family violence. Carol operates a small business in Morawa.

- Andrew Moore – Weelaway Stone

Andrew has resided in Morawa all his working life and has undertaken many community volunteer roles over this time. Andrew was the Morawa District High School P & C President for 4 years and also supported MDHS become an Independent Public School. Andrew is a local businessman who has worked directly with Sinosteel in the past.

The individual expressions of interest will be provided under separate cover.

### **COMMUNITY CONSULTATION**

The community has been consulted via the request for applications to the vacant committee position.

### **COUNCILLOR CONSULTATION**

Nil

### **STATUTORY ENVIRONMENT**

#### **Local Government Act 1995**

##### **5.8. Establishment of committees**

A local government may establish\* committees of 3 or more persons to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

*\* Absolute majority required.*

## **5.10. Committee members, appointment of**

- (1) A committee is to have as its members —
  - (a) persons appointed\* by the local government to be members of the committee (other than those referred to in paragraph (b)); and
  - (b) persons who are appointed to be members of the committee under subsection (4) or (5).

\* *Absolute majority required.*
- (2) At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.
- (3) Section 52 of the *Interpretation Act 1984* applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the local government.
- (4) If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.
- (5) If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish —
  - (a) to be a member of the committee; or
  - (b) that a representative of the CEO be a member of the committee, the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee.

## **5.16 Delegation of some powers and duties to certain committees**

- (1) Under and subject to section 5.17, a local government may delegate\* to a committee any of its powers and duties other than this power of delegation.

\* *Absolute majority required.*
- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.
- (3) Without limiting the application of sections 58 and 59 of the *Interpretation Act 1984* —
  - (a) a delegation made under this section has effect for the period of time specified in the delegation or if no period has been specified, indefinitely; and
  - (b) any decision to amend or revoke a delegation under this section is to be by an absolute majority.

- (4) Nothing in this section is to be read as preventing a local government from performing any of its functions by acting through another person.

### **FINANCIAL IMPLICATIONS**

The Committee will enable direction to be given with regard to the expenditure of the funds held. Funds available for the Committee will be set for each financial year via the budget process.

### **STRATEGIC IMPLICATIONS**

Shire of Morawa Strategic Community Plan

4.3 A local government that is respected, professional and accountable.

### **RISK MANAGEMENT**

Shire of Morawa Risk Management Framework

- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.

### **VOTING REQUIREMENTS**

Absolute Majority

### **OFFICER'S RECOMMENDATION**

That Council resolve to appoint \_\_\_\_\_ to the Morawa Sinosteel Future Fund Committee for the remainder of a two year term to expire 20 December 2019.

*Item No/ Subject:* **7.2.1.3 Player Shelters – Morawa Sporting Oval**

*Date of Meeting:* **21 June 2018**

*Date & Author:* **15 June 2018 – Chris Linnell**

*Responsible Officer:* **Chris Linnell – Chief Executive Officer**

*Applicant/Proponent:* **Morawa Football Club**

*File Number:* **CR.SPN.1, RC.LSN.10**

*Previous minute/s & Reference:*

### **SUMMARY**

The player shelters at the Morawa Sporting Oval were removed following a request from the Morawa Football Club (MFC) due to their worsening condition. The MFC had intended to use removable shelters over the remainder of the football season but these have proved to be less than adequate. On 16 May 2018 the MFC wrote to the Shire of Morawa requesting new shelters be provided and that the MFC, through the committee, would commit to providing some financial contribution. This report provides Council with an information update on the project.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 – 7.2.1.3a Example Shelter

### **BACKGROUND INFORMATION**

The original player shelters at the Morawa Sporting Oval had been identified for replacement due to their poor condition. Copy of the MFC Minutes from 20 February 2018 was received requesting the shelters be removed due to concern about user safety, with the MFC to use an interim structure for the remainder of the season. On the 16 May further correspondence was received for the MFC outlining the failure of the interim solution and requesting the replacement options be brought forward and constructed at the earliest opportunity rather than waiting until the end of the 2018 football season.

The MFC have committed through their committee to providing some financial contribution toward the replacement project.

The type of shelter requested is based on commonly used style, which has a metal frame with a Colourbond finish, see Attachment 1.

## **OFFICER'S COMMENT**

The Shire undertook the removal of the original shelters at the request of the MFC with the understanding that an interim solution would be utilized for the remainder of the 2018 football season. The Shire of Morawa with input from the MFC would then undertake a replacement program during the off season.

As stated already the identified interim solution has not worked and the MFC now wish the Shire to expedite the replacement program.

Two options have been considered for the replacement of the player shelters.

### **Option 1**

This involves the procurement of purpose-built player shelters. A review of products that could provide a solution range from between \$2,500 - \$6,000 per shelter and would still require transportation to site and installation. With all costs considered it is expected that it would cost approximately \$10,000 for the entry level structures.

The MFC have indicated that they would be willing to provide 50% of the costs.

It is unknown what timeframe would be required by a manufacturer to provide the new structures to site.

An out-of-budget request of Council is required with this option.

### **Option 2**

This option will utilise the Shire's in-house skillset to construct new shelters and will be constructed of metal framing and Colourbond cladding. The shelter will also be removable.

Material required for the build have been identified through discussions between the Shire and the MFC.

The MFC will contribute to the project by paying for all material required to construct the shelters which is approximately \$3,200. The Shire will build and install the shelters over a 2-3 day timeframe.

This option requires no out-of-budget request from Council.

A consideration in the 2018-19 budget process for new player seating in the shelters would be included.

Option 2 is the preferred option.

## **COMMUNITY CONSULTATION**

Consultation with the Morawa Football Club via the Club President has been undertaken.

## **COUNCILLOR CONSULTATION**

Councillors were briefed on request from MFC at the May OCM.

## **STATUTORY ENVIRONMENT**

Nil

## **POLICY IMPLICATIONS**

Policy 10.1 – Infrastructure Asset Management

6. To encourage the development of junior and senior sport through development of excellent sporting facilities that will attract visiting teams

## **FINANCIAL IMPLICATIONS**

There are no financial implications with the preferred option.

## **STRATEGIC IMPLICATIONS**

2018 Morawa Strategic Community Plan

- 3.5 Improved and well maintained community, recreational and civic infrastructure

## **RISK MANAGEMENT**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That with regard to the request from the Morawa Football Club to bring forward the replacement of the Player Shelters and the Morawa Sporting Oval, Council:

1. Note option 2 as the preferred option.





<i>Item No/Subject:</i>	<b>7.2.2.1 Accounts Due For Payment – May 2018</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>18 June 2018 – Candice Smith Senior Finance Officer</b>
<i>Responsible Officer:</i>	<b>Jenny Goodbourn – Executive Manager Corporate &amp; Community Services</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Corporate &amp; Community Services</b>
<i>File Number:</i>	<b>FM.CRD.1</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

A list of accounts is attached for all payments made for the month of May 2018

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 - 7.2.2.1a List of accounts due and submitted

### **BACKGROUND INFORMATION**

Local Government (Financial Management) Regulations 1996 – Reg 13

The local government has delegated to the CEO the exercise of power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to prepare each month showing for each account paid since the last such list was prepared.

### **OFFICER'S COMMENT**

Nil

**COMMUNITY CONSULTATION**

Nil

**COUNCILLOR CONSULTATION**

Nil

**STATUTORY ENVIRONMENT**

Local Government (Financial Management) Regulations 1996 – Reg 13

**POLICY IMPLICATIONS**

Section 3 – Finance 3.6 Use of Corporate Credit Cards Policy

**FINANCIAL IMPLICATIONS**

As per list of accounts

**STRATEGIC IMPLICATIONS**

Nil

**RISK MANAGEMENT**

As per Policy Section 3 – Finance 3.11 Risk Management Controls

**VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council resolves to endorse the list of accounts paid by the Chief Executive Officer under delegated authority, represented by:

- Municipal EFT Payment Numbers EFT10739 to EFT10814 inclusive, amounting to \$692,450.02
- Municipal Cheque Payments Numbered 11824 to 11838 amounting to \$72,540.31
- Municipal Direct Debit Payments Numbers DD6067.1 to DD6123.3 amounting to \$27,201.36
- Payroll for May 2018  
02/05/2018 - \$ 48,424.60  
16/05/2018 - \$ 48,931.26  
30/05/2018 - \$49,066.33
- Credit Card Payment May 2018  
\$2,190.65

7.2.2.1a List of accounts due and submitted

EFT10739	04/05/2018	Australian Services Union	Payroll deductions	1	82.35
EFT10740	04/05/2018	Department of Human Services	Payroll deductions	1	334.24
EFT10741	10/05/2018	Herbert Edward Kenyon	Carpet cleaning - Oval Function Room	1	350.00
EFT10742	10/05/2018	Kats Rural	Various parts as per attached PO	1	349.19
EFT10743	10/05/2018	S & K Electrical Contracting Pty Ltd	Disconnect and reconnect hot water system- 345 Grove St	1	100.65
EFT10744	10/05/2018	Winchester Industries	14mm and 7mm washed blue metal delivered to Nanekine Rd	1	48,234.67
EFT10745	10/05/2018	Jason Signmakers	Street name blades – Business signage	1	2,931.50
EFT10746	10/05/2018	Neverfail Springwater Limited	Water cooler rental	1	14.30
EFT10747	10/05/2018	Coates Hire	Dingo hire for 6 weeks (part payment) – Bush Trail	1	2,079.32
EFT10748	10/05/2018	Colliers	Rental - Depot 1/5/2018 to 31/5/2018	1	423.85
EFT10749	15/05/2018	Dean's Contracting WA Pty Ltd	Flood damage repairs 11/04/2018 - 24/04/2018 Works Supervisor	1	20,707.61
EFT10750	15/05/2018	BPH	Flood damage 2017 repairs 11/04/2018 - 24/04/2018	1	221,716.00
EFT10751	15/05/2018	Prestige Pty Ltd	Cleaning contract from the 19/3/2018 to 4/4/2018	1	4,060.00
EFT10752	15/05/2018	Morawa News & Gifts	Stationary and newspapers for April 18	1	92.83
EFT10753	15/05/2018	Morawa Community Resource Centre	15 x A5 Phone books @ \$4.00 each	1	60.00
EFT10754	15/05/2018	Morawa Medical Centre	Staff Medical	1	130.00
EFT10755	15/05/2018	J.R. & A. Hersey Pty Ltd	White road marker	1	209.66
EFT10756	15/05/2018	Kats Rural	Sprinkler - Rainbird	1	653.03



EFT10757	15/05/2018	Morawa Drapery Store	Steelcap work boots	1	319.90
EFT10758	15/05/2018	Morawa Traders	Light globes for depot	1	48.86
EFT10759	15/05/2018	Landmark Operations Limited	Gas bottle - Koolanooka Chalet	1	125.00
EFT10760	15/05/2018	WesTrac Equipment Pty Ltd	11 various air and oil filters -P221	1	375.77
EFT10761	15/05/2018	Landgate	Rural UV General Valuations	1	4,445.13
EFT10762	15/05/2018	Refuel Australia	Card transactions for April 18	1	1,306.70
EFT10763	15/05/2018	S & K Electrical Contracting Pty Ltd	Install power point near phone connection, change bathroom Light/fan to manual switch	1	426.25
EFT10764	15/05/2018	Canine Control	Rangers Services Thursday, 3 May 2018	1	982.72
EFT10765	15/05/2018	GH Country Courier	Freight from Westrac Geraldton	1	80.69
EFT10766	15/05/2018	Courier Australia	Freight SWA to Morawa - Water Exam	1	10.87
EFT10767	15/05/2018	Austral Mercantile Collections Pty Ltd	Collections for April 18	1	4,343.04
EFT10768	15/05/2018	Geraldton Toyota	2 each of oil, fuel and air filters to suit P247	1	334.03
EFT10769	15/05/2018	Conway Highbury	Contractors fee - Ray Davy Acting Principal Works Supervisor - April 2018	1	13,863.45
EFT10770	15/05/2018	Geraldton Mower & Repairs Specialists	Various parts for chainsaw	1	848.40
EFT10771	15/05/2018	Shire of Perenjori	Contribution to Club Development Program	1	3,500.00
EFT10772	15/05/2018	Coates Hire	Hire of Roller smooth 17 tonne single drum from 9/4/2018 to 4/5/2018	1	5,215.32
EFT10773	15/05/2018	Herrings Coastal Plumbing & Gas	Replace hot water system - 345 Grove St	1	869.00
EFT10774	15/05/2018	IGA Morawa	Purchases - 15/3/2018 to 4/5/2018	1	754.76

EFT10775	15/05/2018	MEEEDAC Incorporated	Tip Attendant 138 hours 1/4/2018 to 30/4/2018	1	5,865.00
EFT10776	15/05/2018	Great Southern Fuel Supplies	Card transactions for April 18	1	1,072.29
EFT10777	15/05/2018	Stratum Cutting Edges	16 x 5D9562 blades and 20 x tips 2D5572	1	2,111.38
EFT10778	15/05/2018	Aquatic Services WA Pty Ltd	Investigate and repair issue with backwash – swimming pool	1	1,738.00
EFT10779	15/05/2018	Avon Waste	Waste collection	1	6,955.25
EFT10780	15/05/2018	Mitchell and Brown Communications Vidguard	Youth Centre Security Monitoring 01/05/2018 to 31/07/2018	1	115.50
EFT10781	15/05/2018	Morawa Rural Pty Ltd T/AS Morawa Rural Enterprises	Tyres - P220 and P174	1	5,336.40
EFT10782	15/05/2018	J & K Hutchcraft	Repair and seal red brick work on Town Hall	1	4,125.00
EFT10783	15/05/2018	The Folan Family Trust T/as Inspired Development Solutions Pty Ltd	Cultural Benchmarking Workshop	1	7,148.86
EFT10784	15/05/2018	WINC Australia	Printing Charges 20/3/2018 to 20/4/2018	1	757.60
EFT10785	21/05/2018	Australian Services Union	Payroll deductions	1	82.35
EFT10786	21/05/2018	Department of Human Services	Payroll deductions	1	334.24
EFT10787	28/05/2018	LG Services WA	Development of Corporate Business Plan	1	9,678.90
EFT10788	28/05/2018	Star Track Express	Freight	1	52.66
EFT10789	28/05/2018	Metal Artwork Creations	Desk top name plaque Councillor Katona	1	54.45
EFT10790	28/05/2018	Courier Australia	Freight from Jason Signmakers	1	55.37
EFT10791	28/05/2018	Greenfield Technical Services	Complete road inspection and data pick-up and update of RAMM Database	1	11,299.20
EFT10792	28/05/2018	Bob Waddell & Associates Pty Ltd	Assistance with Annual Budget	1	264.00

EFT10793	28/05/2018	Bunnings Group Limited	various purchases	1	958.91
EFT10794	28/05/2018	Geraldton Trophy Centre and Engraving Centre	Name plates for Members board in Council Chambers - Cr Thornton and Cr Katona	1	41.00
EFT10795	28/05/2018	Jason Signmakers	Caravan Park and Club Road Signage	1	633.60
EFT10796	28/05/2018	Guardian Print	100 x A5 Wildflower Handbook Brochures	1	455.00
EFT10797	28/05/2018	Alinta Sales Pty Ltd	Power usage charges 01/04/2018 to 30/4/2018	1	98.49
EFT10798	28/05/2018	Totally Workwear	Uniform	1	281.55
EFT10799	28/05/2018	Cekas Pest Management P.H.L 2101	Removal of beehive from Council reserve at rear of 3 Valentine Street (occupied by Morawa Golf Club)	1	110.05
EFT10800	28/05/2018	Department of Local Government and Communities	Return of grant monies - Youth Week	1	1,100.00
EFT10801	28/05/2018	Infinitum Technologies Pty Ltd	Computer system support for April 2018	1	1,584.00
EFT10802	28/05/2018	Morawa Rural Pty Ltd T/AS Morawa Rural Enterprises	Water fittings	1	8.55
EFT10803	28/05/2018	The Folan Family Trust T/as Inspired Development Solutions Pty Ltd	Action Planning and Presentation - Cultural Benchmarking	1	2,748.86
EFT10804	28/05/2018	Sanwood Nominees Pty Ltd	Fees - Acquisition of Lot 24 Richter Avenue	1	885.50
EFT10805	28/05/2018	Creative Spaces	50% of agreed fees - Stage 1 Morawa Heritage trail	1	4,070.00
EFT10806	28/05/2018	John Phillips Consulting	CEO Interim Appraisal - May 2018	1	1,650.00
EFT10807	28/05/2018	Refuel Australia	11000 litres @ 1.4236 per litre	1	15,659.60
EFT10808	28/05/2018	Greenfield Technical Services	Professional services 2017 Flood Damage Superintendent and Administration	1	8,584.40
EFT10809	28/05/2018	Dean's Contracting WA Pty Ltd	Flood Damage Supervisor 02/05/2018 - 15/05/2018	1	21,082.16



EFT10810	28/05/2018	BPH	Supply of Equipment and Labour for Flood Damage repair from 02/05/2018 - 15/05/2018	1	220,946.00
EFT10811	28/05/2018	DALLYWATER CONSULTING	EHO Consulting 22/5/2018 to 25/5/2018	1	3,674.00
EFT10812	31/05/2018	Ashdown Ingram	Various parts for Depot	1	149.06
EFT10813	31/05/2018	Darryl Malacari T/as Roque Drafting	Feature Survey of Cemetery and Caravan Park	1	9,200.00
EFT10814	31/05/2018	Morawa Rural Pty Ltd T/AS Morawa Rural Enterprises	Air filters for P137	1	1,103.75
11824	10/05/2018	Water Corporation	Usage 15 Feb to 20 April 2018 - Oval	1	29,385.14
11825	10/05/2018	Synergy	Usage 16 Feb to 20 April 2018- Admin Building	1	14,762.20
11826	10/05/2018	Synergy	Usage 15 Feb to 19 April 2018	1	898.30
11827	15/05/2018	Building and Construction Industry Training Fund	Permit 01-18 and 02-18	1	769.76
11828	15/05/2018	Building Commission	Permit 01-18 and 02-18	1	528.59
11829	15/05/2018	Shire of Morawa	12 months registration for P246	1	77.50
11830	15/05/2018	Water Corporation	Usage at 1 Caulfield Rd 16/2/2018 to 23/4/2018	1	41.85
11831	15/05/2018	Synergy	Usage 22/2/2018 to 27/4/2018 at Swimming Pool	1	19,355.35
11832	15/05/2018	Telstra Corporation Limited	Usage Admin Mobiles to 27 April 2018	1	803.86
11833	15/05/2018	Morawa Licensed Post Office Emmlee's	Post for April 2018	1	130.66
11835	28/05/2018	Synergy	Usage 21 Feb to 8 May 2018 - Sewerage Scheme	1	740.70
11836	28/05/2018	Telstra Corporation Limited	Usage to 2 May	1	1,896.40
11837	31/05/2018	Department of Planning, Lands and Heritage	Part of 10% Deposit - Purchase of Lot 559 Yewers Street	1	2,500.00

1838	31/05/2018	Department of Planning, Lands and Heritage	Part of 10% Deposit - Purchase of Lot 559 Yewers Street	1	650.00
DD6067.1	02/05/2018	WA Local Government Superannuation Plan	Payroll deductions	1	7,758.23
DD6067.2	02/05/2018	BT FINANCIAL GROUP	Superannuation contributions	1	313.37
DD6067.3	02/05/2018	MLC Super Fund	Superannuation contributions	1	232.34
DD6067.4	02/05/2018	Australian Super	Superannuation contributions	1	223.97
DD6067.5	02/05/2018	LGIA Super	Superannuation contributions	1	321.54
DD6088.1	16/05/2018	WA Local Government Superannuation Plan	Payroll deductions	1	7,849.93
DD6088.2	16/05/2018	BT FINANCIAL GROUP	Superannuation contributions	1	313.37
DD6088.3	16/05/2018	MLC Super Fund	Superannuation contributions	1	232.34
DD6088.4	16/05/2018	Australian Super	Superannuation contributions	1	223.97
DD6088.5	16/05/2018	LGIA Super	Superannuation contributions	1	321.54
DD6103.1	30/05/2018	WA Local Government Superannuation Plan	Payroll deductions	1	7,783.63
DD6103.2	30/05/2018	BT FINANCIAL GROUP	Superannuation contributions	1	313.37
DD6103.3	30/05/2018	MLC Super Fund	Superannuation contributions	1	232.34
DD6103.4	30/05/2018	Australian Super	Superannuation contributions	1	223.97
DD6103.5	30/05/2018	LGIA Super	Superannuation contributions	1	321.54

**REPORT TOTALS**

<b>EFT</b>	<b>\$ 692,450.02</b>
<b>Cheque</b>	<b>\$ 72,540.31</b>
<b>Direct Debits</b>	<b>\$ 27,201.36</b>
<b>Payroll</b>	<b>\$ 146,422.19</b>
<b>Credit Card</b>	<b>\$ 2,190.65</b>
<b>TOTAL</b>	<b>\$940,804.53</b>

**Apr-18**

**Business Credit Card - Chris Linnell Bankwest MasterCard**

Date	Description	Accounts	Account Description	Amount	GST
			<b>Total Purchases for C Linnell</b>	<b>0.00</b>	<b>0.00</b>

**Business Credit Card - Jenny Goodbourn Bankwest MasterCard**

Date	Description	Accounts	Account Description	Amount	GST
12/04/2018	Security Tags for sealing ballot boxes for extraordinary election	1041010.520	Council Election Expenses	29.95	2.72
				0.00	
			<b>Total Purchases for F. Gledhill</b>	<b>29.95</b>	<b>2.72</b>



<i>Item No/Subject</i>	<b>7.2.2.2 Reconciliations - May 2018</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>17 June 2018 - Candice Smith – Senior Finance Officer</b>
<i>Responsible Officer:</i>	<b>Jenny Goodbourn – Executive Manager Corporate &amp; Community Services</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Corporate &amp; Community Services</b>
<i>File Number:</i>	<b>FM.ACC.1</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

Local Government (Financial Management) Regulation 34 (1) (a) states that a Local Government must prepare financial statements monthly.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Nil

### **BACKGROUND INFORMATION**

The information provided is obtained from the Bank Reconciliations carried out for Municipal Bank/Reserves Bank and the Trust Bank to ensure all transactions have been accounted for.

### **OFFICER'S COMMENT**

The Shire of Morawa's financial position is as follows:-

**BANK BALANCES AS AT 31 May 2018**

<b>Account</b>	<b>2018</b>
Municipal Account #	\$104,265.90
Trust Account	\$15,981.76
Business Telenet Saver (Reserve) Account	\$3,406,399.61
WA Treasury O/night Facility (Super Towns) Account	\$37,658.80
Reserve Term Deposit (Community Development)	\$500,000.00
Reserve Term Deposit (Future Funds 1)	\$800,000.00
Reserve Term Deposit (Future Funds 2)	\$800,000.00

**BANK RECONCILIATION BALANCES**

The Bank Reconciliation Balances for 31 May 2018 with a comparison for 31 May 2017 is as follows:

<b>Account</b>	<b>2017</b>	<b>2018</b>
Municipal Account #	\$507,157.92	\$-22,068.50
Trust Account	\$146,96.94	\$21,716.40
Reserve Account	\$6,189,143.46	\$5,544,058.41

## **RESERVE ACCOUNT**

The Reserve Funds of \$5,544,058.41 as at 31 May 2018 were invested in:-

- Bank of Western Australia \$3,406,399.61 in the Business Telenet Saver Account and
- \$37,658.80 in the WA Treasury O/Night Facility
- Term Deposit (Future Funds 1) \$800,000.00
- Term Deposit (Future Funds 2) \$800,000.00
- Term Deposit (Community Development Fund) \$500,000.00

Breakdown for May 2018 with a comparison for May 2017 is as follows:

	<b>2017</b>	<b>2018</b>
Sports Complex Upgrade Reserve	\$0.00	\$0.00
Land & Building Reserve	\$79,901.95	\$100,955.46
Plant Reserve	\$1,029,177.91	\$914,383.92
Leave Reserve	\$289,758.69	\$283,890.20
Economic Development Reserve	\$109,205.61	\$110,377.88
Sewerage Reserve	\$146,168.83	\$218,423.19
Unspent Grants & Contributions Reserve	\$24,894.35	\$26,377.29
Community Development Reserve	\$1,186,916.95	\$1,209,235.93
Water Waste Management Reserve	\$0.00	\$0.00
Future Funds Reserve	\$2,153,296.93	\$2,137,151.11
Morawa Future Funds Interest Reserve	\$55,297.75	\$126,461.09
Aged Care Units Reserve Units 6-9	\$9,122.61	\$9,220.74
Aged Care Units Reserve Units 1-4	\$67,900.15	\$68,629.02
Aged Care Units Reserve Unit 5	\$54,506.86	\$55,091.99
Transfer Station Reserve	\$29,096.91	\$27.18
S/Towns Revitalisation Reserve	\$176,348.09	\$37,658.80
ST Solar Thermal Power Station Reserve	\$558,966.28	0
Business Units Reserve	\$61,903.95	\$82,764.15
Legal Reserve	\$15,162.55	\$20,374.29
Road Reserve	\$141,517.09	\$143,036.17
<b>TOTAL</b>	<b>\$6,189,143.46</b>	<b>\$5,544,058.41</b>

## **TRANSFER OF FUNDS**

- \$521,430.00 from Unspent Grants to Municipal Fund being for General FAGS paid in advance June 2017. 17 July 2017
  - \$299,042.00 from Unspent Grants to Municipal Fund being for Roads FAGS paid in advance June 2017. 10 August 2017
  - \$140,000.00 from S/Towns Revitalisation Reserve to Municipal Fund being for monies spent on project 16/17. 26 October 2017
  - \$37,368.00 from Future Funds Reserve to Morawa Future Funds Interest Reserve being for 85% of interest from Term Deposit that matured October 2017 and was accrued as at the 30<sup>th</sup> June 2017. For the year 2016/17
  - \$32,000.00 from Unspent Grants Reserve to Municipal Fund being for returning of monies for Swimming Pool Operating Grant unspent 15/16 as pool did not open. 11 January 2018
  - \$564,429.84 from ST Solar Thermal Power Station Reserve to Municipal Fund being for monies returned to DPIRD as project did not commence. 28 February 2018
- **Investment Transfers**
  - \$800,000.00 from Future Funds to Term Deposit Future Funds1 for 8 months @ 2.50% interest
  - \$800,000.00 from Future Funds to Term Deposit Future Funds2 for 8 months @ 2.50% interest
  - \$500,000.00 from Community Development Fund for 8 months @ 2.50% interest

## **COMMUNITY CONSULTATION**

NIL

## **COUNCILLOR CONSULTATION**

NIL

## **STATUTORY ENVIRONMENT**

Local Government Act 1995 and Local Government (Financial Management) Regulations 1996



## **POLICY IMPLICATIONS**

Section 3 – Finance 3.11 Risk Management Controls  
Section 3 – Finance 3.4.3 Investment Policy – Delegated Authority

## **FINANCIAL IMPLICATIONS**

As presented

## **STRATEGIC IMPLICATIONS**

Nil

## **RISK MANAGEMENT**

As per Policy Section 3 – Finance 3.11 Risk Management Controls

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council resolve to receive the bank reconciliation report for 31 May 2018.

<i>Item No/Subject:</i>	<b>7.2.2.3 Monthly Financial Statements – May 2018</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>18 June 2018 - Candice Smith – Senior Finance Officer</b>
<i>Responsible Officer:</i>	<b>Jenny Goodbourn – Executive Manager Corporate &amp; Community Services</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Corporate &amp; Community Services</b>
<i>File Number:</i>	
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

Local Government (Financial Management) Regulation 34(1) (a) states that a Local Government must prepare financial statements monthly.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 – 7.2.2.3a May Monthly Financial Activity Report

A copy of the schedules is available if required.

### **BACKGROUND INFORMATION**

Nil

### **OFFICER'S COMMENT**

Nil

### **COMMUNITY CONSULTATION**

Nil

### **COUNCILLOR CONSULTATION**

Nil

## **STATUTORY ENVIRONMENT**

Local Government Act 1995 and Local Government (Financial Management) Regulations.

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

As presented

## **STRATEGIC IMPLICATIONS**

Nil

## **RISK MANAGEMENT**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council resolves to receive the Statement of Financial Activity and the Variance Report for the period ending the 31 May 2018.



**SHIRE OF MORAWA**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**TABLE OF CONTENTS**

	Page
Statement of Financial Activity	2
Notes to and Forming Part of the Statement	
1 Significant Accounting Policies	3 to 9
2 Statement of Objective	10
3 Acquisition of Assets	11 to 12
4 Disposal of Assets	13
5 Information on Borrowings	14
6 Reserves	15 to 19
7 Net Current Assets	20
8 Rating Information	21
9 Trust Funds	22
10 Operating Statement	23
11 Balance Sheet	24
12 Financial Ratio	25
Variance Report	26 to 27

## SHIRE OF MORAWA

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

	NOTE	MAY 2018 Actual \$	MAY 2018 Y-T-D Budget \$	2017/18 Budget \$	Variences Actuals to Budget \$	Variences Actual Budget to Y-T-D %	
<b>Operating</b>							
<b>Revenues/Sources</b>							
	1,2						
Governance		18,752	0	20,010	18,752	0.00%	
General Purpose Funding		839,538	885,631	897,142	(46,093)	(5.20%)	
Law, Order, Public Safety		29,245	26,066	26,230	3,179	12.20%	
Health		3,906	4,100	5,350	(194)	(4.73%)	
Education and Welfare		14,202	121,457	133,899	(107,255)	(88.31%)	▼
Housing		94,648	55,396	147,761	39,252	70.86%	▲
Community Amenities		437,953	544,518	554,091	(106,565)	(19.57%)	▼
Recreation and Culture		52,138	67,850	69,214	(15,712)	(23.16%)	▼
Transport		1,535,949	1,082,643	1,092,694	453,306	41.87%	▲
Economic Services		111,651	211,108	223,319	(99,457)	(47.11%)	▼
Other Property and Services		202,685	78,089	139,184	124,596	159.56%	▲
		<u>3,340,667</u>	<u>3,076,858</u>	<u>3,308,894</u>	<u>263,809</u>	<u>8.57%</u>	
<b>(Expenses)/(Applications)</b>							
	1,2						
Governance		(387,117)	(391,259)	(491,640)	(387,117)	0.00%	
General Purpose Funding		(167,227)	(160,391)	(174,282)	(6,836)	(4.26%)	
Law, Order, Public Safety		(92,818)	(77,654)	(84,223)	(15,164)	(19.53%)	▲
Health		(197,462)	(194,525)	(210,604)	(2,937)	(1.51%)	
Education and Welfare		(89,099)	(592,423)	(800,015)	503,324	84.96%	▼
Housing		(288,655)	(211,277)	(313,270)	(77,378)	(36.62%)	▲
Community Amenities		(516,149)	(681,778)	(741,202)	165,629	24.29%	▼
Recreation & Culture		(1,288,818)	(1,045,729)	(1,136,614)	(243,089)	(23.25%)	▲
Transport		(2,676,949)	(1,471,153)	(1,598,634)	(1,205,796)	(81.96%)	▲
Economic Services		(1,060,566)	(698,230)	(794,594)	(362,336)	(51.89%)	▲
Other Property and Services		(159,981)	(28,978)	(36,296)	(131,003)	(452.08%)	▲
		<u>(6,924,841)</u>	<u>(5,553,397)</u>	<u>(6,381,374)</u>	<u>(1,762,703)</u>	<u>24.70%</u>	
<b>Net Result Excluding Rates</b>		<b>(3,584,174)</b>	<b>(2,476,539)</b>	<b>(3,072,480)</b>	<b>(1,498,894)</b>		
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>							
(Profit)/Loss on Asset Disposals	4	0	(11,913)	(13,000)	11,913	100.00%	▼
Movement in Leave Reserve (Added Back)		2,753	0	0	2,753	0.00%	
Movement in Deferred Pensioner Rates/ESL (non		0	0	0	0	0.00%	
Movement in Employee Benefit Provisions (non-c		0	0	0	0	0.00%	
Rounding Adjustment		0	0	0	0	0.00%	
Depreciation on Assets		1,573,391	1,341,329	1,463,496	232,062	(17.30%)	▲
<b>Capital Revenue and (Expenditure)</b>							
Purchase of Investments		0	0	0	0	0.00%	
Purchase Land Held for Resale	3	0	(18,326)	(20,000)	18,326	100.00%	▼
Purchase Land and Buildings	3	(10,126)	(131,500)	(155,000)	121,374	92.30%	▼
Purchase Plant and Equipment	3	0	(155,000)	(155,000)	155,000	100.00%	▼
Purchase Furniture and Equipment	3	0	(12,870)	(22,870)	12,870	100.00%	▼
Purchase Infrastructure Assets - Roads	3	(1,026,966)	(1,508,979)	(1,631,978)	482,013	31.94%	▼
Purchase Infrastructure Assets - Footpaths	3	0	0	(27,937)	0	0.00%	
Purchase Infrastructure Assets - Drainage	3	0	0	0	0	0.00%	
Purchase Infrastructure Assets - Parks & Ovals	3	0	0	0	0	0.00%	
Purchase Infrastructure Assets - Airfields	3	0	(10,000)	(10,000)	10,000	100.00%	
Purchase Infrastructure Assets - Play Equip	3	0	0	0	0	0.00%	
Purchase Infrastructure Assets - Sewerage	3	0	0	0	0	0.00%	
Purchase Infrastructure Assets - Dams	3	0	0	0	0	0.00%	
Purchase Infrastructure Assets - Other	3	(130,979)	(128,337)	(137,500)	(2,642)	(2.06%)	
Proceeds from Disposal of Assets	4	0	0	15,000	0	0.00%	
Repayment of Debentures	5	(64,504)	(70,813)	(70,815)	6,309	8.91%	
Proceeds from New Debentures	5	0	0	0	0	0.00%	
Advances to Community Groups		0	0	0	0	0.00%	
Self-Supporting Loan Principal Income	5	0	0	0	0	0.00%	
Transfers to Restricted Assets (Reserves)	6	(141,189)	(164,658)	(278,751)	23,469	14.25%	▼
Transfers from Restricted Asset (Reserves)	6	1,594,270	1,808,887	1,892,170	(214,617)	(11.86%)	▼
ADD Net Current Assets July 1 B/Fwd	7	558,952	428,376	428,376	130,576	30.48%	
LESS Net Current Assets Year to Date	7	<u>560,699</u>	<u>690,302</u>	<u>564</u>	<u>(129,603)</u>	<u>18.77%</u>	
<b>Amount Raised from Rates</b>	8	<u>(1,789,271)</u>	<u>(1,800,645)</u>	<u>(1,796,852)</u>	<u>11,374</u>	<u>(0.63%)</u>	

This statement is to be read in conjunction with the accompanying notes.

**Material Variances Symbol**Above Budget Expectations  
Below Budget Expectations▲  
▼Greater than 10,000 and greater than 10%  
Less than 10,000 and less than 10%

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

##### (a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

##### (b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 9.

##### (c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

##### (d) Rates, Grants, Donations and Other Contributions

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

##### (e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

##### (f) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

##### (g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (h) Trade and Other Receivables

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

##### (i) Inventories

###### **General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

###### **Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is complete are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

##### (j) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

###### **Initial Recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

###### **Revaluation**

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (j) Fixed Assets (Continued)

###### **Land Under Roads**

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

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

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

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

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

###### **Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years

###### **Depreciation of Non-Current Assets (Continued)**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.



## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (j) Fixed Assets (Continued)

###### **Capitalisation Threshold**

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an

- Land	Nil (All Land Capitalised)
- Buildings	2,000
- Plant & Equipment	2,000
- Furniture & Equipment	1,000
- Infrastructure	5,000

###### **Capitalisation Threshold**

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

##### (k) Financial Instruments

###### **Initial Recognition and Measurement**

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

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

###### **Classification and Subsequent Measurement**

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial Instruments (Continued)

###### Classification and Subsequent Measurement (Continued)

###### *(i) Financial assets at fair value through profit and loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

###### *(ii) Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

###### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

###### *(iv) Available-for-sale financial assets*

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period (classified as current assets).

###### *(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

###### **Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (l) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (m) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2013.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

##### (n) Trade and Other Payables

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

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

#### FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (o) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

##### (i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees' services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

##### (ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

##### (q) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) that outflow can be reliably measured.

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

Provisions are not recognised for future operating losses.

##### (r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

##### (s) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation of the current budget year.

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 2. STATEMENT OF OBJECTIVE

The Shire of Morawa is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

##### **GOVERNANCE**

Includes members of Council, Civic Functions & Public Relations, Council Elections, Training/Education. Objective is to provide a management & administrative structure to service Council & the community.

##### **GENERAL PURPOSE FUNDING**

Includes Rates, Loans, Investments & Grants. Objective is to manage Council's finances.

##### **LAW, ORDER, PUBLIC SAFETY**

Includes Emergency Services & Animal Control. Objective is to provide, develop & manage services in response to community needs.

##### **HEALTH**

Includes Environmental Health, Medical & Health facilities. Objective is to provide, develop & manage services in response to community needs.

##### **EDUCATION AND WELFARE**

Includes Education, Welfare & Children's Services. Objective is to provide, develop & manage services in response to community needs.

##### **HOUSING**

Includes Staff & Other Housing. Objective is to ensure quality housing and appropriate infrastructure is maintained.

##### **COMMUNITY AMENITIES**

Includes Refuse Collection, Sewerage, Cemetery, Building Control, Town Planning & Townscape. Objective is to provide, develop & manage services in response to community needs.

##### **RECREATION AND CULTURE**

Includes Pools, Halls, Library, Oval, Parks & Gardens & Recreational Facilities. Objective is to ensure the recreational & cultural needs of the community are met.

##### **TRANSPORT**

Includes Roads, Footpaths, Private Works, Machine Operating Costs, Outside Wages & Airstrip. Objective is to effectively manage transport infrastructure.

##### **ECONOMIC SERVICES**

Includes Tourism, Rural Services, Economic Development & Caravan Park. Objective is to foster economic development, tourism & rural services in the district.

##### **OTHER PROPERTY & SERVICES**

Includes Private Works, Public Works Overheads, Plant Operating Costs, Administration Overheads and Unclassified Items. Objective is to provide control accounts and reporting facilities for all other operations.

## SHIRE OF MORAWA

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

3. ACQUISITION OF ASSETS	2017/18 Budget \$	MAY 2018 YTD Budget \$	MAY 2018 Actual \$
The following assets have been acquired during the period under review:			
<b><u>By Program</u></b>			
<b>Governance</b>			
Upgrade to Old Council Chambers	50,000	50,000	4,277.16
<b>General Purpose Funding</b>			
<b>Law, Order, Public Safety</b>			
New fire truck	0	0	0.00
<b>Housing</b>			
Staff Housing - Postings to GL	0	0	0.00
Staff Housing - Lot 347 Broad - Bathroom Renovations	0	0	0.00
Staff Housing - Lot 350 Broad - Garden Shed/Carpets	0	0	0.00
Staff Housing - Reserve 3931 Oval House - Replace Fence	0	0	0.00
Dreghorn Street - Bedroom Suite	0	0	0.00
Other Housing - 2 Caulfield St (Old Doctors House)-Painting/Carpets	0	0	0.00
Other Housing - 78 Yewers Ave - kitchen Lino	0	0	0.00
10% Deposit to Purchase Lot 559 Yewers Street	0	0	2,863.64
Aged Person Units x 4 - water metres	60,000	54,000	2,180.00
<b>Community Amenities</b>			
New Tip Site Construction	70,000	70,000	0.00
Community Bus	135,000	135,000	0.00
<b>Recreation and Culture</b>			
Storage Shed 6x6	10,000	5,000	0.00
Diving Blocks	10,000	5,000	4,880.00
Sports Complex Upgrade	10,000	0	0.00
Furniture & Equipment	20,000	10,000	0.00
Morawa Interpretation Trails Project	20,000	18,337	0.00
<b>Transport</b>			
Road Construction			
- Rural Roads Construction	1,483,543	1,368,919	910,060.89
- Townsite Roads Construction	148,435	140,060	116,905.52
Footpath Construction	27,937	0	0.00
Airfield Lighting Upgrade	10,000	10,000	0.00
<b>Economic Services</b>			
Caravan Park Camp Kitchen/Caretakers Cabin	25,000	22,500	0.00
Caravan Park Concept Plan	12,500	12,500	0.00
Morawa Gateway Project	25,000	22,500	0.00
Industrial Land Development	20,000	18,326	0.00
Phase 1 - Civic Square/Pedestrian Crossing	0	0	29,964.09
Construction of Footpath - Jubilee Park	0	0	42,822.46
Morawa Perenjori Gateway Project	0	0	53,312.21
<b>Other Property &amp; Services</b>			
Administration Furniture & Equipment	2,870	2,870	0.00
Generator for Admin Building	20,000	20,000	0.00
	<u>2,160,285</u>	<u>1,965,012</u>	<u>1,168,070.97</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

3. ACQUISITION OF ASSETS (Continued)	2017/18 Budget \$	MAY 2018 YTD Budget \$	MAY 2018 Actual \$
The following assets have been acquired during the period under review:			
<b><u>By Class</u></b>			
Land Held for Resale	20,000	18,326	0.00
Investments	0	0	0.00
Land	0	0	805.00
Buildings	155,000	131,500	9,320.80
Plant and Equipment	155,000	155,000	0.00
Furniture and Equipment	22,870	12,870	0.00
Infrastructure Assets - Roads	1,631,978	1,508,979	1,026,966.41
Infrastructure Assets - Footpaths	27,937	0	0.00
Infrastructure Assets - Drainage/Dams	0	0	0.00
Infrastructure Assets - Parks & Ovals	0	0	0.00
Infrastructure Assets - Airfields	10,000	10,000	0.00
Infrastructure Assets - Playground Equipment	0	0	0.00
Infrastructure Assets - Sewerage	0	0	0.00
Infrastructure Assets - Dams	0	0	0.00
Infrastructure Assets - Other	137,500	128,337	130,978.76
	<u>2,160,285</u>	<u>1,965,012</u>	<u>1,168,070.97</u>

**SHIRE OF MORAWA**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**4. DISPOSALS OF ASSETS**

The following assets have been disposed of during the period under review:

By Program	Written Down Value		Sale Proceeds		Profit(Loss)	
	2017/18 Budget \$	MAY 2018 Actual \$	2017/18 Budget \$	MAY 2018 Actual \$	2017/18 Budget \$	MAY 2018 Actual \$
<b>Law, Order &amp; Public Safety</b>						0.00
<b>Community Amenities</b> 1996 Toyota Coaster Community Bus MO403	2,000		15,000		13,000	0.00
<b>Recreation &amp; Culture</b>						0.00
<b>Transport</b>						0.00
<b>Other Property &amp; Services</b>						0.00
	2,000	0.00	15,000	0.00	13,000	0.00

By class of asset	Written Down Value		Sale Proceeds		Profit(Loss)	
	2017/18 Budget \$	MAY 2018 Actual \$	2017/18 Budget \$	MAY 2018 Actual \$	2017/18 Budget \$	MAY 2018 Actual \$
<b>Plant &amp; Equipment</b> 1996 Toyota Coaster Community Bus MO403	2,000	0.00	15,000	0.00	13,000	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
0	0	0.00	0	0.00	0	0.00
	2,000	0.00	15,000	0.00	13,000	0.00

	2017/18 Budget \$	MAY 2018 Actual \$
<b>Summary</b>		
Profit on Asset Disposals	13,000	0.00
Loss on Asset Disposals	0	0.00
	<u>13,000</u>	<u>0.00</u>



**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-16		New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$
<b>Housing</b>										
Loan 133 - GEHA House	70,621	0	0	0	34,156	34,156	36,465	36,465	4,076	1,785
Loan 134 - 2 Broad Street	49,838	0	0	0	24,158	24,158	25,680	25,680	3,090	643
Loan 136 - 24 Harley Street - Staff Housing	332,137	0	0	0	12,501	6,190	319,636	325,947	12,931	5,992
	452,596	0	0	0	70,814.62	64,504	381,781.38	388,092	20,097	8,420

All debenture repayments are to be financed by general purpose revenue.

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	<b>2017/18 Budget \$</b>	<b>MAY 2018 Actual \$</b>
<b>6. RESERVES - CASH BACKED</b>		
<b>(a) Leave Reserve</b>		
Opening Balance	281,137	281,138
Amount Set Aside / Transfer to Reserve	7,611	2,753
Amount Used / Transfer from Reserve	<u>(80,000)</u>	<u>0</u>
	<u>208,748</u>	<u>283,890</u>
<b>(b) Sports and Recreation Facilities Reserve</b>		
Opening Balance	0	0
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>(c) Plant Reserve</b>		
Opening Balance	905,518	905,518
Amount Set Aside / Transfer to Reserve	108,411	8,866
Amount Used / Transfer from Reserve	<u>(60,000)</u>	<u>0</u>
	<u>953,929</u>	<u>914,384</u>
<b>(d) Building Reserve</b>		
Opening Balance	99,976	99,977
Amount Set Aside / Transfer to Reserve	20,929	979
Amount Used / Transfer from Reserve	<u>(50,000)</u>	<u>0</u>
	<u>70,905</u>	<u>100,955</u>
<b>(e) Economic Development Reserve</b>		
Opening Balance	109,308	109,308
Amount Set Aside / Transfer to Reserve	1,015	1,070
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>0</u>
	<u>85,323</u>	<u>110,378</u>
<b>(f) Community Development Reserve</b>		
Opening Balance	1,187,559	1,187,559
Amount Set Aside / Transfer to Reserve	11,030	21,677
Amount Used / Transfer from Reserve	<u>(10,000)</u>	<u>0</u>
	<u>1,188,589</u>	<u>1,209,236</u>
<b>(g) Sewerage Reserve</b>		
Opening Balance	216,306	216,305
Amount Set Aside / Transfer to Reserve	34,528	2,118
Amount Used / Transfer from Reserve	<u>(70,000)</u>	<u>0</u>
	<u>180,834</u>	<u>218,423</u>
<b>(h) Unspent Grants and Contributions Reserve</b>		
Opening Balance	877,391	877,390
Amount Set Aside / Transfer to Reserve	8,149	1,460
Amount Used / Transfer from Reserve	<u>(832,972)</u>	<u>(852,472)</u>
	<u>52,568</u>	<u>26,377</u>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	<b>2017/18 Budget \$</b>	<b>MAY 2018 Actual \$</b>
<b>6. RESERVES (Continued)</b>		
<b>(i) Business Units Reserve</b>		
Opening Balance	81,961	81,962
Amount Set Aside / Transfer to Reserve	20,761	802
Amount Used / Transfer from Reserve	0	0
	<u>102,722</u>	<u>82,764</u>
<b>(j) Morawa Future Funds Interest</b>		
Opening Balance	88,036	88,036
Amount Set Aside / Transfer to Reserve	12,050	38,425
Amount Used / Transfer from Reserve	0	0
	<u>100,086</u>	<u>126,461</u>
<b>(k) Morawa Community Future Funds Reserve</b>		
Opening Balance	2,121,127	2,121,127
Amount Set Aside / Transfer to Reserve	19,703	53,392
Amount Used / Transfer from Reserve	(36,000)	(37,368)
	<u>2,104,830</u>	<u>2,137,151</u>
<b>(l) Refuse Transfer Station Reserve</b>		
Opening Balance	27	27
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	0	0
	<u>27</u>	<u>27</u>
<b>(m) Aged Care Units Reserve - Units 6-9</b>		
Opening Balance	9,131	9,131
Amount Set Aside / Transfer to Reserve	85	90
Amount Used / Transfer from Reserve	0	0
	<u>9,216</u>	<u>9,221</u>
<b>(n) ST-N/Midlands Solar Thermal Power</b>		
Opening Balance	559,632	558,966
Amount Set Aside / Transfer to Reserve	5,198	5,464
Amount Used / Transfer from Reserve	(550,000)	(564,430)
	<u>14,830</u>	<u>0</u>
<b>(o) ST-Morawa Revitalisation Reserve</b>		
Opening Balance	176,558	176,348
Amount Set Aside / Transfer to Reserve	1,640	1,311
Amount Used / Transfer from Reserve	(178,198)	(140,000)
	<u>0</u>	<u>37,659</u>
<b>(p) Legal Fees Reserve</b>		
Opening Balance	20,177	20,177
Amount Set Aside / Transfer to Reserve	5,187	198
Amount Used / Transfer from Reserve	0	0
	<u>25,364</u>	<u>20,374</u>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	<b>2017/18 Budget \$</b>	<b>MAY 2018 Actual \$</b>
<b>6. RESERVES (Continued)</b>		
<b>(q) Road Reserve</b>		
Opening Balance	141,649	141,649
Amount Set Aside / Transfer to Reserve	1,316	1,387
Amount Used / Transfer from Reserve	0	0
	<u>142,965</u>	<u>143,036</u>
<b>(r) Aged Care Units 1-4</b>		
Opening Balance	67,964	67,964
Amount Set Aside / Transfer to Reserve	631	665
Amount Used / Transfer from Reserve	0	0
	<u>68,595</u>	<u>68,629</u>
<b>(s) Aged Care Unit 5</b>		
Opening Balance	54,558	54,558
Amount Set Aside / Transfer to Reserve	507	534
Amount Used / Transfer from Reserve	0	0
	<u>55,065</u>	<u>55,092</u>
<b>(t) Swimming Pool Reserve</b>		
Opening Balance	0	0
Amount Set Aside / Transfer to Reserve	20,000	0
Amount Used / Transfer from Reserve	0	0
	<u>20,000</u>	<u>0</u>
 Total Cash Backed Reserves	 <b>5,384,596</b>	 <b>5,544,058</b>
 <b>Summary of Transfers To Cash Backed Reserves</b>		
<b>Transfers to Reserves</b>		
Leave Reserve	7,611	2,753
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	108,411	8,866
Building Reserve	20,929	979
Economic Development Reserve	1,015	1,070
Community Development Reserve	11,030	21,677
Sewerage Reserve	34,528	2,118
Unspent Grants and Contributions Reserve	8,149	1,460
Business Units Reserve	20,761	802
Morawa Community Future Funds Interest	12,050	38,425
Morawa Community Future Fund Reserve	19,703	53,392
Refuse Transfer Station Reserve	0	0
Aged Care Units Reserve - Units 6-9	85	90
ST-N/Midlands Solar Thermal Power	5,198	5,464
ST-Morawa Revitalisation Reserve	1,640	1,311
Legal Fees Reserve	5,187	198
Road Reserve	1,316	1,387
Aged Care Units 1-4	631	665
Aged Care Unit 5	507	534
Swimming Pool Reserve	20,000	0
	<u><b>278,751</b></u>	<u><b>141,189</b></u>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	<b>2017/18 Budget \$</b>	<b>MAY 2018 Actual \$</b>
<b>6. RESERVES (Continued)</b>		
<b>Transfers from Reserves</b>		
Leave Reserve	(80,000)	0
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	(60,000)	0
Building Reserve	(50,000)	0
Economic Development Reserve	(25,000)	0
Community Development Reserve	(10,000)	0
Sewerage Reserve	(70,000)	0
Unspent Grants and Contributions Reserve	(832,972)	(852,472)
Business Units Reserve	0	0
Morawa Community Future Funds Interest	0	0
Morawa Community Future Fund Reserve	(36,000)	(37,368)
Refuse Transfer Station Reserve	0	0
Aged Care Units Reserve - Units 6-9	0	0
ST-N/Midlands Solar Thermal Power	(550,000)	(564,430)
ST-Morawa Revitalisation Reserve	(178,198)	(140,000)
Legal Fees Reserve	0	0
Road Reserve	0	0
Aged Care Units 1-4	0	0
Aged Care Unit 5	0	0
Swimming Pool Reserve	0	0
	<u><u>(1,892,170)</u></u>	<u><u>(1,594,270)</u></u>
<b>Total Transfer to/(from) Reserves</b>	<u><u>(1,613,419)</u></u>	<u><u>(1,453,080)</u></u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

**Leave Reserve**

To be used to fund leave requirements.

**Sportsground Complex Upgrade Reserve**

To be used to upgrade the Sporting Complex Facilities.

**Plant Reserve**

To be used to upgrade, replace or purchase new plant and equipment.

**Building Reserve**

To be used to refurbish, replace, extend or establish Council owned buildings.

**Economic Development Reserve**

To be used to create economic development initiatives in the local community.

**Community Development Reserve**

To be used for Community Projects within the Shire of Morawa

**Sewerage Reserve**

To be used to repair, replace or extend the sewerage facility.

**Unspent Grants and Contributions Reserve**

To be used as a quarantine for unspent committed funds.

**Business Units Reserve**

To be used to upgrade, refurbish or purchase new Business Units

**Morawa Community Future Funds Interest**

To be used for Morawa Community Projects

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

#### 6. RESERVES (Continued)

**Morawa Community Future Fund Reserve**

To be used to provide an ongoing conduit for benefits to the people and environment of the Morawa Shire through the Sinosteel Midwest Corporation Morawa Future Fund Foundation Memorandum

**Refuse Transfer Station Reserve**

To be used for Morawa Landfill closure and Refuse Transfer Station implementation project -

**Aged Care Units 6-9 Reserve**

To be used for the maintenance/ construction of Aged Care Units at the Morawa Perenjori Health

**ST - N/Midlands Solar Thermal Power**

**Reserves**

Super Town funds to be used for the N/Midlands Solar Thermal Power feasibility Study Project

**ST-Morawa Revitalisation Reserve**

Super Town funds to be used for the Morawa Town Revitalisation Project

**Legal Fees Reserve**

to be utilised for unforeseen Legal Fees

**Road Reserve**

to be utilised for future Road Construction and Maintenance

Except for the Unspent Grants and Contributions Reserve, the Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**Aged Care Units 1-4 Reserve**

To be used for the maintenance/upgrade of Aged Care Units 1-4 at the Morawa Perenjori Health

**Aged Care Unit 5 Reserve**

To be used for the maintenance/upgrade Aged Care Unit 5 at the Morawa Perenjori Health

**Swimming Pool Reserve**

To be used for the maintenance/upgrade to Morawa Swimming Pool

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	<b>2016/17 B/Fwd Per 2017/18 Budget \$</b>	<b>2016/17 B/Fwd Per Financial Report \$</b>	<b>2017/18 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	48,420	(176,517)	(21,419)
Cash - Restricted Unspent Grants	0	317,600	0
Cash - Restricted Unspent Loans	0	0	0
Cash - Restricted Reserves	6,998,015	6,997,139	5,544,058
Rates - Current	0	487,406	571,018
Sundry Debtors	542,642	48,351	78,181
GST Receivable	0	76,915	75,214
Accrued Income/Prepayments	0	109,256	46,756
Provision for Doubtful Debts	0	(722)	(722)
Other Current Debtors	0	0	0
Inventories	1,335	1,119	1,119
	7,590,412	7,860,547	6,294,205
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors	(60,497)	(92,665)	(577)
Income Received in Advance	0	0	(40,738)
GST Payable	0	(44,535)	20,945
Payroll Creditors	0	0	0
Accrued Expenditure	0	(1,634)	0
Other Payables	0	(5,953)	(3,257)
Withholding Tax Payable	0	0	0
Payg Payable	0	(43,671)	(66,261)
Accrued Interest on Debentures	0	(3,509)	0
Accrued Salaries and Wages	0	(8,965)	0
Current Employee Benefits Provision	(384,662)	(384,662)	(384,662)
Current Loan Liability	6,938	(70,815)	(6,312)
	(438,221)	(656,409)	(480,862)
<b>NET CURRENT ASSET POSITION</b>	7,152,191	7,204,138	5,813,343
Less: Cash - Reserves - Restricted	(6,998,015)	(6,997,139)	(5,544,058)
Less: Cash - Unspent Grants - Restricted	0	0	0
Less: Land Held for Resale	0	0	1,212
Add Back : Component of Leave Liability not Required to be Funded	281,138	281,138	283,890
Add Back : Current Loan Liability	(6,938)	70,815	6,312
<b>SURPLUS/(DEFICIENCY) C/FWD</b>	428,376	558,952	560,699

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2017/18 Rate Revenue \$	2017/18 Interim Rates \$	2017/18 Back Rates \$	2017/18 Total Revenue \$	2017/18 Budget \$
<b>General Rate</b>								
GRV Residential/Commercial	0.07571	268	2,807,436	212,543	(1,450)	0	211,093	214,220
UV Rural	0.02304	202	63,004,000	1,457,564	(814)	0	1,456,750	1,451,801
UV Mining	0.28968	15	472,333	136,826	0	0	136,826	136,826
<b>Sub-Totals</b>		485	66,283,769	1,806,932	(2,264)	0	1,804,669	1,802,847
<b>Minimum Rates</b>								
GRV Residential/Commercial	290	46	27,078	13,340		0	13,340	13,050
UV Rural	290	6	53,200	1,740		0	1,740	1,740
UV Mining	656	11	11,311	7,216		0	7,216	7,216
<b>Sub-Totals</b>		63	91,589	22,296		0	22,296	22,006
Discounts							1,826,965	(28,000)
<b>Total amount raised from general rates</b>							(37,696)	
Ex-Gratia Rates							1,789,269	1,796,853
Rates Written Off							5,914	5,792
Specified Area Rates							(3,331)	(2,000)
Movement in Excess Rates							0	0
<b>Total Rates</b>							(36,284)	0
							1,755,568	1,800,645

All land except exempt land in the Shire of Morawa is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2017/18 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.



**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**9. TRUST FUNDS**

Funds held at balance date over which the Municipality has no control and which are not included in this statement are as follows:

<b>Detail</b>	<b>Balance 01-Jul-17 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance \$</b>
Housing Bonds	2,000	2,908	0	4,908
Dreghorn Unit Bonds	1,164	0	0	1,164
Bonds Hall/Rec Centre Hire	100	800	0	900
Aged Care - Bond Karl Strudwick Number 5	1,266	0	0	1,266
Youth Centre	865	0	0	865
Council Nominations	0	320	0	320
Bill Johnson Unit 1 Bond	0	0	0	0
Haulmore Trailers Land Dep	4,641	0	0	4,641
Social Club Payments	0	0	0	0
Local Drug Action Group	660	0	0	660
BCITF/BRB Training Levy	1,818	1,412	(3,572)	(342)
Daphne Little - Excess Rent	1,704	0	0	1,704
Morawa Oval Function Centre	1,763	500	0	2,263
	<u>15,981</u>	<u>5,940</u>	<u>(3,572)</u>	<u>18,349</u>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**10. OPERATING STATEMENT**

	<b>MAY 2018 Actual \$</b>	<b>2017/18 Budget \$</b>	<b>2016/17 Actual \$</b>
<b>OPERATING REVENUES</b>			
Governance	18,752	20,010	40
General Purpose Funding	2,628,807	2,693,995	4,202,543
Law, Order, Public Safety	29,245	26,230	396,038
Health	3,906	5,350	3,328
Education and Welfare	14,202	133,899	33,333
Housing	94,648	147,761	661,358
Community Amenities	437,953	554,091	439,329
Recreation and Culture	52,138	69,214	329,087
Transport	1,535,949	1,092,694	4,971,279
Economic Services	111,651	223,319	156,934
Other Property and Services	202,685	139,184	231,249
<b>TOTAL OPERATING REVENUE</b>	<b>5,129,936</b>	<b>5,105,747</b>	<b>11,424,518</b>
<b>OPERATING EXPENSES</b>			
Governance	387,117	491,640	449,851
General Purpose Funding	167,227	174,282	196,911
Law, Order, Public Safety	92,818	84,223	146,986
Health	197,462	210,604	155,117
Education and Welfare	89,099	800,015	176,028
Housing	288,655	313,270	152,845
Community Amenities	516,149	741,202	585,147
Recreation & Culture	1,288,818	1,136,614	1,164,884
Transport	2,676,949	1,598,634	5,175,238
Economic Services	1,060,566	794,594	415,210
Other Property and Services	159,981	36,296	62,476
<b>TOTAL OPERATING EXPENSE</b>	<b>6,924,841</b>	<b>6,381,374</b>	<b>8,680,694</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b><u>(1,794,905)</u></b>	<b><u>(1,275,627)</u></b>	<b><u>2,743,824</u></b>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**11. BALANCE SHEET**

	<b>MAY 2018 Actual \$</b>	<b>2016/17 Actual \$</b>
<b>CURRENT ASSETS</b>		
Cash Assets	5,522,640	7,138,222
Receivables	770,447	721,205
Inventories	1,119	1,119
<b>TOTAL CURRENT ASSETS</b>	<b>6,294,206</b>	<b>7,860,546</b>
<b>NON-CURRENT ASSETS</b>		
Receivables	16,559	16,559
Inventories	0	0
Property, Plant and Equipment	22,497,983	23,105,106
Infrastructure	44,273,512	44,071,710
<b>TOTAL NON-CURRENT ASSETS</b>	<b>66,788,054</b>	<b>67,193,375</b>
<b>TOTAL ASSETS</b>	<b>73,082,260</b>	<b>75,053,921</b>
<b>CURRENT LIABILITIES</b>		
Payables	89,889	200,933
Interest-bearing Liabilities	6,312	70,815
Provisions	384,662	384,662
Trust Imbalance	(1,212)	239,867
<b>TOTAL CURRENT LIABILITIES</b>	<b>479,651</b>	<b>656,410</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing Liabilities	381,781	381,782
Provisions	26,386	26,386
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>408,167</b>	<b>408,168</b>
<b>TOTAL LIABILITIES</b>	<b>887,818</b>	<b>1,064,578</b>
<b>NET ASSETS</b>	<b>72,194,442</b>	<b>73,989,343</b>
<b>EQUITY</b>		
Retained Surplus	33,995,396	34,337,220
Reserves - Cash Backed	5,544,058	6,997,139
Reserves - Asset Revaluation	32,654,987	32,654,987
<b>TOTAL EQUITY</b>	<b>72,194,441</b>	<b>73,989,346</b>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018

12. FINANCIAL RATIO

	2017/18 YTD	2016/17	2015/16	2014/15
Current Ratio	3.830	2.210	3.530	3.550

The above rates are calculated as follows:

Current Ratio equals 
$$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$$

**SHIRE OF MORAWA**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**  
**Report on Significant variances Greater than 10% and \$10,000**

**Purpose**

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (eg a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

**The Materiality variances adopted by Council are:**

Actual Variance to YTD Budget up to 5%:	Don't Report
Actual Variance exceeding 10% of YTD Budget	Use Management Discretion
Actual Variance exceeding 10% of YTD Budget and a value greater than \$10,000:	Must Report

**REPORTABLE OPERATING REVENUE VARIATIONS**

***Education and Welfare - Variance below budget expectations***

Youth Centre income decreased due to changes to operations of the Youth Centre -  
Timing on grant income

***Housing - Variance above budget expectations***

Full occupancy in Dreghorn Street Units - income higher than budget expectations

***Community Amenities - Variance below budget expectations.***

Community Bus upgrade not going ahead as per budget review - income below budget expectations

***Recreation & Culture - Variance below budget expectations.***

Pool admissions lower than budget prediction. 32k operational grant ceased.

***Economic Services - Variance below budget expectations.***

Overall Caravan Park and Units income low due to slow season, Business units vacancy's no income - below budget expectations

***Other Property & Services - Variance above budget expectations.***

TAFE training offset with expenses, use of our equipment - above budget expectations

**REPORTABLE OPERATING EXPENSE VARIATIONS**

**Note:** Depreciation is not raised until after the audit is completed.  
This affects variations across all programs

***Law, Order and Public Safety - Variance above budget expectations.***

Changes to SES to DFES timing

***Education and Welfare - Variance below budget expectations***

Industry Training centre yet to commence - not likely to commence

***Housing - Variance above budget expectations.***

Yewers Ave house substantial repairs when tenant vacated above budget expectations

***Community Amenities - Variance below budget expectations.***

Tip maintenance costs and Public Toilet Amenities expenses under budget expectations

***Recreation and Culture - Variance above budget expectations.***

Relief Swimming Pool Manger non budgeted item

***Transport - Variance above budget expectations.***

DOT licensing expenses high - offset by income. Aerodrome expenses higher than budget expectations

***Economic Services - Variance above budget expectations***

Solar Thermal Grant 550k sent back to deparmtent unspent

**SHIRE OF MORAWA**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**  
**Report on Significant variances Greater than 10% and \$10,000**

**REPORTABLE NON-CASH VARIATIONS**

*(Profit)/Loss on Asset Disposals - Variance above budget expectations.*

**REPORTABLE CAPITAL EXPENSE VARIATIONS**

***Purchase of Land & Buildings - Variance below budget expectations.***

Industrial Land Development not proceeded as yet - timing  
New tip site not purchase and will not proceed this financial year

***Purchase of Plant & Equipment - Variance below budget expectations.***

Community Bus upgrade not proceeding this financial year  
Generator for Admin Building yet to be purchased

***Purchase of Furniture and Equipment - Variance below budget expectations.***

Blow up play station for Swimming Pool not proceeding - was reliant on grant income

***Purchase of Infrastructure Assets Roads - Variance below budget expectations.***

Capital Road Works for roads under budget - timing

***Purchase Infrastructure Assets - Other- Variance above budget expectations.***

Timing Variance on Road Construction  
Morawa Gateway Project awaiting grants  
Morawa Perenjori Trails Project awaiting grants

***Transfer to Reserves - Variance below budget expectations.***

Transfers to Reserves - timing

**REPORTABLE CAPITAL INCOME VARIATIONS**

***Proceeds from Disposal of Assets - Variance within budget expectations.***

***Transfer from Reserves - Variance below budget expectations.***

Transfers to Municipal Fund - timing on completion of projects

<i>Item No/ Subject:</i>	<b>7.2.2.4 Budget Efficiency and Setting of Differential Rates</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>30 May 2018 – Jenny Goodbourn</b>
<i>Responsible Officer:</i>	<b>Jenny Goodbourn – Executive Manager Corporate &amp; Community Services</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Corporate &amp; Community Services</b>
<i>File Number:</i>	<b>GS.PRG.3</b>
<i>Previous minute/s &amp; Reference:</i>	<b>Budget Briefing and Workshop May 2018</b>

## **SUMMARY**

This report is to recommend Council adopt a system of differential rating for the 2018/19 financial year to help maintain equality in the rating of properties.

As Council is proposing to adopt a differential rate it will also be necessary to advertise the proposed rate in accordance with s.6.36 of the *Local Government Act 1995*, review any submission received and authorise the CEO to apply for Ministerial approval prior to the adoption of the budget or imposition of any such rate.

As part of the budget deliberations and rate setting process Council must also review and adopt the Statement of Objects and Reasons for its' rating strategy.

Council must also show that it has reviewed its' expenditure and considered efficiency measures as part of its budget deliberations.

## **DECLARATION OF INTEREST**

Nil

## **ATTACHMENTS**

- Attachment 1 – 7.2.2.4a Projected rate income with varying %
- Attachment 2 – 7.2.2.4b Mining tenement comparison 30.06.2018
- Attachment 3 – 7.2.2.4c Rate comparison with surrounding shires
- Attachment 4 – 7.2.2.4d Statement of Objects and Reasons

## **BACKGROUND INFORMATION**

A local government may impose differential general rates based on the predominant purpose for which the land is held or used. Ministerial approval will need to be

obtained to impose a differential rate which is more than twice the lowest differential rate imposed.

The Shire of Morawa has adopted differential rates in the UV category since 2005. The 2017/18 approved rates are:- UV Rural \$0.023043 and UV Mining \$0.289681. At the council briefing following the May OCM Council considered various options including an across the board rise of 4%, an across the board rise of 1.9% (CPI), a 4% increase across the general rates with no increase to minimums and a 1.9% increase to general rates with no increase to minimums.

Council also considered the effect of having no differential rates – which would have a negative impact on revenue of between \$134,000 - \$137,000. Council also reviewed rates charged by surrounding shires as a way of comparison.

It was determined that an across the board increase of 1.9% would be the best option for Council to maintain the current level of services and be in line with the objectives of the recently reviewed and adopted Strategic Community Plan and draft Corporate Business Plan (CBP).

Council is required, as part of the differential rating process, to consider budget efficiencies so that it is not just automatically relying on differential rates without looking for alternative options.

## **OFFICER'S COMMENT**

### **Matters Considered as part of the Budget Process**

In the review of the rate increase for the 2018/19 Budget, Council has considered a range of issues during the development of the draft budget including:

- The validity, or relevance of the rates increase proposed in the current Long Term Financial Plan;
- The review of the Corporate Business Plan;
- The impact of the dry season and the economic changes in the mining industry;
- Whether differential rating was applicable for 2018/19 as required by the DLGSC Rating Policy Differential Rates;
- The Shire's asset management plans including key capital costs going forward;
- Budget efficiencies as required by the DLGSC Rating Policy Differential Rates.

### **Current Long Term Financial Plan**

As part of the major review commenced in 2017 of the Shire's Integrated Planning and Reporting framework, Council has identified that there have been some substantial changes to the plans moving forward as compared to those developed in 2012. This is due to a number of reasons, but mainly as a result of changes experienced through the down turn in mining and the current economic climate. A full review of the Strategic Community Plan has recently been undertaken with the revised plan being adopted on 8 May 2018. The current LTFP includes a 4% annual rate increase but in the new CBP this has been reduced to 2% to better reflect continuation of affordability to rate payers and a revised level of growth within the shire.



As we know, there has been a dry start to the season and this will impact on all landholders through the Morawa district. Very little rainfall in the month of May will lead to a reduced harvest for 2018 which follows an average to poor season in 2017.

There is also the impact of the bio-security issues impacting on landholders. The community has continued to identify that key pests including rabbits, foxes, wild dogs and wild pigs are impacting on them. To the east of the shire, some landholders have lost 50% of their lambs to wild dogs. The Shire in response has helped the community become a part of the Central Wheatbelt Biosecurity Group that will give the landholders access to services in excess of \$70,000 in value for the coming year but there will be a Biosecurity rate raised against the properties within the group to assist with the funding.

Despite the downturn in the mining sector, the key mining companies in Morawa are implementing key strategies to see them return to a level of expansion.

In recognition of the difficult circumstances and frustrations outlined above, it is recommended to Council that the following is taken into account:

- The rates are increased by CPI for the last 12 months i.e. 1.9% instead of 4% as outlined in the Shire's Long Term Financial Plan. The impact on the Shire's bottom line is a reduction in the expected increase but the new draft Corporate Business Plan is working on a 2% increase ; and
- Penalty interest is to remain at the reduced rate of 5.5%. This is the same as implemented last year and will potentially raise around \$25,000;
- The only differential rate applicable for 2018/19 is UV Mining and it is proposed to increase this from 28.9681c to 29.5185c in line with the 1.9% (CPI) increase.

Other key factors impacting on the Shire's Long Term Financial Plan are:

- The reduction in the Main Roads WA direct grant which last year saw it reduced from \$128,787 (16/17) to \$75,208 (17/18). It is expected future grants will remain around the lower level;
- The Community Pool Revitalisation grant which used to provide up to \$32,000 to country local governments to assist with pool maintenance has been discontinued.;
- The continuing uncertainty around the future of the 'Supertowns' scheme - whilst the project is still 'alive' there is likely to be no further funding rounds in connection with infrastructure development. The shire was holding an amount of \$550,000 in connection with the proposed Supertowns North Midlands Solar Thermal Power feasibility study which was not proceeded. The Shire applied to change the usage of the funds but this was denied and the monies had to be returned.

### **Draft Corporate Business Plan**

Following the major review of the Strategic Community Plan, the Corporate Business Plan is being updated and the draft Corporate Business Plan is influencing the 2018/2019 budget process as required.

The revised CBP reflects that with declining access to grants some of the projects from the Strategic Community Plan are beyond the current capacity of the Shire to achieve with current resourcing so these have been noted as future priorities to be

reviewed in subsequent revisions of the CBP or to be brought forward if external funding becomes available. The focus of the CBP across the next four years is to ensure that the resources required to deliver are within the capacity of existing resources.

### **Changes in Property Values**

There has been no revaluation to GRV properties this year with the next review due to be undertaken in 2022 (Last done w.e.f. 1/07/2017).

UV reviews saw the total value of properties change as below:

- Rural properties increase in total value by **\$332,900** resulting in an average increase of \$69.28 per rates assessment;
- Mining property values increased by **\$14,254**, resulting in an average increase of \$133.66 per rates assessment.

Based on the back of the current economic climate and the small changes in property values this year, it is recommended that all rates be increased by 1.9% (CPI) including the differential rate in the dollar for mining UV which would be increased from 28.9681c to 29.5185c. This is still comparable to surrounding shires including the Shire of Perenjori at 34.8736 (17/18), the Shire of Yalgoo at 37.43025 (17/18) and the Shire of Mt Magnet at 32.2245 (17/18).

### **Matters Regarding Differential Rating and Minimums**

The Statement of Objects and Reasons for Differential Rating (attachment 4) has been reviewed and amended and needs to be adopted by Council so that it can form the basis of the rationale for the rating strategy and be made available to interested parties as part of the advertising requirement of the intention to impose differential rates.

### **Budget Efficiencies**

In line with the draft budget process, the budget efficiencies proposed for the Shire to introduce the adoption of the budget are:

- An increase in income from rates of 1.9%;
- Maintenance of penalty interest at 5.5%;
- The re-phasing, or pushing back of some projects as outlined in the draft Corporate Business Plan to ensure projects undertaken can be funded from resources available;
- Retaining of the early payment discount of 2.5%;
- Limiting plant purchases to those that are critical to maintain efficiency of operation;
- Maintain operational efficiencies to ensure reduced grant income is managed whilst service levels are maintained;
- Staff costs to be reviewed in line with proposed Workforce Plan and organisational restructure as required.

## COMMUNITY CONSULTATION

Advertising of intention to impose differential rates and the Objects and Reasons for this.

## COUNCILLOR CONSULTATION

CEO Briefing Forum – 8 May 2018

## STATUTORY ENVIRONMENT

Section 6.33(1) of the *Local Government Act 1995* and Financial Management Regulation 52A. A local government may impose a differential rate.

An application to the Minister for Local Government is required for approval to impose a differential general rate under section 6.33(3) of the *Local Government Act 1995* that is more than twice the lowest differential rate being imposed.

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

The level of rates raised including the impact of the differential rates for UV Mining is summarised as follows:

SHIRE OF MORAWA									
Projected rate incomes with 1.9% increases with a comparison to 2017/2018									
	Number of properties	Rateable Value \$	Rate in \$ 2017/2018	Actual Income 2017/2018	Number of properties	Rateable Value \$	Rate in \$ 2018/2019 1.9% CPI Increase	2018/2019 Projected Income	
<b>General Rates</b>									
GRV Residential/Commercial	268	2,788,190	7.5707	211,093	268	2,794,698.00	7.7145	215,597	
UV Rural	202	63,224,999	2.3043	1,456,750	204	63,330,000.00	2.3481	1,487,052	
UV Mining	15	472,333	28.9681	136,826	17	492,470.00	29.5185	145,370	
<b>Minimum Rates</b>									
GRV Residential/Commercial	46	27,078	290	13,340	45	27,075.00	296	13,320	
UV Rural	6	53,200	290	1,740	7	60,100.00	296	2,072	
UV Mining	11	11,311	656	7,216	7	5,428.00	668	4,676	
	<b>548</b>	<b>66,577,111</b>		<b>1,826,964</b>	<b>548</b>	<b>66,709,771</b>		<b>1,868,087</b>	
<b>Income before discounts</b>				<b>1,826,964</b>					<b>1,868,087</b>

The 1.9% increase will see total funds raised in excess to 2017/18 of \$41,123.

## **STRATEGIC IMPLICATIONS**

### **Outcome 4.5 Long term financial viability.**

<b>Reference</b>	<b>Strategy</b>	<b>Still Relevant</b>	<b>Priority</b>	<b>Timeframe</b>	<b>Key Partners</b>
4.5.1	Maintain a Financial Health Indicator (FHI) score within acceptable benchmarks	YES	HIGH	ONGOING	DLGSCI
4.5.2	Continue to assess quality and usage of the Shire's services, facilities and assets.	YES	MEDIUM	ONGOING	
4.5.3	Ensure currency of all required IPRF documents including Assets Management Plans, Plant Replacement Programs, Corporate Business Plans and Long Term Financial Plans.	YES	HIGH	ONGOING	DLGSCI

## **RISK MANAGEMENT**

Under the Shire's risk governance framework, non-compliance with the requirements regarding differential rates is a major risk i.e. imposed penalties. Such a penalty would be imposed by the Department of Local Government, Sport & Cultural Industries. Through complying with the requirements of the DLGSCI Rating Policy: Differential General Rates, the risk is mitigated from High to Low.

## **VOTING REQUIREMENTS**

Absolute Majority

## **OFFICER'S RECOMMENDATION**

That Council resolves to:

1. Adopt the Statement of Objects and Reasons for Differential Rating for 2018/2019;
2. Pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, adopt a 1.9% rate increase across all categories to form the basis of the proposed rate setting for the 2018/2019 budget as detailed below:

<b>SHIRE OF MORAWA</b>				
<b>Proposed rate categories for 2018/2019</b>				
	<b>Rate in \$ 2018/2019</b>	<b>Number of properties</b>	<b>Rateable Value \$</b>	<b>2018/2019 Projected Income</b>
<b>General Rates</b>				
GRV Residential/Commercial	7.7145	268	2,794,698.00	215,597
UV Rural	2.3481	204	63,330,000.00	1,487,052
UV Mining	29.5185	17	492,470.00	145,370
<b>Minimum Rates</b>				
GRV Residential/Commercial	296	45	27,075.00	13,320
UV Rural	296	7	60,100.00	2,072
UV Mining	668	7	5,428.00	4,676
		<b>548</b>	<b>66,709,771</b>	<b>1,868,087</b>
<b>Income before discounts</b>				<b>1,868,087</b>

3. Authorise the Chief Executive Officer to advertise the proposed Differential rates for 2018/2019 and call for submissions in accordance with the Local Government Act 1995 Section 6.36 – for a minimum of 21 days; and
4. Authorise the Chief Executive Officer to seek Ministerial approval under Section 6.33 of the Local Government Act 1995 to impose differential rates at the end of the advertising period, subject to no submissions being received.

Shire of Morawa

Projected rate incomes with varying % increases with a comparison to 2017/2018

	Rate in \$ 2017/2018	Actual Income 2017/2018	Option 1			Option 2			Option 2A		
			Rate in \$ 2018/2019 4% increase (LTFP)	2018/2019 Projected Income	2018/2019 Projected Income No change to minimum	Rate in \$ 2018/2019 1.9% CPI Increase	2018/2019 Projected Income	2018/2019 Projected Income No change to minimum			
<b>General Rates</b>											
GRV Residential/Commercial	7.5707	212,543	7.8735	220,041	220,041	7.7145	215,597	215,597	215,597	215,597	
UV Rural	2.3043	1,451,801	2.3965	1,517,703	1,517,703	2.3481	1,487,052	1,487,052	1,487,052	1,487,052	
UV Mining	28.9681	136,826	30.1268	148,365	148,365	29.5185	145,370	145,370	145,370	145,370	
<b>Minimum Rates</b>											
GRV Residential/Commercial	290	13,340	302	13,590	13,050	296	13,320	13,320	13,050	13,050	
UV Rural	290	1,740	302	2,114	2,030	296	2,072	2,072	2,030	2,030	
UV Mining	656	7,216	682	4,774	4,592	668	4,676	4,676	4,592	4,592	
<b>Income before discounts</b>		<b>1,823,466</b>		<b>1,906,587</b>	<b>1,905,781</b>		<b>1,868,087</b>		<b>1,867,691</b>	<b>1,867,691</b>	

Comparison of UV Mining Rates with and without a differential rate.									
Year	Valuation	# Properties	Rate \$	Rates raised	Option 1			Option 2	
					1.9% Differential	1.9% No differential	4% Differential	4% No differential	
2017/18	472333	15	0.289681	\$136,826					
2017/18	1131	11	\$656 (Min)	\$7,216					
2018/19	492470	17	0.295185		\$145,370				
2018/19	5428	7	\$668 (Min)		\$4,676				
2018/19	492470	17	0.301268				\$148,365		
2018/19	5428	7	\$682 (Min)				\$4,774		
2018/19	439902	7	0.023481			\$10,329			
2018/19	57996	17	\$296 (Min)			\$5,032			
2018/19	439902	7	0.023965					\$10,542	
2018/19	57996	17	\$302 (Min)					\$5,134	
<b>TOTALS</b>				\$144,042	\$150,046	\$15,361	\$153,139	\$15,676	
<b>Difference</b>						<b>-\$134,684</b>		<b>-\$137,463</b>	

Shire of Morawa - Comparison chart

Rate comparison with surrounding shires - Financial year 2017/18

Differential general rate or general rate	Shire of Morawa Rate in \$	Shire of Perenjori Rate in \$	Shire of Mingenew Rate in \$	Shire of Three Springs Rate in \$	Shire of Carnamah Rate in \$	Shire of Coorow Rate in \$	Shire of Yalgoo Rate in \$
GRV - Townsite	0.075707	0.0795	0.1454	0.117261	0.144	0.120080	0.0745464
GRV - Mining		0.0795	-	0.234522	0.288		
GRV- Commercial		-	0.1454				
GRV - Industrial		-	0.1454				
GRV - Rural					0.144		
UV - Rural/Pastoral	0.023043	0.019169	0.01335	0.015033	0.01871	0.015920	0.06575168
UV - Mining	0.289681	0.348736	0.01335	0.119167		0.160764	0.3743025
UV - Exploration						0.115831	0.1988253
<b>Minimum Payment</b>		<b>Minimum \$</b>	<b>Minimum \$</b>	<b>Minimum \$</b>	<b>Minimum \$</b>	<b>Minimum \$</b>	<b>Minimum \$</b>
GRV - Townsite	\$290	\$335	\$682	\$450	\$715	\$815	\$270
GRV - Townsite Vacant							\$620
GRV - Mining		\$335	\$0				
GRV- Commercial		-	\$682				
GRV - Industrial		-	\$682				
GRV - Rural					\$496		
UV - Rural/Pastoral	\$290	\$335	\$1,025	\$450	\$715	\$815	\$270
UV - Mining	\$656	\$335	\$1,025	\$450	\$715	\$815	\$270
UV - Exploration						\$300	\$270
<b>Total Budgeted Rate Income</b>	<b>\$1,796,853</b>	<b>\$2,608,685</b>	<b>\$1,782,053</b>	<b>\$2,039,712</b>	<b>\$1,943,148</b>	<b>\$3,196,052</b>	<b>\$1,729,321</b>





## 2018/2019 Differential Rates Statement of Rating Objects and Reasons

In accordance with Section 6.36 of *the Local Government Act 1995*, the Shire of Morawa is required to publish its Objects and Reasons for implementing Differential Rates.

### INTRODUCTION

Rates are a tax levied on all rateable properties within the boundaries of the Shire of Morawa in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2018/2019 Budget is to provide for the net funding requirements of Council's services, activities, financing costs and the current and future capital requirements of the shire. The estimated rates in the dollar and minimum payments indicated below, are based on a 1.9% (CPI) increase on the previous year's rate in the dollar and minimum rate categories.

Council has determined its required rates yield after taking into account all revenue sources, expenditure and efficiency measures as part of the budget deliberations.

Property valuations provided by the Valuer-General (Landgate Valuation Services) are used as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Morawa. The application of differential rates maintains equity in the rating of properties across the shire, with consideration given to the key values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the department of Local Government, Sport and Cultural Industries being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and administrative efficiency

The following table outlines the proposed Differential Rates and Minimum Payments for the shire of Morawa for the 2018/2019 financial year, to be effective from the 1 July 2018.

<i>Rate Type</i>	<i>Rate in the Dollar (Cents)</i>	<i>Minimum Payment</i>
<b>GRV Residential/ Commercial</b>	7.145	\$296.00
<b>UV Rural</b>	2.3481	\$296.00
<b>UV Mining</b>	29.5185	\$668.00

The above rate model will yield \$1,868,087 in rate revenue for 2018/2019.

## Land Valuations in Western Australia

The main legislation for the valuation of land relevant to this review are as follows:

- *The Valuation of Land Act 1978*; and
- *The Local Government Act 1995*

### The Valuation of Land Act 1978

The *Valuation of Land Act 1978* provides for the valuation of land in Western Australia. The Valuer General is based at Landgate and provides a brochure titled 'The Valuer General's Guide to Rating and Taxing Values' which describes their role in providing valuations to be used by rating and taxing authorities in accordance with the provisions of the *Valuation of Land Act 1978* (the VLA). The VLA empowers the Valuer General to conduct general valuations based on Unimproved Values (UV) and Gross Rental Value (GRV).

More information is available at [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)

### The Local Government Act 1995

The *Local Government Act 1995* sets out the basis on which rates may be raised, including the setting of differential general rates and minimum rates.

Section 6.32 of the Local Government Act 1995 states:

- (1) When adopting the annual budget, a local government —
  - (a) in order to make up the budget deficiency, is to impose\* a general rate on rateable land within its district, which rate may be imposed either —
    - (i) uniformly; or
    - (ii) differentially;and
  - (b) may impose\* on rateable land within its district —
    - (i) a specified area rate; or
    - (ii) a minimum payment;and
  - (c) may impose\* a service charge on land within its district.

\* *Absolute majority required.*

- (2) Where a local government resolves to impose a rate it is required to —
  - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
  - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.

Section 6.33 of the local Government Act relates to Differential rates:

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
  - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
  - (b) a purpose for which the land is held or used as determined by the local government; or
  - (c) whether or not the land is vacant land; or
  - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —
  - (a) specify the characteristics under subsection (1) which a local government is to use; or
  - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

Section 6.35 of the Local Government Act relates to Minimum payments:

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
  - (a) 50% of the total number of separately rated properties in the district; or
  - (b) 50% of the number of properties in each category referred to in subsection (6),on which a minimum payment is imposed.

### **Basis of Local Government Rates in Western Australia**

Local Government rating is regulated through Sections 6.28 to 6.82 of the *Local Government Act 1995* (the Act). All land within the local government district is rateable land with the exceptions, as specified in Section 6.28 of the Act.

### **Gross Rental Valuation (GRV)**

The *Local Government Act 1995* determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of the annual rates. The Valuer-General determines the GRV for all properties within the Shire of Morawa every five years. The last general valuation was effective from 1 July 2017. The Shire of Morawa only imposes one GRV category and one GRV minimum rate category.

### **Unimproved Valuation (UV)**

Properties that are predominantly of a rural purpose are assigned an Unimproved Value (UV). Council has adopted differential rates in its UV area for mining tenements. Unimproved values are determined annually by the Valuer-General with a valuation roll provided to the local governments. Council has completed rates modelling based on the valuations provided with a date in force of 1 July 2018.

Local governments can use differential rating; minimum payments; service charge; discounts and concessions to adjust the rates burden. Local government rates are a property tax based on land or rental value and broadly reflect 'the ability to pay'. The rates imposed are not a fee for service.

## **PROPOSED DIFFERENTIAL GENERAL RATES AND GENERAL MINIMUM PAYMENTS**

### **GRV Residential/Commercial – No differential rate in this category**

**The object** of the GRV rates and minimum payments is to raise a fair contribution to the operational requirements of the Shire, which include but are not limited to - street lighting, civic precinct, cleaning and maintenance of public facilities, public parks and gardens, sporting facilities, tourist information services, youth centre, medical, refuse collections, roads, aerodrome and caravan park - allowing services to be maintained and where possible improved without incurring additional financial pressure that could affect the long term viability and sustainability of the shire. The rates will continue to provide one of the main income streams for the support of the social and economic wellbeing of the Shire.

**The reason** the Shire of Morawa does not impose any differential rates in this category is as follows. Many councils set differential rates within the GRV category based on land use such as commercial or industrial. However the Shire of Morawa has not elected to do this. There is a focus on growth and regeneration and having a flat GRV rate in the dollar assists in trying to attract new business to the town and support those entities that are currently operating here. Most commercial or industrial properties will have a higher GRV and therefore pay proportionately higher rates than a residential property.

## **UV Rural**

This rating category applies to all pastoral leases and land with a predominant rural land use other than mining tenements.

**The Object** of this rate is to be the base rate by which all UV rated properties, other than mining tenements are assessed.

**The reason** for this rate is to raise revenue to provide for rural infrastructure and services in addition to the town services, facilities and infrastructure which are available to be accessed by the properties in this category.

The reason that the rate in the dollar for this category is set at a comparatively low amount, is to offset the relatively high property valuations in this category. The Shire has a large pastoral and agricultural sector and it is essential that it be maintained throughout difficult times.

## **UV Mining – Differential Rate**

This rating category covers all Mining Leases, Exploration Licences, Prospecting Licences, Retention Licenses, General Purpose Leases, Special Prospecting Licenses for Gold and Miscellaneous Licences as defined under the *Mining Act 1978*.

**The object** of the UV Mining rate is to raise additional revenue to fund cost impacts to the shire from mining sector operations.

**The reasons** that the rate in the dollar has been set at a comparatively high amount is to offset the large investment the Shire of Morawa makes in road and drainage infrastructure to service remote mining activities on rural roads throughout the municipality. When operators in the mining industry come to the district they have the benefit of all the established shire services and facilities. These have often been provided by the rates contributed in previous years by ratepayers in other categories, who will continue to contribute in the same way into the future. The maintenance of Shire assets and services for the benefit of all users, long term and short term, is a burden which to a significant extent falls upon the long term ratepayers.

It is not uncommon for operators in the mining sector to be present in the district for a short period with the prospect of withdrawing substantial profits in that time by extracting the mineral resources of the district. These activities have a greater short term impact on local roads and waste management services along with additional costs associated with the administration of the tenements than that of any other rate payer category. This is not a criticism but simply recognises the often transitory nature of mining enterprises. The mining sector stands to be a beneficiary of the existence and maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.

## **Minimum Payments**

The Setting of minimum payments within rating categories recognises that every property receives some minimum level of benefit from the works and services provided by the shire which is shared by all properties regardless of size, value and use. A proposed minimum rate of \$296 has been applied to all rating categories except for the UV Mining category. The proposed minimum rate for the UV Mining category is \$668. Again this is intended to collect rates in proportion to the impact of the sector on the overall works and services provided by the shire in any given year as a result of its activities.

## Shire of Morawa Rating Strategy

The key points for the 2018/2019 rating strategy:

- Raise sufficient yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the Strategic Community Plan 2018-2028 and the Corporate Business Plan 2018-2022.
- Maintain the single GRV category for residential, industrial and commercial to ensure fairness and equity.
- Spread the rates burden across the differential rating categories to effectively reflect an equitable contribution to the maintenance and improvement of Council resources, services and infrastructure.

SHIRE OF MORAWA								
Projected rate incomes with 1.9% increases with a comparison to 2017/2018								
	Number of properties	Rateable Value \$	Rate in \$ 2017/2018	Actual Income 2017/2018	Number of properties	Rateable Value \$	Rate in \$ 2018/2019 1.9% CPI Increase	2018/2019 Projected Income
<b>General Rates</b>								
GRV Residential/Commercial	268	2,807,436	7.5707	212,543	268	2,794,698.00	7.7145	215,597
UV Rural	202	63,254,090	2.3043	1,457,564	204	63,330,000.00	2.3481	1,487,052
UV Mining	15	472,333	28.9681	136,826	17	492,470.00	29.5185	145,370
<b>Minimum Rates</b>								
GRV Residential/Commercial	46	27,078	290	13,340	45	27,075.00	296	13,320
UV Rural	6	53,200	290	1,740	7	60,100.00	296	2,072
UV Mining	11	11,311	656	7,216	7	5,428.00	668	4,676
	<b>548</b>	<b>66,625,448</b>		<b>1,829,228</b>	<b>548</b>	<b>66,709,771</b>		<b>1,868,087</b>
<b>Income before discounts</b>				<b>1,829,228</b>				<b>1,868,087</b>

## Submissions

If you wish to lodge any submission on this proposal you are required to do so by 4 pm on Wednesday 18 July 2018. Submissions should be addressed to the Chief Executive Officer, Shire of Morawa, PO Box 14, Morawa WA 6623 and clearly marked Submission –Differential Rating 2018/19. Submissions can also be submitted via email to [admin@morawa.wa.gov.au](mailto:admin@morawa.wa.gov.au) or delivered in person to the shire office in Winfield Street, Morawa, WA 6623.

**Chris Linnell**  
**Chief Executive Officer**

<i>Item No/ Subject:</i>	<b>7.2.3.1 Local Laws – Final Adoption</b>
<i>Date of Meeting:</i>	<b>21 June 2017</b>
<i>Date &amp; Author:</i>	<b>2 June 2017 – Niel Mitchell - Consultant</b>
<i>Responsible Officer:</i>	<b>Samantha Appleton – Executive Manager Development &amp; Administration</b>
<i>Applicant/Proponent:</i>	<b>Samantha Appleton</b>
<i>File Number:</i>	<b>LE.LLW.2</b>
<i>Previous minute/s Reference &amp; Resolution:</i>	<b>180219 Ordinary Meeting of Council 15 February 2018</b>

## **SUMMARY**

To finalise the adoption of the following Local Laws:

- a) Bush Fire Brigades Local Law 2018
- b) Extractive Industries Local Law 2018
- c) Fencing Local Law 2018

## **DECLARATION OF INTEREST**

Nil

## **ATTACHMENTS**

- Attachment 1 – 7.2.3.1a Bush Fire Brigades submissions
- Attachment 2 – 7.2.3.1b Proposed Bush Fire Brigades Local Law 2018
- Attachment 3 – 7.2.3.1c Extractive Industries submissions
- Attachment 4 – 7.2.3.1d Proposed Extractive Industries Local Law 2018
- Attachment 5 – 7.2.3.1e Fencing submissions
- Attachment 6 – 7.2.3.1f Proposed Fencing Local Law 2018

## **BACKGROUND INFORMATION**

The purpose of this report is to:

1. make the local laws, incorporating all amendments as approved by Council;
2. authorise the affixing of the Common Seal to the local laws;
3. authorise publication of the local laws in the *Government Gazette*; and
4. give local public notice (after Gazette) of the date the local laws will come into effect.

## **OFFICER'S COMMENT**

At the Ordinary Council Meeting held on 15 February 2018, Council resolved to commence the process to make the Local Laws.

The procedure for making local laws requires Council to advertise state-wide, advising of its intention to make a local law, and invite submissions to be made on any proposed local law for a six-week period. At the closure of the submission period Council is to consider all submissions before making a local law.

The draft local laws were advertised, both locally and state-wide, for public comment.

At the close of the submission period, no public submissions had been received. Comment from the Department of Local Government, Sporting & Cultural Industries and the Department of Fire & Emergency Services (DFES) was received - attachments 7.2.3.1a, c and d.

It should be noted that no submission has been received from the Department of Local Government (DLG) with regard to the proposed Dog Local Law and therefore final adoption will be held over until the remaining Local Laws are adopted.

The DLG's comments for each of the Local Laws covered multiple areas. It is considered that no substantive matters were raised, with the comments being:

- clarification of several clauses while remaining consistent with the proposed clauses in the original drafts,
- of a minor editorial nature, and
- being of a contextual or technical nature, punctuation and grammar.

None of the suggested changes altered the intent of the provision amended nor placed additional obligations on the community. Accordingly, it is considered that the amendments agreed are not of a nature that requires re-advertising.

The attached drafts have been amended from the proposed amendment local law advertised for public submissions, in accordance with the DLGC and DFES comments as noted and agreed.

### **Summary**

Once formally adopted by Council:

1. the local law is to be published in the Government Gazette,
2. local public notice given of adoption (separate to previous advertising of proposals),
3. signed copies sent to relevant Ministers or their delegate, and
4. copies sent to the Parliamentary Joint Standing Committee on Delegated Legislation, together with other required documentation, within 10 days of publication in the Government Gazette.



Please note:

- disallowance of a local law may be made by Parliament and could take some time depending on sitting days, and
- the local law takes effect on the day stipulated, generally 14 days after publication in the Government Gazette.

### **COMMUNITY CONSULTATION**

An advertisement was placed in the West Australian on 9 March 2018 and the Morawa Scene Newsletter on 13 March 2018, with the submission period for public comment closing on 27 April 2018.

### **COUNCILLOR CONSULTATION**

Nil

### **STATUTORY ENVIRONMENT**

*Local Government Act 1995 –*

- s.3.12 – Procedure for making local laws  
incl. subclause (4) – requirement for absolute majority

*Bush Fires Act 1954*

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

Nil

### **STRATEGIC IMPLICATIONS**

Nil

### **RISK MANAGEMENT**

Nil

### **VOTING REQUIREMENTS**

Absolute Majority

## **OFFICER'S RECOMMENDATION**

That Council resolves to:

1. make the following Local Laws, as per the attached drafts, incorporating amendments outlined by the Department of Local Government & Communities, and Department of Fire & Emergency Services:
  - a) Bush Fire Brigades Local Law 2018
  - b) Extractive Industries Local Law 2018
  - c) Fencing Local Law 2018;
2. authorise the President and CEO to sign and affix the Common Seal to the Local Laws; and
3. authorise the CEO to:
  - a) publish the local law in the Government Gazette and provide copies of the local laws to the Minister for Local Government; and
  - b) forward a copy of the Gazetted local law, explanatory memoranda and associated documentation to the Parliamentary Joint Standing Committee on Delegated Legislation for review.

Proposed Shire of Morawa **Bush Fire Brigades Local Law 2018** – Summary of submissions

## Dept of Local Government and Communities –

Item	Clause	Comment	Review Comment	Recommendation
1		<p><b>Minister of Emergency Services</b>            Bush fire brigades local laws are made under the <i>Local Government Act 1995</i> and the <i>Bush Fires Act 1954</i>. Accordingly, the local government must ensure that it provides a copy of the proposed local law to the Minister for Emergency Services, if it has not done so already.</p>	DFES (Minister) advised	N/A
2	1.4	<p><b>Repeal</b>            It is suggested that the Shire amend the citation in clause 1.4 to read “<i>The Municipality of the Shire of Morawa Firebreak By-laws</i>”. This will reflect the citation as it appears in the gazette.</p>	Amended	Amend
3	3.6	<p><b>Mandatory training of officers</b>            Clause 3.6(3) provides that a bush fire control officer must complete the required course once every five years. It is suggested that the clause clarify the point when this five year period is deemed to commence.</p>	<p>This clause has previously been accepted by DLGC, DFES and JSCDL without the suggested change.            It is considered that (3) has sufficient clarity, and that amendment of this subclause would create a number of consequential issues.            To address the concern of DLG, the better option would be to amend (2) to read –            (2) <i>Bush fire control officers are to complete a Bush Fire Control Officers course conducted by an organisation approved by the CEO, within 12 months of commencement of this local law or appointment, unless a course has been completed within the 4 years prior to commencement of this local law or appointment as a bush fire control officer.</i></p>	Amend
4		<p><b>Minor edits</b>            The following minor edits are suggested:            . Clause 1.4: Replace the word “are” with “is”.            . The Shire should also double check all references and cross references to ensure accuracy.</p>	<p>The original title is plural, not singular            Checked</p>	Not amend

Dept of Fire & Emergency Services –

Item	Clause	Comment	Review Comment	Recommendation
1	3.3(1)(d)	<b>Election and Appointment o bush fire brigade officers</b> Section 43 of the <i>Bush Fires Act 1954</i> (the BF Act) refers to 'additional lieutenants' rather than 'additional officers', it is recommended this term be used to align with the BF Act.	The intent is to allow each brigade to elect people to additional supporting roles – communications, training, equipment officers etc. Amend to read “... <i>additional lieutenants or other ...</i> ”	Amend
2	4.3(3)(d)	<b>Membership – review ...</b> The words 'or a landowner of occupier' appear to be superfluous and should be deleted.	The two terms are separate, as an occupier of land may not be the landowner, but a lessee, or a landowner may reside outside the district, and not be an occupier.	Not amend
3	4.3(4)(5) & 4.4(2)	<b>Membership – review ...</b> <b>Right to object ...</b> These contain inconsistent references to clause 4.3(3)(d).	It is considered that the references are not inconsistent. A person may own or occupy land outside the district, technically having no interest in brigade of the district, but for practical reasons wishes to be a member of the brigade. While a review may show no legal connection to the Shire, on appeal their membership may be accepted or continued.	Not amend

BUSH FIRES ACT 1954  
LOCAL GOVERNMENT ACT 1995

SHIRE OF MORAWA

**BUSH FIRE BRIGADES LOCAL LAW 2018**

CONTENTS

PART 1 - PRELIMINARY

- 1.1 Citation
- 1.2 Commencement
- 1.3 Application
- 1.4 Repeal
- 1.5 Definitions

PART 2 - ESTABLISHMENT OF BUSH FIRE BRIGADES

- 2.1 Establishment of a bush fire brigade
- 2.2 Name and area of bush fire brigade
- 2.3 Objects of bush fire brigades
- 2.4 Chain of command during fire fighting activities
- 2.5 Existing bush fire brigades
- 2.6 Dissolution of bush fire brigade
- 2.7 New arrangement after dissolution

PART 3 - ORGANISATION OF BUSH FIRE BRIGADES

- 3.1 Local government responsible for structure
- 3.2 Appointment of bush fire control officers
- 3.3 Election and appointment of bush fire brigade officers
- 3.4 Managerial role of CBFCO
- 3.5 Duties of CBFCO and bush fire brigade officers
- 3.6 Training of officers

PART 4 - MEMBERSHIP

- 4.1 Types of membership of bush fire brigade
- 4.2 Membership applications
- 4.3 Membership – review, refusal, suspension or termination
- 4.4 Right to object to or review of decision
- 4.5 Existing liabilities to continue
- 4.6 Disagreements

PART 5 - GENERAL

- 5.1 Administration
- 5.2 Finances
- 5.3 Equipment
- 5.4 Consideration in the local government budget

BUSH FIRES ACT 1954  
LOCAL GOVERNMENT ACT 1995

SHIRE OF MORAWA

**BUSH FIRE BRIGADES LOCAL LAW 2018**

Under the powers conferred by the *Bush Fires Act 1954*, the *Local Government Act 1995* and under all other powers enabling it, the Council of the Shire of Morawa resolved on \_\_\_\_\_ to make the following local law.

**PART 1 - PRELIMINARY**

**1.1 Citation**

This local law may be cited as the *Shire of Morawa Bush Fire Brigades Local Law 2018*.

**1.2 Commencement**

This local law will come into operation 14 days after its publication in the *Government Gazette*.

**1.3 Application**

This local law applies throughout the district.

**1.4 Repeal**

*The Municipality of the Shire of Morawa Firebreak By-laws* published in the *Government Gazette* on 31 December 1982 are repealed.

**1.5 Definitions**

In this local law unless the context otherwise requires –

**Act** means the *Bush Fires Act 1954*;

**bush fire brigade** has the meaning given to it in section 7 of the Act;

**bush fire brigade area** has the meaning given to it in clause 2.2(b);

**bush fire brigade member** means a volunteer fire fighter having current membership of a bush fire brigade;

**bush fire brigade officer** means a person holding a position referred to in clause 3.3, irrespective of method of appointment to the position;

**bush fire control officer** means a person appointed by the local government to exercise the powers of a bush fire control officer or bush fire officer in accordance with the Act and this local law;

**Bush Fire Operating Procedures** means the Bush Fire Operating Procedures as may be adopted by the local government and amended from time to time;

**Captain** means the person holding or acting in that position in a bush fire brigade;

**CBFCO** means the Chief Bush Fire Control Officer;

**CEO** means the Chief Executive Officer of the local government;

**Council** means the Council of the local government;

**district** means the district of the local government;

**fire fighting activities** means all normal brigade activities relating to a live bush fire which is active in the district, and includes burning off, creating fire breaks and other methods for the control of bush fires;

**Lieutenant** means the person holding that position in a bush fire brigade;

**local government** means the Shire of Morawa;

**normal brigade activities** has the meaning given to it in section 35A of the Act;

**President** means President of the Council;

**Regulations** means Regulations made under the Act; and

**volunteer fire fighter** has the meaning given to it in section 35A of the Act.

## **PART 2 - ESTABLISHMENT OF BUSH FIRE BRIGADES**

### **2.1 Establishment of a bush fire brigade**

- (1) The local government may establish a bush fire brigade for the purpose of carrying out normal brigade activities.
- (2) A bush fire brigade is established on the date of the local government's decision under subclause (1).

### **2.2 Name and area of bush fire brigade**

On establishing a bush fire brigade under clause 2.1(1) the local government is to –

- (a) give a name to the bush fire brigade; and
- (b) specify the area within the district in which the bush fire brigade is primarily responsible for carrying out the normal brigade activities.

### **2.3 Objects of bush fire brigades**

The objects of the bush fire brigade are to carry out –

- (a) the normal brigade activities; and
- (b) the functions of the bush fire brigade which are specified in the Act, the Regulations and the local law.

### **2.4 Chain of command during fire fighting activities**

- (1) Subject to the Act, the chain of command to apply during normal brigade activities is –
  - (a) bush fire control officers in order of seniority;
  - (b) bush fire brigade officers in order of seniority; and
  - (c) all other volunteer fire fighters.
- (2) The person in command has full control over other persons fighting the fire, and is to issue instructions as to the methods to be adopted by the volunteer fire fighters, and may exercise all the powers and duties provided for by the Act.

### **2.5 Existing bush fire brigades**

A bush fire brigade established prior to the day on which this local law comes into operation –

- (a) is to be taken to be a bush fire brigade established under and in accordance with this local law;
- (b) the provisions of this local law apply to the bush fire brigade save for clause 2.1; and
- (c) any rules governing the operation of the bush fire brigade are repealed and substituted with the provisions of this local law.

### **2.6 Dissolution of bush fire brigade**

In accordance with section 41(3) of the Act, the local government may cancel the registration of a bush fire brigade if it is of the opinion that the bush fire brigade is not complying with the Act, this local law, or is not achieving the objectives for which it was established.

### **2.7 New arrangement after dissolution**

If the local government cancels the registration of a bush fire brigade, alternative fire control arrangements are to be made in respect of the bush fire brigade area.

## **PART 3 - ORGANISATION OF BUSH FIRE BRIGADES**

### **3.1 Local government responsible for structure**

The local government is to ensure that there is an appropriate structure through which the organisation of bush fire brigades is maintained.

### **3.2 Appointment of bush fire control officers**

- (1) The local government may appoint bush fire control officers in their absolute discretion, and apply conditions as considered appropriate.

- (2) Where only one person is appointed as a bush fire control officer, that person is the CBFCO for the purposes of this local law.
- (3) Where more than one person is appointed as a bush fire control officer, the local government shall determine seniority as CBFCO, Deputy CBFCO, and further seniority as is considered appropriate.
- (4) When considering the appointment of a person as a bush fire control officer, the local government is to have regard to the qualifications, training and experience which may be advisable to fill the position.

### **3.3 Election and appointment of bush fire brigade officers**

- (1) Subject to subclause (2), the members of a bush fire brigade shall elect –
  - (a) a Captain;
  - (b) a first lieutenant;
  - (c) a second lieutenant; and
  - (d) any additional lieutenants or other officers considered appropriate for the effective management of normal brigade activities.
- (2) If the members of a bush fire brigade have not elected a bush fire brigade member to a position, the local government may make an appointment to the position as they see fit and as considered appropriate.
- (3) When considering the election or appointment of persons to the positions in subclause (1), the bush fire brigade members or the local government as the case may be, are to have regard to the qualifications, training and experience which may be advisable to fill each position.
- (4) The local government may remove any person elected or appointed from any position.

### **3.4 Managerial role of CBFCO**

Subject to any directions by the local government the CBFCO has primary managerial responsibility for the organisation and maintenance of bush fire brigades.

### **3.5 Duties of CBFCO and bush fire brigade officers**

The duties of the CBFCO and bush fire brigade officers include –

- (a) to provide leadership to bush fire brigades;
- (b) to monitor bush fire brigades' resourcing, equipment and training levels;
- (c) to liaise with the local government concerning fire prevention or fire suppression matters generally and directions to be issued by the local government to bush fire control officers (including those who issue permits to burn), bush fire brigades or bush fire brigade officers;
- (d) to ensure that lists of bush fire brigade members are maintained in accordance with clause 4.3;
- (e) to report annually to the local government the office bearers of the bush fire brigade in the form of Form 12 of the Regulations; and
- (f) to report to the local government prior to the local government's annual budget each year, for consideration and appropriate provision being made in the next budget, the status of a bush fire brigade's –
  - (i) training and readiness;
  - (ii) protective clothing;
  - (iii) equipment; and
  - (iv) vehicles and appliances.

### **3.6 Training of officers**

- (1) The local government is to supply each bush fire control officer and Captain with a copy of the Act, the Regulations, any Bush Fire Operating Procedures adopted, this local law and any other written laws which may be relevant to the performance of the bush fire brigade officers' functions, and any amendments made from time to time.
- (2) Bush fire control officers are to complete a Bush Fire Control Officers course conducted by an organisation approved by the CEO, within 12 months of commencement of this local law or appointment, unless a course has been completed within the 4 years prior to commencement of this local law or appointment as a bush fire control officer.
- (3) Bush fire control officers are required to complete a bush fire control officers course or a bush fire control officers refresher course at least once every 5 years.



## **PART 4 - MEMBERSHIP**

### **4.1 Types of membership of bush fire brigade**

- (1) The membership of a bush fire brigade consists of volunteer fire fighters.
- (2) Registration as a volunteer fire fighter does not commit the person to participating in all normal brigade activities.

### **4.2 Membership applications**

The decision on an application for admission of member, with or without conditions or restrictions, may be made by –

- (a) either the Captain or CBFCO; jointly with
- (b) either the CEO or President.

### **4.3 Membership – review, refusal, suspension or termination**

- (1) Not later than 30 April in each year, the Captain is to review the membership and report to the CEO and CBFCO the name and contact details of each bush fire brigade member.
- (2) If circumstances warrant, membership of the bush fire brigade may be refused or suspended at any time for a period considered appropriate.
- (3) Membership of the bush fire brigade terminates if the member –
  - (a) dies;
  - (b) gives written notice of resignation to the Captain or CEO;
  - (c) is permanently incapacitated by mental or physical ill-health; or
  - (d) is no longer a resident or landowner or a landowner or occupier in the district, or for other sufficient reason.
- (4) A decision under subclause (2), (3)(c) or (d) is to be made by –
  - (a) either the Captain or CBFCO; jointly with
  - (b) either the CEO or President.
- (5) Where a decision under subclause (2), (3)(c) or (3)(d) is unable to be agreed, the matter is to be referred to Council, whose decision shall be final.
- (6) Members are eligible to reapply where membership has ceased for any reason.

### **4.4 Right to object to or review of decision**

- (1) If an application for membership is refused under clause 4.2, the CEO is to notify the applicant in writing as soon as practicable after the decision is made, of –
  - (a) the reasons for the refusal; and
  - (b) the right to object to the local government within 14 days of the date of notice.
- (2) If it is proposed that bush fire brigade member is to be suspended under clause 4.3(2) or terminated under clause 4.3(3)(c) or (d), the CEO is to notify the bush fire brigade member in writing as soon as practicable after the decision is made, of –
  - (a) the reasons for the intention to suspend or terminate the bush fire brigade member;
  - (b) the opportunity to respond and answer any matters which might give grounds for suspension or dismissal –
    - (i) in person or in writing to the CEO; or
    - (ii) to meet with a minimum of any three of the Captain, CBFCO, CEO; or President; and
  - (c) the right to object to the local government within 14 days of the date of notice, or such other time as may be agreed.
- (3) The decisions of any meeting in accordance with subclause (2)(b)(ii) of a bush fire brigade member with a minimum of any three of the Captain, CBFCO, CEO; or President –
  - (a) are to be made by simple majority; and
  - (b) may revoke, vary or confirm the original decision to suspend or terminate the bush fire brigade member.
- (4) The bush fire brigade member is to be notified in writing as soon as practical after a decision under

- subclause (3) is made, of –
- (a) the decision and the reasons for the decision; and
  - (b) the right to object to the local government within 14 days of the date of notice.
- (5) The local government may dispose of an objection by –
- (a) dismissing the objection;
  - (b) varying the decision objected to; or
  - (c) revoking the decision objected to, with or without –
    - (i) substituting for it another decision; or
    - (ii) referring the matter, with or without directions, for another decision by a minimum of any three of the Captain, CBFCO, CEO; or President.
- (6) The local government shall give written advice of the decision made under subclause (5) to the person.

#### **4.5 Existing liabilities to continue**

The resignation, suspension or termination of a member under clause 4.3 does not affect any liability of the bush fire brigade member arising prior to the date of resignation, suspension or termination of membership.

#### **4.6 Disagreements**

- (1) Any disagreement between bush brigade members regarding normal brigade activities may be referred to the Captain.
- (2) Where a disagreement in subclause (1) is considered by the Captain to be of importance to the interests of the bush fire brigade, then the Captain is to refer the disagreement to the CBFCO or to the Council.
- (3) Where a disagreement is referred to the CBFCO, the CBFCO may –
  - (a) determine the disagreement; or
  - (b) refer the matter to the Council.
- (4) The Council is the final authority on matters affecting the bush fire brigade, and may resolve any disagreement referred to it.

### **PART 5 - GENERAL**

#### **5.1 Administration**

All administrative matters of a bush fire brigade are to be managed by the local government, other than bush fire brigade specific internal arrangements.

#### **5.2 Finances**

All financial matters of a bush fire brigade are to be managed by the local government, other than bush fire brigade specific internal arrangements.

#### **5.3 Equipment**

All equipment purchased by the local government is the property of, and shall be insured by, the local government.

#### **5.4 Consideration in the local government budget**

In addition to funding made available through emergency services grants, the local government may provide further funding depending upon the assessment of budget priorities for the year in question.

Dated \_\_\_\_\_

The Common Seal of the Shire of Morawa was affixed by authority of a resolution of Council in the presence of –

K.J. CHAPPEL, President

DRAFT

Proposed Shire of Morawa **Extractive Industries Local Law 2018** – Summary of submissions

## Dept of Local Government and Communities –

Item	Clause	Comment	Review Comment	Recommendation
1	10.1	<p><b>Payment of annual fee under clause 7.3</b></p> <p>Clause 10.1 provides that a person who fails to do anything required or directed to be done under this local law commits an offence and is liable for a penalty under clause 10.2.</p> <p>Clause 7.3 provides that the licensee must pay an annual licence fee. It is suggested that the local law specifies whether the failure to pay this fee is an offence under clause 10.1</p>	<p>Even if clause 7.3 was to be excluded from being liable for a penalty, clause 10.1 applies to clause 2.1. In effect, continuation of activities without a valid current licence is a breach of the local law</p>	Not amend
2		<p><b>Clause references</b></p> <p>Clause 3.6 refers to a certificate referred to in subclause 3.3(2)(e). There is currently no subclause 3.3(2)(e) in the local law. It is suggested that the Shire amend the clause with the correct reference (possibly 3.2(2)(e)).</p>	<p>Disregard – DLG advice 23 May 2018 Reference is to 3.2(2)(e)</p>	N/A
3		<p><b>Standards</b></p> <p>Clause 3.3(2) currently requires that all survey data supplied by the applicant comply with the following standards:</p> <ul style="list-style-type: none"> <li>• Australian Height Datum;</li> <li>• Australian Map Grid.</li> </ul> <p>The Shire may like to define these terms in clause 1.5 and specify who is responsible for publishing these standards.</p> <p>The Shire should ensure that copies of all external documents referred to in the local law, such as these standards, are included when it is submitted to the Committee. The Committee may also inquire as to how these external documents will be made available to members of the public</p>	<p>Both these references are managed by Geoscience Australia and are industry standard.</p> <p>Noted – A file of all relevant standards referred to in Local Laws is to be created and managed by the EA. These standards may be read by members of the public, however, as copyright items, photocopies of the documents are not permitted to be issued.</p>	<p>No change required</p> <p>No change required</p>
4	5.2	<p><b>Groundwater level</b></p> <p>Cluse 5.2(f) provides that a person shall not excavate within 2 metres of the estimated groundwater level as determined by DWER or the local government.</p>		

5	<p>This paragraph does not appear in the WALGA template and it is uncertain what formal role DWER would play in determining groundwater levels.</p> <p>If the Shire is referring to the groundwater level specified in a document maintained by DWER, it may be advisable to mention the title of this document in paragraph (f) rather than referring to DWER generally.</p> <p><b>Cessation of operations</b></p> <p>Schedule 1 Item 23 provides a modified penalty for failing to provide a notice of cessation.</p> <p>Clause 6.1 sets out the form that a notice must take. However, the clause does not specify when a notice must be issued or whether failing to do so is an offence.</p> <p>It is suggested that this clause be reviewed to ensure that it reflects the Shire's intentions.</p> <p>Further advice –</p> <p>Also the reason for the comment was due to the need to clarify what the definition of ceasing operations is. Does the mean extraction or shipping out etc?</p>	<p>This provision previously accepted by DLGSC and JSCDL.</p> <p>Openness of the clause allows for DWER guidelines to be implemented from time to time.</p> <p>Any change implemented by the Shire is subject to cl.4.4 Variation of conditions and 9.1 Objection and review rights</p>	Not amend
6	<p><b>6.1</b></p> <p><b>Cessation of operations</b></p> <p>Schedule 1 Item 23 provides a modified penalty for failing to provide a notice of cessation.</p> <p>Clause 6.1 sets out the form that a notice must take. However, the clause does not specify when a notice must be issued or whether failing to do so is an offence.</p> <p>It is suggested that this clause be reviewed to ensure that it reflects the Shire's intentions.</p> <p>Further advice –</p> <p>Also the reason for the comment was due to the need to clarify what the definition of ceasing operations is. Does the mean extraction or shipping out etc?</p> <p><b>Entry into private property</b></p> <p>Clause 8.3 provides that if a person fails to comply with a notice, the local government may do whatever is specified in the notice to rectify the compliance issue.</p> <p>The <i>Local Government Act 1995</i> only allows local governments to enter private property in limited and specific circumstances. It is suggested that this be reflected in the clause to ensure that it is consistent with the Act.</p> <p>The standard provision for doing this is as follows:</p> <p>--</p> <p>(2) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the <i>Local Government Act 1995</i> and any power of entry exercised</p>	<p>Insert definition –</p> <p><b>cessation of operations</b> means termination of activities associated with the extraction and transport of the materials, whether permanent or temporary, but does not include activities under clauses 6.3 for the care and maintenance of the site, or clause 6.4.</p>	Insert
6	<p><b>8.3</b></p> <p><b>Entry into private property</b></p> <p>Clause 8.3 provides that if a person fails to comply with a notice, the local government may do whatever is specified in the notice to rectify the compliance issue.</p> <p>The <i>Local Government Act 1995</i> only allows local governments to enter private property in limited and specific circumstances. It is suggested that this be reflected in the clause to ensure that it is consistent with the Act.</p> <p>The standard provision for doing this is as follows:</p> <p>--</p> <p>(2) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the <i>Local Government Act 1995</i> and any power of entry exercised</p>	<p>Inserted</p>	Amend

7		<p>by the local government under this local law is subject to Part 3, Division 3 of the <i>Local Government Act 1995</i>.</p> <p><b>Minor Edits:</b> The following minor edits are suggested:</p> <ul style="list-style-type: none"> <li>- <b>Local law heading:</b> bold "SHIRE OF MORAWA".</li> <li>- <b>Contents title:</b> change "<b>CONTENTS</b>" to "Contents" and centralise it.</li> <li>- <b>Part headings:</b> change part headings to "<b>Part 1 – Preliminary</b>".</li> <li>- <b>Clause 1.3(d):</b> at the end of the paragraph replace the comma with a full stop.</li> <li>- <b>Clause 1.4:</b> <ul style="list-style-type: none"> <li>• insert "as" after "published" ..</li> <li>• After "<i>Local Law</i>" insert "<i>2008</i>"</li> </ul> </li> <li>- <b>Clause 1.6:</b> remove the definition for "<b>notice of withdrawal</b>" as it is not used throughout the local law.</li> <li>- <b>Clause 3.1:</b> replace "making application" with "making an application".</li> <li>- <b>Clause 3.3(1)(j):</b> replace the semi-colon with a full stop.</li> <li>- <b>Clause 3.7(1)(a):</b> replace the comma with a semi-colon.</li> <li>- <b>Clause 7.2(1):</b> paragraph (a) can be removed as any non-compliance of that legislation is to be dealt with under the legislation itself.</li> <li>- <b>Schedule:</b> <ul style="list-style-type: none"> <li>• In item 1: replace "Excavate without a license" with "Carry on an extractive industry without a valid and current license".</li> <li>• In item 3: delete the full stop in the nature of offence column.</li> <li>• In item 20: replace "approval to be the local authority" with "approved by the local government".</li> <li>• Schedule heading should be formatted as follows: <b>Schedule 1 – Prescribed Offences</b> <b>[Clause 10.3]</b></li> </ul> </li> </ul>	<p>Amend</p> <p>Centered</p> <p>Usual – Part headings in bold capitals, division headings not bold, lower case and italic</p> <p>Amended</p> <p>Amended</p> <p>Amended</p> <p>Deleted</p> <p>Amended</p> <p>Amended</p> <p>Amended</p> <p>(a) deleted</p> <p>Amended</p> <p>Amended</p> <p>Amended</p> <p>Amended</p>	Amend as noted
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**LOCAL GOVERNMENT ACT 1995**

**SHIRE OF MORAWA**

**EXTRACTIVE INDUSTRIES LOCAL LAW 2018**

**CONTENTS**

**PART 1 - PRELIMINARY**

- 1.1 Citation
- 1.2 Commencement
- 1.3 Application
- 1.4 Repeal
- 1.5 Transitional provisions
- 1.6 Definitions

**PART 2 - REQUIREMENT FOR LICENCE**

- 2.1 Extractive industries prohibited without licence

**PART 3 - APPLICATION REQUIREMENTS**

- 3.1 Applicant to advertise proposal
- 3.2 Application for licence
- 3.3 Plan of excavation site
- 3.4 Works and excavation program
- 3.5 Rehabilitation and decommissioning program
- 3.6 Certificate of a licensed surveyor
- 3.7 Security for restoration of excavation site and for road infrastructure

**PART 4 - LICENCING**

- 4.1 When an application may be determined
- 4.2 Determination of application
- 4.3 Conditions which may be imposed
- 4.4 Variation of conditions
- 4.5 Transport of materials
- 4.6 Renewal of licence
- 4.7 Variation of licence
- 4.8 Transfer of licence
- 4.9 Cancellation of licence by the local government

**PART 5 - LIMITATIONS, OBLIGATIONS AND PROHIBITIONS ON LICENSEE**

- 5.1 Obligations of the licensee
- 5.2 Limits on excavation near boundary
- 5.3 Prohibitions
- 5.4 Blasting

**PART 6 - CESSATION OF OPERATIONS**

- 6.1 Notice of cessation of operations by licensee
- 6.2 Cessation of operations – permanent
- 6.3 Cessation of operation – temporary
- 6.4 Works to be carried out on cessation of operations

**PART 7 - MISCELLANEOUS**

- 7.1 Public liability
- 7.2 *Mines Safety and Inspection Act 1994 and Environmental Protection Act 1986*
- 7.3 Annual licence fee
- 7.4 Use of secured sum by the local government

**PART 8 - NOTICES**

- 8.1 Notice to remedy non-compliance

- 8.2 Notice requirements
- 8.3 Local government may undertake requirements of notice
- 8.4 Offence to fail to comply with notice

PART 9 - OBJECTIONS AND REVIEW

- 9.1 Objection and review rights

PART 10 - OFFENCES AND PENALTIES

- 10.1 Offences
- 10.2 General penalty
- 10.3 Modified penalties
- 10.4 Forms

Schedule – Prescribed offences

DRAFT



LOCAL GOVERNMENT ACT 1995

SHIRE OF MORAWA

EXTRACTIVE INDUSTRIES LOCAL LAW 2018

Under the powers conferred by the *Local Government Act 1995* and under all other powers enabling it, the Council of the Shire of Morawa resolved on \_\_\_\_\_ to make the following local law.

PART 1 - PRELIMINARY

**1.1 Citation**

This local law may be cited as the *Shire of Morawa Extractive Industries Local Law 2018*.

**1.2 Commencement**

This local law comes into operation 14 days after the date of its publication in the *Government Gazette*.

**1.3 Application**

The provisions of this local law –

- (a) subject to paragraphs (b), (c) and (d) –
  - (i) apply and have force and effect throughout the whole of the district;
  - (ii) apply to every excavation whether commenced prior to or following the coming into operation of this local law; and
  - (iii) apply to a previous licence as if it was issued under this local law;
- (b) do not apply to the extraction of minerals under the *Mining Act 1978*;
- (c) do not apply to the carrying on of an extractive industry on Crown land; and
- (d) do not apply to the carrying on of an extractive industry on land by the owner or occupier of that land for use on that land.

**1.4 Repeal**

The *Shire of Morawa Extractive Industries Local Law 2008* as published in the *Government Gazette* on 16 July 2008, is repealed.

**1.5 Transitional provisions**

- (1) Within 90 days of commencement of this local law or within 90 days of the date of the annual licence fee of a previous licence becoming due and payable (under clause 7.3), the local government may in respect of the licence –
  - (a) vary or delete a condition; or
  - (b) impose one or more other conditions, as specified in clause 4.3(2).
- (2) A condition that is varied, deleted or imposed under subclause (1) does not become effective until 90 days (or longer period that is specified by the local government) after written notice of the condition is given by the local government to the licensee.

**1.6 Definitions**

In this local law unless the context otherwise requires –

**Act** means the *Local Government Act 1995*;

**application for licence** includes application to renew, transfer, vary or cancel a licence as the context requires;

**authorised person** means a person appointed by the local government to perform all or any of the functions conferred on an authorised person under this local law;

**carry on an extractive industry** means quarrying and excavating for stone, gravel, sand and other material, and the transporting of the material off the site, but excludes extractive activities undertaken by statutory authorities;

**CEO** means the Chief Executive Officer of the local government;

**cessation of operations** means termination of activities associated with the extraction and transport of the materials whether permanent or temporary, but does not include activities under clauses 6.3 for the care and maintenance of the site, or clause 6.4.

**district** means the district of the Shire of Morawa;

**excavation** includes quarry;

**infringement notice** means the notice referred to in clause 10.4(a);

**land**, unless the context requires otherwise, means the land on which the applicant proposes carrying on the extractive industry to which the licence application relates, and includes adjoining lots or locations in the same occupation or ownership;

**licence** means a licence issued under this local law and a previous licence;

**licensee** means the person named in the licence as the licensee;

**local government** means the Shire of Morawa;

**local planning scheme** means a planning scheme of the local government made under the *Planning and Development Act 2005*;

**owner** has the meaning given to it in section 1.4 of the Act;

**occupier** has the meaning given to it in section 1.4 of the Act;

**person** does not include the local government;

**planning approval** means an approval for a development or a land use that is issued under a local planning scheme administered by the local government;

**previous licence** means a licence that is in force at the date of commencement of this local law;

**Schedule** means a schedule to this local law;

**secured sum** means the sum required to be paid or the amount of a bond, bank guarantee or other security under clause 3.7;

**set fee** means a fee determined by the local government in accordance with sections 6.16 to 6.19 of the Act;

**site** means the land specified by the local government in a licence;

**thoroughfare** has the meaning given to it in section 1.4 of the Act; and

**transferee** means a person who applies for the transfer of a licence to her or him under clause 4.8.

## **PART 2 - REQUIREMENT FOR LICENCE**

### **2.1 Extractive industries prohibited without licence**

A person must not carry on an extractive industry –

- (a) unless the person is the holder of a valid and current licence; and
- (b) otherwise than in accordance with any terms and conditions set out in, or applying in respect of, the licence.

## **PART 3 - APPLICATION REQUIREMENTS**

### **3.1 Applicant to advertise proposal**

- (1) Unless the local government first approves otherwise, a person seeking the issue of a licence shall, before making an application for a licence –
  - (a) forward a notice to –
    - (i) the owners and occupiers of all land adjoining the land upon which it is proposed to excavate, or within an area determined by the local government as likely to be affected by the granting of a licence; and
    - (ii) every authority or person having control or jurisdiction over any of the things referred to in clause 3.3(1)(g) and (h) within 500 metres from the boundaries of the land, or within an area determined by the local government as likely to be affected by the granting of a licence; and
  - (b) as soon as practicable after complying with the requirements of paragraph (a) –
    - (i) forward a copy of the notice to the CEO; and
    - (ii) publish the notice in a newspaper circulating in the area in which the proposed excavation is located.
- (2) The information contained in the notice referred to in subclause (1) shall include but is not limited to –

- (a) particulars of the proposed excavation; and
  - (b) inviting objections or comments to be made to the CEO within 21 days of date of receipt of the notice.
- (3) The local government may undertake a public consultation process including but not limited to –
- (a) provision of information by mail or similar;
  - (b) electronically through a website or similar; and
  - (c) public meetings.
- (4) The local government may, within 14 days after receiving a copy of a notice referred to in subclause (1), cause to be displayed, or require the proposed applicant to display, in a prominent position on the land one or more notices –
- (a) in a form approved by the local government;
  - (b) the content, size, construction and position of which have been approved by the local government;
  - (c) specifying particulars of the proposed excavation; and
  - (d) inviting objections or comments within 21 days from the placement of the notice.

### 3.2 Application for licence

- (1) An application for a licence shall –
- (a) be made in writing;
  - (b) state –
    - (i) name of person or company for whom the application is being lodged;
    - (ii) name of primary contact person for the company and in relation to the application;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address.
  - (c) be accompanied by –
    - (i) the set fee;
    - (ii) a current certificate of currency for public liability policy in accordance with clause 7.1;
    - (iii) the consent in writing to the application from the owner of the excavation site; and
    - (iv) a copy of the planning approval for an extractive industry to be conducted on the land;
  - (d) include any information that the local government may reasonably require; and
  - (e) be signed by the applicant.
- (2) An application for a licence must be lodged with the local government together with details of the proposed excavation, including but not limited to –
- (a) a plan of the excavation site in accordance with clause 3.3;
  - (b) a works and excavation program in accordance with clause 3.4;
  - (c) a rehabilitation and decommissioning program in accordance with clause 3.5;
  - (d) evidence that a datum peg has been established on the land related to a point approved by the local government on the surface of a constructed public thoroughfare or such other land in the vicinity;
  - (e) a certificate from a licensed surveyor;
  - (f) evidence that the requirements of clause 3.1(1), (3) and (4) have been carried out;
  - (g) copies of all land use planning approvals required under any planning legislation;
  - (h) copies of any environmental approval required under any environmental legislation;
  - (i) copies of any geotechnical information relating to the excavation site;
  - (j) evidence that an application for a clearing permit has been lodged with the Department of Water and Environmental Regulation if that is required under regulation 5 of the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*; and
  - (k) any other information that the local government may reasonably require.
- (3) The application under subclause (1) and detailed information under subclause (2) shall consist of one signed paper copy and an electronic copy.
- (4) The local government may exempt a person making an application for a licence from supplying any of the data specified in subclause (2)(c), (d), (e) or (i), where –
- (a) the surface area does not exceed 2000 square metres; and
  - (b) the material to be extracted from the proposed excavation does not exceed 2000 cubic metres.

### 3.3 Plan of excavation site

- (1) The plan referred to in clause 3.2(2)(a) shall be in a scale of between 1:500 and 1:2000 showing –
  - (a) the existing and proposed land contours based on the Australian Height Datum and plotted at one metre contour intervals;
  - (b) the land on which the excavation site is to be located;
  - (c) the external surface dimensions of the land;
  - (d) the location and depth of the existing and proposed excavation of the land;
  - (e) the location of existing and proposed thoroughfares or other means of vehicle access to and egress from the land and to public thoroughfares in the vicinity of the land;
  - (f) the location of buildings, treatment plant, tanks and other improvements and developments existing on, approved for or proposed in respect of the land;
  - (g) the location of existing infrastructure services including but not limited to powerlines and communication cables, and any associated poles or pylons, sewers, pipelines, reserves, bridges, railway lines and registered grants of easement or other encumbrances over, on, under or adjacent to or in the vicinity of the land;
  - (h) the location of all existing bores, dams, watercourses, drains or sumps on or adjacent to the land;
  - (i) the location and description of existing and proposed fences, gates and warning signs around the land; and
  - (j) the location of the areas proposed to be used for stockpiling excavated material, treated material, overburden and soil storage on the land and elsewhere.
- (2) All survey data supplied by an applicant for the purpose of subclause (1) shall comply with Australian Height Datum and Australian Map Grid standards.

### **3.4 Works and excavation program**

The works and excavation program referred to in clause 3.2(2)(b) shall contain –

- (a) the nature and estimated duration of the proposed excavation for which the licence is applied;
- (b) the stages and the timing of the stages in which it is proposed to carry out the excavation;
- (c) details of the methods to be employed in the proposed excavation and a description of any on-site processing works;
- (d) details of the depth and extent of the existing and proposed excavation of the site;
- (e) an estimate of the depth of and description of the nature and quantity of the overburden to be removed;
- (f) a description of the methods by which existing vegetation is to be cleared and topsoil and overburden removed or stockpiled;
- (g) a description of the means of access to the excavation site and the types of thoroughfares to be constructed;
- (h) details of the proposed number and size of trucks entering and leaving the site each day and the route or routes to be taken by those vehicles;
- (i) a description of any proposed buildings, water supply, treatment plant, tanks and other improvements;
- (j) details of drainage conditions applicable to the land and methods by which the excavation site is to be kept drained;
- (k) a description of the measures to be taken to minimise sand drift, dust nuisance, erosion, watercourse siltation and dangers to the general public;
- (l) a noise management plan, including a description of the measures to be taken to comply with the *Environmental Protection Act 1986* and the *Environmental Protection (Noise) Regulations 1997*;
- (m) a description of the existing site environment and a report on the anticipated effect that the proposed excavation will have on the environment in the vicinity of the land;
- (n) details of the nature of existing vegetation, shrubs and trees and a description of measures to be taken to minimise the destruction of existing vegetation;
- (o) a description of the measures to be taken in screening the excavation site, or otherwise minimising adverse visual impacts, from nearby thoroughfares or other areas; and
- (p) details of measures to reduce impact on the adjoining owners and occupiers, and the wider community.

### **3.5 Rehabilitation and decommissioning program**

The rehabilitation and decommissioning program referred to in clause 3.2(2)(c) shall indicate –

- (a) the objectives of the program, having due regard to the nature of the surrounding area and the proposed end-use of the excavation site;
- (b) whether restoration and reinstatement of the excavation site is to be undertaken progressively or upon completion of excavation operations;
- (c) how any face is to be made safe and batters sloped;
- (d) the method by which topsoil is to be replaced and revegetated;
- (e) the numbers and types of trees and shrubs to be planted and other landscaping features to be developed;
- (f) how rehabilitated areas are to be maintained; and
- (g) the program for the removal of buildings, plant, waste and final site clean up.

### **3.6 Certificate of a licensed surveyor**

The certificate in subclause 3.2(2)(e) shall certify the correctness of –

- (a) the datum peg and related point referred to in subclause 3.2(2)(d); and
- (b) the plan referred to in subclause 3.2(2)(a).

### **3.7 Security for restoration of excavation site and for road infrastructure**

- (1) The local government may require that the licensee shall give to the local government a bond, bank guarantee or other security, of a kind and in a form acceptable to the local government, in or for a sum determined by the local government, for the purposes of –
  - (a) ensuring that an excavation site is properly restored or reinstated; and
  - (b) ensuring that road infrastructure is repaired and maintained to the standard agreed in accordance with subclauses 4.5(2) and (3).
- (2) The security required under subclause (1) may be required to be provided by the applicant to the local government –
  - (a) as a condition of a licence; or
  - (b) before the issue of a licence.
- (3) A bond required under subclause (1) is to be paid into a fund established by the local government for the purposes of this clause.
- (4) If a bank guarantee or other security required under subclause (1) ceases to be current, excavation is to cease until a further security in a form acceptable to the local government has been provided.
- (5) Subject to clause 7.4, any interest accrued in respect of the bond paid into the fund under subclause (3) is to be returned to the licensee at the completion of the restoration and reinstatement works required by the licence conditions or otherwise under this local law.

## **PART 4 - LICENCING**

### **4.1 When an application may be determined**

An application for a licence is not to be determined by the local government until –

- (a) the applicant submits proof that the requirements for notices, public information and consultation have been undertaken in accordance with subclauses 3.1(1) and (2);
- (b) the applicant has made an application for licence in accordance with subclause 3.2(1) and (2);
- (c) the local government has considered any written submissions received within the time specified in subclauses 3.1(2)(b) and 3.1(4), and
- (d) planning approval for an extractive industry use of the land has been obtained.

### **4.2 Determination of application**

- (1) Upon receipt of an application, the local government may –
  - (a) refuse the application; or
  - (b) approve the application –
    - (i) over the whole or part of the land in respect of which the application is made; and
    - (ii) on such terms and conditions, if any, as it sees fit.
- (2) The local government may refuse to consider an application for a licence that does not comply with the requirements of clause 3.2.

- (3) Where the local government approves an application for a licence, it shall –
  - (a) determine the licence period, not exceeding 21 years from the date of issue; and
  - (b) approve the issue of a licence in the form determined by the local government from time to time.
- (4) Where the local government approves the issue of a licence, the CEO shall issue the licence to the applicant upon receipt by the local government of –
  - (a) payment of the annual set fee;
  - (b) payment of the secured sum if any, imposed under clause 3.7;
  - (c) the documents, if any, executed to the satisfaction of the CEO, under clause 3.7; and
  - (d) a copy of the public liability insurance policy required under clause 7.1(1).

#### **4.3 Conditions which may be imposed**

- (1) Clause 4.5 applies as a condition to all licences.
- (2) Without limiting subclause 4.2(1), the local government may impose conditions in respect of the following matters, including but not limited to –
  - (a) the orientation of the excavation to reduce visibility from other land;
  - (b) the appropriate siting of access thoroughfares, buildings and plant;
  - (c) the stockpiling of material;
  - (d) the hours during which any excavation work may be carried out;
  - (e) the hours during which any processing plant associated with, or located on, the site may be operated;
  - (f) requiring all crushing and treatment plant to be enclosed within suitable buildings to minimise the emission of noise, dust, vapour and general nuisance to the satisfaction of the local government;
  - (g) the depths below which a person shall not excavate;
  - (h) distances from adjoining land or roads within which a person must not excavate;
  - (i) the safety of persons employed at or visiting the excavation site;
  - (j) the control of dust and wind-blown material;
  - (k) the planting, care and maintenance of trees, shrubs and other landscaping features during the time in which the extractive industry is carried out in order to effectively screen the area to be excavated and to provide for progressive rehabilitation;
  - (l) the prevention of the spread of dieback or other disease;
  - (m) the drainage of the excavation site and the disposal of water;
  - (n) the restoration and reinstatement of the excavation site, the staging of such works, and the minimising of the destruction of vegetation;
  - (o) the provision of retaining walls to prevent subsidence of any portion of the excavation or of land abutting the excavation;
  - (p) requiring the licensee to furnish to the local government a surveyor's certificate each year, prior to the renewal fee being payable, to certify the quantity of material extracted and that material has not been excavated below the final contour levels outlined within the approved excavation program;
  - (q) requiring the licensee to enter into an agreement with the local government to pay a contribution in respect of thoroughfares in the district used by heavy or extraordinary traffic conducted by or on behalf of the licensee under the licence, in accordance with subclauses 4.5(2) and (3) –
    - (i) any extraordinary expenses incurred by the local government;
    - (ii) requirement for increased maintenance; and
    - (iii) repair of damage caused;
  - (r) requiring the licensee to enter into an agreement with the local government in respect of any condition or conditions imposed under this local law; and
  - (s) any other matter for properly regulating the carrying on of an extractive industry.

#### **4.4 Variation of conditions**

- (1) Within 30 days of the date of the annual licence fee becoming due and payable (under clause 7.3), the local government may, in respect of the licence –
  - (a) Vary or delete a condition; and
  - (b) May impose one or more other conditions, as specified in clause 4.3(2).
- (2) A condition that is varied, deleted or imposed under subclause (1) does not become effective until 90 days (or such longer period as is specified by the local government) after written notice of the condition

is given by the local government to the licensee.

#### **4.5 Transport of materials**

- (1) The local government may, from time to time, prescribe by giving written notice to the licensee –
  - (a) determine routes to be taken by the licensee for the transport of materials from the site through the roads within the district, if the proposed routes are not suitable for the proposed haulage;
  - (b) the tonnage limits to be transported along a particular route; and
  - (c) the times during which materials from the site may be transported through the roads within the district.
- (2) If a road on a route prescribed under subclause (1) is inadequate for the transport of materials from the site, the local government may require the licensee to pay all or part of the costs or estimated costs, as determined by the local government, of upgrading the road to the standard required by the local government for these purposes.
- (3) The licensee must pay to the local government, as and when required by the local government, the costs or estimated costs, as determined by the local government, of repairs and maintenance to any road that are required as a result of the transport of materials from the site.
- (4) Each licence is to be taken to be subject to a condition requiring the licensee to comply with this clause.

#### **4.6 Renewal of licence**

- (1) An application to renew a licence is not to be determined by the local government until the applicant has complied with subclause (2).
- (2) An application to renew a licence shall –
  - (a) be made in writing;
  - (b) state –
    - (i) name of person or company for whom the application is being lodged;
    - (ii) name of primary contact person for the company and in relation to the application;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address.
  - (c) be accompanied by –
    - (i) the set fee;
    - (ii) by a copy of the current licence;
    - (iii) a current certificate of currency for public liability policy in accordance with clause 7.1;
  - (d) be lodged by the licensee at least 90 days before the date of expiry of the licence;
  - (e) include a plan showing the contours of the excavation carried out to the date of that application;
  - (f) detail the works, excavation and rehabilitation stages reached and of any changes or proposed changes with respect to any of the things referred to in subclauses 3.2(2)(b) and (c); and
  - (g) submit any other things referred to in clauses 3.2 and 4.2.
- (3) The local government may waive any of the requirements specified in subclause (2)(f) or (g).
- (4) The applicant shall not be obliged, unless otherwise required by the local government to submit details of any of the things referred to in clauses 3.2 and 4.2 if –
  - (a) an application to renew a licence is in relation to land in respect of which the current licence was issued less than 12 months prior to the date from which the new licence if granted would apply; and
  - (b) the methods to be employed in the proposed land excavation are identical to those being employed at the date of the application.
- (5) Upon receipt of an application for renewal of a licence, the local government may –
  - (a) refuse the application; or
  - (b) approve the application on such terms and conditions as it sees fit.
- (6) Where the local government renews a licence under subclause (5), it shall notify the licensee in writing.

#### **4.7 Variation of licence**

- (1) An application to vary a licence by a licensee –
  - (a) may be made at any time; and
  - (b) is not to be determined by the local government until the applicant has complied with subclause (2).

- (2) An application to vary a licence shall –
  - (a) be made in writing;
  - (b) state –
    - (i) name of person or company for whom the application is being lodged;
    - (ii) name of primary contact person for the company and in relation to the application;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address;
  - (c) be accompanied by –
    - (i) the set fee;
    - (ii) by a copy of the current licence; and
    - (iii) a current certificate of currency for public liability policy in accordance with clause 7.1;
  - (d) be lodged by the licensee at least 90 days before the date of expiry of the licence;
  - (e) include a plan showing the contours of the excavation carried out to the date of that application;
  - (f) detail the works, excavation and rehabilitation stages reached and of any changes or proposed changes with respect to any of the things referred to in clauses 3.2(2)(b) and (c);
  - (g) any other things referred to in clauses 3.2 and 4.2.
  - (h) include any information that the local government may reasonably require; and
    - (i) be signed by the licensee and the owner of the excavation site (if different to the licensee);
- (3) The local government may waive any of the requirements specified in subclause (2)(f) or (g).
- (4) The applicant shall not be obliged, unless otherwise required by the local government to submit details of any of the things referred to in clauses 3.2 and 4.2 if –
  - (a) an application to vary a licence is in relation to land in respect of which the current licence was issued less than 12 months prior to the date from which the new licence if granted would apply; and
  - (b) the methods to be employed in the proposed land excavation are identical to those being employed at the date of the application.
- (5) Upon receipt of an application to vary a licence, the local government may –
  - (a) refuse the application; or
  - (b) approve the application on such terms and conditions as it sees fit.
- (6) Where the local government approves a licence variation under subclause (5), it shall notify the licensee and owner of the excavation site in writing.

#### **4.8 Transfer of licence**

- (1) An application to transfer a licence is not to be determined by the local government until the applicant has complied with subclause (2).
- (2) An application to transfer a licence shall –
  - (a) be made in writing;
  - (b) state –
    - (i) name of person or company for whom the application is being lodged;
    - (ii) name of primary contact person for the company and in relation to the application;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address.
  - (c) be accompanied by –
    - (i) the set fee;
    - (ii) a copy of the current licence;
    - (iii) a certificate of currency in the name of the proposed transferee for public liability policy in accordance with clause 7.1;
    - (iv) the consent in writing to the transfer from the owner of the excavation site;
  - (d) be lodged by the licensee at least 90 days before the date of proposed transfer of the licence;
  - (e) comply with and satisfy all conditions and requirements of the current licence;
  - (f) provide equivalent security under clause 3.7 as is required by the current licence; and
  - (g) include any information that the local government may reasonably require; and
  - (h) be signed by the licensee and the proposed transferee.
- (3) Upon receipt of an application to transfer a licence, the local government may –
  - (a) refuse the application; or



- (b) approve the application on such terms and conditions as it sees fit.
- (4) Where the local government approves the transfer of a licence under subclause (3), it shall notify the licensee and owner of the excavation site in writing.
- (5) Where the local government approves the transfer of a licence it shall not be required to refund any part of the fees and charges paid by the former licensee in respect of the transferred licence.
- (6) Where the local government does not approve the transfer of a licence –
  - (a) the local government may cancel the licence in accordance with clause 4.9, or
  - (b) the licensee may –
    - (i) continue operations in accordance with the licence issued;
    - (ii) give notice of cessation of operations in accordance with clauses 6.1; or
    - (iii) give notice of temporary cessation of operations in accordance with clause 6.3.

#### **4.9 Cancellation of licence by the local government**

- (1) The local government may cancel a licence where the licensee has –
  - (a) ceased to substantially carry on the extractive industry for a period in excess of 12 months or has not advised the local government of cessation of operations under clause 6.1;
  - (b) been convicted of an offence against –
    - (i) this local law; or
    - (ii) any other law relating to carrying on an extractive industry;
  - (c) failed to comply with –
    - (i) any of the conditions of the licence;
    - (ii) any provisions of this local law; or
    - (iii) any term of an agreement made with the local government in accordance with this local law and default continues for a period of 14 days from service on the licensee of written notice of default;
  - (d) transferred or assigned or attempted to transfer or assign the licence without the consent of the local government;
  - (e) permitted another person to carry on an extractive industry otherwise than in accordance with the terms and conditions of the licence and of the provisions of this local law;
  - (f) failed to pay the annual licence fee under clause 7.3;
  - (g) failed to have a current public liability insurance policy under clause 7.1(1); or
  - (h) failed to provide a copy of the policy or evidence of its renewal as the case may be, under clause 7.1(2).
- (2) Where the local government cancels a licence under this clause –
  - (a) the cancellation takes effect on and from the day on which the licensee is served with the notice, and
  - (b) the local government shall advise the licensee and owner of the excavation site in writing.
- (3) Where the local government cancels a licence under subclause (1), the local government shall not be required to refund any part of the fees and charges paid by the licensee in respect of the cancelled licence.
- (4) Where the local government cancels a licence under subclause (1), the licensee shall comply with clause 6.4, unless otherwise approved by the local government.

### **PART 5 - LIMITATIONS, OBLIGATIONS AND PROHIBITIONS ON LICENSEE**

#### **5.1 Obligations of the licensee**

A licensee shall –

- (a) where the local government so requires, securely fence the excavation to a standard determined by the local government and keep the gateways locked when not actually in use in order to prevent unauthorised entry;
- (b) erect and maintain warning signs along each of the boundaries of the area excavated under the licence so that each sign –
  - (i) is not more than 200 metres apart;
  - (ii) is not less than 300 mm high and not less than 450 mm wide;
  - (iii) the top of the sign is between 1.2 metres and 1.8 metres above ground level; and

- (iv) bears the words “DANGER EXCAVATIONS – KEEP OUT”;
- (c) except where the local government approves otherwise, drain and keep drained to the local government’s satisfaction any excavation to which the licence applies so as to prevent the accumulation of water;
- (d) restore and reinstate the excavation site in accordance with the terms and conditions of the licence, the site plans and the works and excavation program approved by the local government;
- (e) take all reasonable steps to prevent the emission of dust, noise, vibration and other forms of nuisance from the excavation site; and
- (f) comply with the conditions imposed by the local government in accordance with clause 4.3.

## 5.2 Limits on excavation near boundary

Subject to any licence conditions imposed by the local government, a person shall not, without the written approval of the local government, excavate within –

- (a) 500 metres of any residence unless with the consent of the adjoining neighbours;
- (b) 50 metres of any bore, watercourse, wetland, swamp or other water reserve;
- (c) 50 metres of any thoroughfare;
- (d) 20 metres of the boundary of any land on which the excavation site is located;
- (e) 20 metres of any land affected by a registered grant of easement; or
- (f) 2 metres of the estimated maximum groundwater level as determined from time to time by the Department of Water and Environmental Regulation or otherwise as adopted by the local government.

## 5.3 Prohibitions

A licensee shall not –

- (a) remove any trees or shrubs within 40 metres of the boundary of any thoroughfare on land in respect of which a licence has been granted without written permission from the local government and if required, the Department of Water and Environmental Regulation, except for the purpose of constructing access thoroughfares, erecting buildings or installing plant for use in connection with the excavation and then only with the express approval of the local government and subject to any conditions which the local government may impose in accordance with clause 4.3;
- (b) store, or permit to be stored, except in the case of approved rock quarry sites, any explosives or explosive devices on the site to which the licence applies other than with the approval of the local government and the Department of Mines, Industry Regulation and Safety; or
- (c) fill or excavate, other than in accordance with the terms and conditions of the licence, the site plans and the works and excavation program approved by the local government.

## 5.4 Blasting

(1) A person shall not carry out or permit to be carried out any blasting in the course of excavating unless –

- (a) the local government has otherwise given approval in respect of blasting generally or in the case of each blast;
- (b) subject to subclause (2), the blasting takes place only between the hours of 8.00am and 5.00pm, or as determined by the local government, on Mondays to Fridays inclusive;
- (c) the blasting is carried out in strict accordance with the *Mines Safety and Inspection Act 1994*, the *Environmental Protection Act 1986*, and all relevant local laws of the local government; and
- (d) in compliance with any other conditions imposed by the local government concerning –
  - (i) the time and duration of blasting;
  - (ii) the purposes for which the blasting may be used; and
  - (iii) such other matters as the local government may reasonably require in the interests of the safety and protection of members of the public and of property within the district.

(2) A person shall not carry out or permit to be carried out any blasting on a Saturday, Sunday or public holiday except with the prior approval of the local government.

## PART 6 - CESSATION OF OPERATIONS

## **6.1 Notice of cessation of operations by licensee**

- (1) A notice of cessation shall –
  - (a) be made in writing;
  - (b) state –
    - (i) name of person or company for whom the application is being lodged;
    - (ii) name of primary contact person for the company and in relation to the application;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address;
  - (c) be accompanied by –
    - (i) a copy of the current licence; and
    - (ii) a current certificate of currency for public liability policy in accordance with clause 7.1;
  - (d) advise if the cessation is to be –
    - (i) temporary and the expected duration or circumstances for re-commencement; or
    - (ii) permanent,
  - (e) detail arrangements for meeting any ongoing liabilities or environmental obligations –
    - (i) name of person or company to whom matters are to be referred;
    - (ii) name of primary contact person for the company;
    - (iii) telephone, mobile phone and email contact details; and
    - (iv) postal and street address;
  - (f) be lodged by the licensee as soon as cessation of operations has been determined by the licensee and not more than seven days after the operations have ceased in any event;
  - (g) include a plan showing the contours of the excavation carried out to the date of that application;
  - (h) detail the works, excavation and rehabilitation stages reached and of any changes or proposed changes with respect to any of the things referred to in clauses 3.2(2)(b) and (c);
  - (i) any other things referred to in clauses 3.2 and 4.2.
  - (j) include any information that the local government may reasonably require; and
  - (k) be signed by the licensee.
- (2) Upon notice of cessation of operations, the local government shall –
  - (a) acknowledge the notice of cessation of operations; and
  - (b) confirm the acceptability or otherwise of the arrangements for the cessation of operations.

## **6.2 Cessation of operations – permanent**

- (1) Where a licensee has given written notice to the local government of the intention to permanently cease carrying on an extractive industry on the site to which the licence applies, the licence is deemed to have expired on the date such cessation is so notified.
- (2) The permanent cessation of the carrying on of an extractive industry on a site or the deemed expiration or cancellation of a licence does not entitle the licensee to any refund of any licence fee.

## **6.3 Cessation of operation – temporary**

- (1) Where a licensee has given written notice of temporary cessation of operations, then on or before the annual licence date each year, the licensee shall –
  - (a) confirm to the local government the matters in subclauses 6.1(1)(d) and (e); and
  - (b) provide a copy of the current public liability certificate required under clause 7.1.
- (2) For the duration of the cessation –
  - (a) contributions or payments agreed under subclauses 4.3(q) or (r) are suspended until such time as operations are resumed, but all other conditions and obligations remain in place; and
  - (b) the annual licence fee under clause 7.3 is suspended.
- (3) The licence granted under clause 4.2 shall remain valid for the term of the licence and shall not be extended by the duration of cessation of operations.
- (4) The temporary cessation of the carrying on of an extractive industry on a site or the deemed expiration or cancellation of a licence does not entitle the licensee to any refund of any licence fee.

## **6.4 Works to be carried out on cessation of operations**

Where the carrying on of an extractive industry on the site permanently ceases or on the expiration or cancellation of the licence applicable to the site, whichever first occurs, the licensee shall, as well as

complying with the provisions of clause 6.1 –

- (a) restore and reinstate the excavated site in accordance with the proposals approved by the local government or in such other manner as the local government may subsequently agree in writing with the licensee;
- (b) ensure that any face permitted to remain upon the excavation site is left safe with all loose materials removed and where the excavation site is –
  - (i) sand, the sides are sloped to a batter of not more than 1:3 (vertical : horizontal); and
  - (ii) limestone or material other than sand, the sides are sloped to a batter which, in the opinion of the local government, would enable the site to be left in a stable condition;
- (c) ensure that the agreed floor level of the excavation is graded to an even surface or is otherwise in accordance with the rehabilitation and decommissioning program approved by the local government;
- (d) ensure that all stockpiles or dumps of stone, sand or other materials are left so that no portion of that material can escape onto land not owned or occupied by the licensee nor into any stream, watercourse or drain that is not wholly situated within the land owned or occupied by the licensee;
- (e) erect retaining walls where necessary to prevent subsidence of land in the vicinity of any excavation;
- (f) remove from the site all buildings, plant and equipment erected, installed or used for or in relation to the carrying on of an extractive industry on the site and fill all holes remaining after such removal to the level of the surrounding ground and compact such filled holes sufficiently to prevent settling; and
- (g) break up, scarify, cover with topsoil and plant with grass, trees and shrubs all parts of the site where buildings, plant and equipment were erected or installed and all areas which were used for stockpiling unless otherwise specified under this local law.

## **PART 7 - MISCELLANEOUS**

### **7.1 Public liability**

- (1) A licensee shall have at all times a current public liability insurance policy naming the local government and indemnifying the licensee and the local government for a sum of not less than \$20,000,000 in respect of any one claim relating to any of the excavation operations.
- (2) The licensee shall provide to the local government a copy of the policy taken out under subclause (1), within 14 days after the issue of that policy and shall provide to the local government evidence of policy renewal within 14 days of each policy renewal date.

### **7.2 *Mines Safety and Inspection Act 1994 and Environmental Protection Act 1986***

- (1) In any case where the *Mines Safety and Inspection Act 1994* or the *Environmental Protection Act 1986* applies to any excavation carried on or proposed to be carried on at a site, the licensee in respect of that site shall provide to the local government within 14 days full particulars of any inspection or report made under that Act or those Acts.
- (2) In this clause, the *Mines Safety and Inspection Act 1994* and the *Environmental Protection Act 1986* include all subsidiary legislation made under those Acts.

### **7.3 Annual licence fee**

On or before 30 June in each year, a licensee must pay to the local government the set fee for the annual licence.

### **7.4 Use of secured sum by the local government**

- (1) If a licensee fails to pay any fees and charges or carry out or complete the restoration and reinstatement works required by the licence conditions either –
  - (a) within the time specified in those conditions; or
  - (b) where no such time has been specified, within 60 days of the completion of the excavation or portion of the excavation specified in the licence conditions, then; subject to the local government giving the licensee 14 days' notice of its intention to do so—
    - (i) the local government may carry out or cause to be carried out the required work or so much of

- that work as remains undone; and
- (ii) the licensee shall pay to the local government on demand all costs incurred by the local government or which the local government may be required to pay under this clause.
- (2) The local government may apply the proceeds of any bond, bank guarantee or other security provided by the licensee under clause 3.7 towards its costs under this clause.
  - (3) The liability of a licensee to pay the local government's costs or any outstanding fees and charges under this clause is not limited to the amount, if any, secured under clause 3.7.
  - (4) For avoidance of doubt, the local government's powers under this clause are in addition to its other enforcement powers under this local law.

## **PART 8 - NOTICES**

### **8.1 Notice to remedy non-compliance**

Where anything is required to be done or not permitted to be done by this local law, an authorised person may give the licensee a notice in writing requiring the licensee to comply with the requirements of this local law.

### **8.2 Notice requirements**

A notice given must –

- (a) be in writing;
- (b) specify the reason for giving the notice, the work or action that is required to be undertaken; and
- (c) the time within which the work or action is to be undertaken.

### **8.3 Local government may undertake requirements of notice**

If a person fails to comply with a notice referred to in clause 8.1, the local government may –

- (a) do the thing specified in the notice;
- (a) take whatever remedial action it considers appropriate and which would have been if the breach or failure had not occurred; and
- (b) recover all costs from the licensee, as a debt.

### **8.4 Offence to fail to comply with notice**

A person who fails to comply with a notice given under this local law commits an offence.

## **PART 9 - OBJECTIONS AND REVIEW**

### **9.1 Objection and review rights**

- (1) The provisions of Division 1 of Part 9 of the Act and regulation 33 of the *Local Government (Functions and General) Regulations 1996* shall apply when the local government makes a decision as to whether it will –
  - (a) grant a person a licence under this local law; or
  - (b) renew, vary, or cancel a licence that a person has under this local law.
- (2) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the *Local Government Act 1995* and any power of entry exercised by the local government under this local law is subject to Part 3, Division 3 of the *Local Government Act 1995*.

## **PART 10 - OFFENCES AND PENALTIES**

### **10.1 Offences**

A person who fails to do anything required or directed to be done under this local law, or who does anything which under this local law that person is prohibited from doing, commits an offence.

### **10.2 General penalty**

A person who commits an offence under this local law is liable, on conviction, to a penalty not exceeding \$5,000 and if the offence is of a continuing nature, to an additional penalty not exceeding \$500 for each day or part of the day during which the offence has continued.

### 10.3 Modified penalties

- (1) An offence against a clause specified in the Schedule is a prescribed offence for the purposes of section 9.16(1) of the Act.
- (2) The amount of the modified penalty for a prescribed offence is that specified adjacent to the clause in the Schedule.

### 10.4 Forms

For the purposes of this local law –

- (a) the form of the infringement notice given under section 9.16 of the Act is that of Form 2 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*; and
- (b) the form of the notice sent under section 9.20 of the Act withdrawing an infringement notice is that of Form 3 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*.

### Schedule – Prescribed offences

[clause.10.3]

Item	Clause	Nature of offence	Modified penalty \$
1	2.1(a)	Carry on an extractive industry without a valid and current licence	500
2	2.1(b)	Carry on an extractive industry not in accordance with conditions of licence	500
3	4.5(1)	Failure to comply with notice regarding transport of materials	500
4	5.1(a)	Failure to securely fence or keep gateways locked	500
5	5.1(b)	Failure to comply with boundary signage requirements	500
6	5.1(c)	Failure to provide adequate drainage	500
7	5.1(d)	Failure to restore and reinstate site in accordance with approved plan	500
8	5.1(e)	Failure to control dust, noise, vibration and other nuisances	500
9	5.1(f)	Failure to comply with conditions of licence	500
10	5.2(a)	Excavate within 500 metres of a residence without approval	500
11	5.2(b)	Excavate within 50 metres of a bore, watercourse, wetland swamp or other water reserve without approval	500
12	5.2(c)	Excavate within 50 metres of a thoroughfare without approval	500
13	5.2(d)	Excavate within 20 metres of the boundary of any land on which the excavation is situated without approval	500
14	5.2(e)	Excavate within 20 metres of land affected by a registered grant of easement without approval	500
15	5.2(f)	Excavate within 2 metres of estimated maximum groundwater level without approval	500
16	5.3(a)	Removal of trees or shrubs within 40 metres of any boundary with a thoroughfare reserve without approval	500
17	5.3(b)	Store or permit to be stored explosives or explosive devices without approval	500
18	5.3(c)	Fill or excavate other than in accordance with the conditions of licence	500

19	5.4(1)(a)	Carry out or permit to be carried out blasting without approval	500
20	5.4(1)(b)	Carry out or permit to be carried out blasting outside the hours approved by the local government	500
21	5.4(1)(d)	Failure to comply with conditions relating to blasting imposed by the local government	500
22	5.4(2)	Carry out or permit to be carried out blasting on a Saturday, Sunday or public holiday without approval	500
23	6.1(1)	Failure to provide notice of cessation of operations	500
24	6.3(1)	Failure to provide annual confirmation of details during period of temporary cessation of operations	500
25	6.4	Failure to undertake restoration and reinstatement as required on cessation of operations	500
26	8.4	Failure to comply with requirements of notice	500
27	10.1	Other offences not specified	500

Dated \_\_\_\_\_

The Common Seal of the Shire of Morawa was affixed by authority of a resolution of Council in the presence of –

K.J. CHAPPEL, President

C.P.M. LINNELL, Chief Executive Officer

## Proposed Shire of Morawa Fencing Local Law 2018 – Summary of submissions

## Dept of Local Government and Communities –

Item	Clause	Comment	Review Comment	Recommendation
1	1.5	<p><b>Definitions</b></p> <p>It is suggested that the Shire inserts a definition for each of the following terms which are used in the local law:</p> <ul style="list-style-type: none"> <li>• <b>estate</b></li> <li>• <b>public place;</b></li> <li>• <b>right-of-way;</b></li> <li>• <b>manufacturer's specifications;</b> and</li> <li>• <b>public access way.</b></li> </ul> <p>Whilst not all of these definitions are necessary, they may assist readers and reduce the possibility of misinterpretation.</p> <p>It is suggested the term <b>street setback area</b> is removed as there is no other mention of the word in the local law.</p>	<p>Definitions are available in other legislation (eg planning scheme)</p> <p>Removed</p>	<p>Not amended</p> <p>Delete</p>
2		<p><b>External documents</b></p> <p>The Shire should ensure that copies of all external documents referred to in the local law (e.g. Australian Standards) are included when the local law is submitted to the Joint Standing Committee on Delegated Legislation. The Committee may also inquire as to how these external documents will be made available to members of the public.</p>	<p>Definition requires the Shire to hold them at the office for viewing.</p> <p>Being copyright documents, they can be inspected, but copying is not permitted</p>	Noted
3	8.1	<p><b>Separate penalties</b></p> <p>Schedule 3 currently lists two penalties for a breach of clause 8.1 depending on whether the notice relates to Part 5.</p> <p>To avoid the possibility of confusion, it is suggested that the Shire also add the following subclause to clause 8.1:</p> <p>---</p> <p>(7) <i>The modified penalty for failing to comply with a notice under subclause (3) is:</i></p>	<p>Current wording of clause and Sch 4 items 19 and 20 accepted by DLGSC and JSCDL</p> <p>Is not considered to add anything to the local law</p>	Not amend



4	Sch.3	<p>(a) Item 19 of Schedule 3, where the notice relates to a breach of Part 5; or  (b) Item 20 of Schedule 3, in all other cases.</p> <p><b>Schedule 3 - Specifications for a sufficient fence</b>  It is suggested that the Shire not use the word 'generally' as it is ambiguous and might confuse readers as to how closely they need to comply with the requirement.</p> <p>If the Shire want fences to be constructed in that manner, it is advisable to use the term 'must'.</p>	<p>'Generally' allows for a degree of flexibility for the landowner  'Must' removes that discretion.</p>	Not amend
5		<p><b>Minor Edits</b></p> <p><b>Contents and local law headings:</b></p> <ul style="list-style-type: none"> <li>• Part Headings should be in bold normal case e.g. <b>"Part 1 – Preliminary"</b>.</li> <li>• Similarly Schedule headings should be drafted as <b>"Schedule"</b>.</li> </ul> <p>Contents heading should be "Contents".</p> <p><b>Clause 1.4:</b></p> <ul style="list-style-type: none"> <li>• Insert "as" between "2008" and "published".</li> <li>• Delete "are" and replace with "is".</li> </ul> <p><b>Clause 5.1(3)(b):</b> Change "2000m" to "2000mm"</p> <p><b>Schedule headings:</b> Schedule headings should be formatted as follows:</p> <p>---</p> <p><b>Schedule 1 – Sufficient Fence – Residential and Townsite Lots</b>  <b>[Clause 2.2(a)]</b></p> <p>---</p> <p><b>Schedule 4:</b></p> <ul style="list-style-type: none"> <li>• In item 8 delete "3.7(1)" and replace with "3.7".</li> <li>• In item 12 delete "4.4" and replace with "4.4(2)".</li> </ul>	<p>Usual is bold capitals</p> <p>Left as capitals</p> <p>Amended  Original title is plural not singular  Amended</p> <p>Centered</p> <p>Amended  Amended</p>	Amend as noted

**LOCAL GOVERNMENT ACT 1995**  
**SHIRE OF MORAWA**  
**FENCING LOCAL LAW 2018**

**CONTENTS**

**PART 1 - PRELIMINARY**

- 1.1 Citation
- 1.2 Commencement
- 1.3 Application
- 1.4 Repeal
- 1.5 Definitions
- 1.6 Requirements of local planning scheme
- 1.7 Requirements of *Building Act 2011*

**PART 2 - SUFFICIENT FENCES**

- 2.1 Sufficient fences – requirement
- 2.2 Sufficient fences – generally
- 2.3 Sufficient fences – between lots having different requirements
- 2.4 General discretion of the local government
- 2.5 Transitional provision

**PART 3 - FENCING GENERALLY**

- 3.1 Fences within front and secondary setback areas
- 3.2 Alteration of ground levels
- 3.3 Obstruction of watercourse
- 3.4 Gates or doors in fences
- 3.5 Retaining walls
- 3.6 Estate fencing
- 3.7 Maintenance of fences
- 3.8 Fences across rights-of-way, public access ways or thoroughfares

**PART 4 - FENCING MATERIALS, SCREENING AND MAINTENANCE**

- 4.1 Prohibited materials
- 4.2 Pre-used fencing materials
- 4.3 Approved materials
- 4.4 Screening

**PART 5 - RESTRICTED FENCING**

- 5.1 Barbed wire fencing
- 5.2 Electrified fencing
- 5.3 Razor wire fencing

**PART 6 - APPROVALS**

- 6.1 Application for approval
- 6.2 Decision on application for approval
- 6.3 Compliance with approval
- 6.4 Cancellation of an approval
- 6.5 Duration of approval

**PART 7 - OBJECTIONS AND REVIEW**

- 7.1 Objections and review

**PART 8 - ENFORCEMENT**

- 8.1 Notices of breach
- 8.2 Offences and penalties
- 8.3 Modified penalties

8.4 Form of notices

Schedule 1 – Sufficient fence – Residential and townsite lots

Schedule 2 - Sufficient fence – Commercial, industrial and special use lots

Schedule 3 – Sufficient fence – Rural and rural residential lots

Schedule 4 – Prescribed offences

DRAFT

LOCAL GOVERNMENT ACT 1995

SHIRE OF MORAWA

FENCING LOCAL LAW 2018

Under the powers conferred by the *Local Government Act 1995* and under all other powers enabling it, the Council of the Shire of Morawa resolved on \_\_\_\_\_ to make the following local law.

PART 1 - PRELIMINARY

**1.1 Citation**

This local law may be cited as the *Shire of Morawa Fencing Local Law 2018*.

**1.2 Commencement**

This local law comes into operation 14 days after the date of its publication in the *Government Gazette*.

**1.3 Application**

This local law applies throughout the district.

**1.4 Repeal**

The *Shire of Morawa Local Laws Relating to Fencing 2008* as published in the *Government Gazette* on 16 July 2008 are repealed.

**1.5 Definitions**

In this local law unless the context otherwise requires –

**applicant** means a person who makes an application for approval under this local law;

**approval** means a favourable decision in respect of an application which is in writing, may be subject to conditions and which allows a proposal to proceed;

**AS or AS/NZS** means an Australian or Australian/New Zealand Standard published by Standards Australia, and available for viewing free of charge at the Shire of Morawa Administration Centre;

**authorised person** means a person appointed by the local government to perform any of the functions under this local law;

**boundary fence** means a fence constructed on the boundary of a lot which abuts a thoroughfare, and results in the application of section 16(1) of the *Dividing Fences Act 1961*;

**Building Code** has the meaning given in section 3 of the *Building Regulations 2012*;

**commercial lot** means a lot zoned as commercial under the local planning scheme;

**CEO** means the Chief Executive Officer of the local government;

**dangerous** in relation to any fence means –

- (a) an electrified fence which does not comply with clause 5.2 of this local law;
- (b) a fence containing barbed wire other than a fence constructed and maintained in accordance with this local law;
- (c) a fence containing exposed broken glass, asbestos fibre, razor wire, metal spikes or any other potentially harmful projection or material; or
- (d) a fence which is likely to collapse or fall, or part of which is likely to collapse or fall, from any cause;

**district** means the district of the local government;

**dividing fence** has the meaning given in section 5 of the *Dividing Fences Act 1961*;

**electrified fence** means a fence carrying or designed to carry an electric charge;

**estate boundary fence** means the fence constructed around the external boundary of a subdivision of land to indicate the extent of that subdivision and includes any special works or construction that identifies the entrance to that land;

**estate entry statement** means a fence, or wall constructed of masonry or other materials to identify the entrance of an estate and may include but not be limited to a sign indicating the estate name and

locality, sculptures, flagpoles and flags;

**fence** means any structure used or functioning as a barrier, irrespective of where it is located and includes any affixed gate or screening;

**front boundary** means the boundary line between a lot and the thoroughfare upon which that lot abuts, or in the case of a lot abutting on more than one thoroughfare the boundary line between the lot and the primary thoroughfare;

**front setback area** means the area between the building line of a lot and the front boundary of that lot;

**height** in relation to a fence means the vertical distance between the top of the fence at any point and –

- (a) the ground level; or
- (b) where the ground levels on each side of the fence are not the same, the higher ground level, immediately below that point; or
- (c) where the fence is constructed on a retaining wall approved by the local government, from the top of the retaining wall;

**industrial lot** means a lot zoned as industrial under the local planning scheme;

**local government** means the Shire of Morawa;

**local planning scheme** means a local planning scheme and includes any structure plan adopted or approved by the local government made under the *Planning and Development Act 2005*;

**lot** has the meaning given to it in and for the purposes of the *Planning and Development Act 2005*;

**notice of breach** means a notice referred to in clause 8.1;

**occupier** has the meaning given to it in section 1.4 of the *Local Government Act 1995*;

**owner** has the meaning given to it in section 5 of the *Dividing Fences Act 1961*;

**repair** has the meaning given to it under section 5 of the *Dividing Fences Act 1961*;

**residential lot** means a lot zoned as residential under the local planning scheme;

**retaining wall** means any structure prevents the movement of soil in order to allow ground levels of different elevations to exist adjacent to one another;

**rural lot** means a lot zoned as rural under the local planning scheme;

**rural residential lot** means a lot zoned as rural residential under the local planning scheme;

**Schedule** means a Schedule to this local law;

**screening** means any perforated panels or trellises composed of solid or obscured translucent panels;

**set fee** means a fee determined by the local government in accordance with sections 6.16 to 6.19 of the *Local Government Act 1995*;

**special use lot** means a lot zoned as special use under the local planning scheme;

**sufficient fence** means a fence described in clause 2.2 or 2.3 and includes a fence of the description and quality agreed upon by the owners of adjoining lots which does not fail to satisfy clause 2.2 or 2.3;

**thoroughfare** has the meaning given to it in section 1.4 of the *Local Government Act 1995*; and

**townsite lot** means a lot zoned as townsite under the local planning scheme.

## 1.6 Requirements of local planning scheme

In the event of any inconsistency between the provisions of a local planning scheme and the provisions of this local law, the provisions of the local planning scheme are to prevail.

## 1.7 Requirements of *Building Act 2011*

Nothing in this local law affects a provision in any written law in respect of a building permit for a fence.

## PART 2 - SUFFICIENT FENCES

### 2.1 Sufficient fences – requirement

A person shall not construct a dividing fence or a boundary fence that is not a sufficient fence.

### 2.2 Sufficient fences – generally

Subject to clause 2.3 a sufficient fence –

- (a) on a residential lot or townsite lot is a dividing fence or a boundary fence constructed in accordance with Schedule 1;
- (b) on a commercial lot, industrial lot or special use lot is a dividing fence or a boundary fence

- constructed in accordance with Schedule 2; and
- (c) on a rural lot or rural residential lot is a dividing fence or a boundary fence constructed in accordance with Schedule 3.

### **2.3 Sufficient fences – between lots having different requirements**

Where a fence is constructed on or near the boundary between –

- (a) a residential lot or townsite lot and a lot zoned for any other purpose, a sufficient fence is a fence constructed in accordance with Schedule 1; and
- (b) a commercial lot or industrial lot and a rural lot or rural residential lot, a sufficient fence is a fence constructed in accordance with Schedule 3.

### **2.4 General discretion of the local government**

- (1) Notwithstanding the provisions of clause 2.1, an authorised person may give written consent for the construction or repair of a fence which is not a sufficient fence where all of the owners of the lots adjoin the fence make an application for approval for that purpose.
- (2) In determining whether to grant its approval under subclause (1), the local government may consider whether the construction or repair of the fence would have an adverse effect on –
- (a) the safe or convenient use of any land;
- (b) the safety or convenience of any person;
- (c) the visual amenity of the locality; and
- (d) any other matter considered relevant.

### **2.5 Transitional provision**

A dividing fence or fence lawfully constructed prior to this local law coming into operation constitutes a sufficient fence.

## **PART 3 - FENCING GENERALLY**

### **3.1 Fences within front and secondary setback areas**

- (1) A person shall not, without the written consent of an authorised person, construct a free-standing fence greater than 1200mm in height, within the front setback area of a residential lot or townsite lot.
- (2) An authorised person may approve the construction of a fence of a height greater than 1200mm in the front setback area of a residential lot or townsite lot, if provision is made for lines of vision for a motorist using the driveway to access a thoroughfare where the fence on each side of the driveway into the lot across the front boundary is angled –
- (a) into the lot for a distance of not less than 1500mm along the frontage, and
- (b) to a distance of not less than 1500mm from the frontage.
- (3) The provision of subclause (2) shall not apply to a fence of open construction that does not obscure the lines of vision of a motorist using the driveway for access to a thoroughfare.
- (4) The provision of subclause (2) shall apply to a secondary setback area where a driveway in the secondary setback area is used as the primary driveway access.

### **3.2 Alteration of ground levels**

- (1) A person shall not alter the natural ground level of land on or within 1000mm of the boundary of a lot, whether by removing soil or bringing onto the land any fill of any kind, by more than 500mm without the approval of an authorised person.
- (2) A fence constructed of corrugated fibre-reinforced pressed cement shall not have more than 150mm difference in the ground levels on each side of the fence.
- (3) Where land has been filled or retained to a height of more than 500mm above natural ground level at or within 1000mm of a boundary of a lot, a person shall only construct a dividing fence that is a sufficient fence on the said filled land or retaining wall if the person produces to an authorised person the written agreement of the owners of the adjoining lot.

### **3.3 Obstruction of watercourse**

No person shall construct a fence of impervious material in any place, position or location where it will, or is

likely to, act as a barrier to or restrict the flow of a natural watercourse.

### **3.4 Gates or doors in fences**

A person shall not construct a gate or door in a fence which encroaches into or over any other property.

### **3.5 Retaining walls**

A person must not commence to construct a retaining wall which is on the boundary line unless –

- (a) an application has been lodged with the local government including –
  - (i) two copies of a plan and specifications of the proposed retaining wall; and
  - (ii) in the case of a retaining wall exceeding 500mm in height and when required by an authorised person, engineering calculations in respect of the proposed retaining wall; and
- (b) an authorised person has approved the application.

### **3.6 Estate fencing**

- (1) A person shall not construct an estate entry statement or estate boundary fence without the approval of an authorised person.
- (2) Where an estate entry statement or estate boundary fence is constructed and contains an estate name, the entry statement or estate boundary fence shall also depict the locality name in at least equal prominence.
- (3) An owner or occupier of a lot adjacent to an estate boundary fence shall, where that fence is damaged, dilapidated or in need of repair, cause it to be repaired or replaced with the same or similar materials with which it was first constructed, so as far as practicable the repaired or replaced section shall be the same as the original fence.

### **3.7 Maintenance of fences**

An owner or occupier of a lot on which a fence is constructed shall maintain the fence in good condition and suitably enclosed so as to prevent it from becoming damaged, dangerous, dilapidated, unfit for purpose or unsightly.

### **3.8 Fences across rights-of-way, public access ways or thoroughfares**

A person must not construct or maintain a fence or obstruction of a temporary or permanent nature across any right-of-way, public access way or thoroughfare so as to impede or prevent use of those facilities in the manner for which they are intended and constructed without the approval of an authorised person.

## **PART 4 - FENCING MATERIALS, SCREENING AND MAINTENANCE**

### **4.1 Prohibited materials**

A person must not construct a fence which is comprised, in whole or in part of spikes, broken glass, jagged materials, barbed wire, razor wire, asbestos or any other dangerous material except to the extent provided for in Part 5.

### **4.2 Pre-used fencing materials**

- (1) A person shall not construct a boundary fence, dividing fence or estate fence from pre-used materials without the approval of an authorised person.
- (2) Where an authorised person approves the use of pre-used materials, the materials shall be structurally fit for the purpose, and comply with any conditions imposed by an authorised person.
- (3) Conditions for use of pre-used fencing materials may include but are not limited to –
  - (a) painting;
  - (b) treated;
  - (c) specific use or placement; and
  - (d) upgrading.

### **4.3 Approved materials**

Subject to clause 4.2, a person shall only construct a dividing fence or boundary fence from materials specified in the Schedules of this local law, unless otherwise approved or required by an authorised



person.

#### **4.4 Screening**

- (1) Screening may be fixed to a sufficient fence that is compliant with Schedule 1 which is consistent with the colours, materials and specification of that sufficient fence.
- (2) Screening is not to be affixed to a fence so that the maximum height exceeds 2.1m.
- (3) Screening affixed to a fence shall be installed and maintained in accordance with the manufacturer's specifications and not compromise the structural integrity of a fence.

### **PART 5 - RESTRICTED FENCING**

#### **5.1 Barbed wire fencing**

- (1) An owner or occupier of a residential lot shall not affix or allow to remain any barbed wire on any fence bounding that lot.
- (2) An owner or occupier of a townsite lot, rural lot or rural residential lot shall not place or affix barbed wire upon a fence on that lot where the fence is adjacent to a thoroughfare or other public place unless the barbed wire is fixed to the top or the side of the fence posts furthest from the thoroughfare or other public place.
- (3) An owner or occupier of a commercial lot, industrial lot or special use lot shall not construct or affix to any fence bounding that lot any barbed wire unless –
  - (a) the wire or material are attached on posts vertically or at an angle of 45 degrees; and
  - (b) the bottom row of wire or other materials is not less than 2000mm above the ground level.
- (4) If the posts which carry the barbed wire or other materials referred to in subclause (3) are angled towards the outside of the lot bounded by the fence, the face of the fence must be set back from the lot boundary a sufficient distance to ensure that the angled posts, barbed wire or other materials do not encroach onto or over adjoining land.

#### **5.2 Electrified fencing**

- (1) An owner or occupier of a lot shall not construct or use an electrified fence on that lot without first obtaining approval of an authorised person.
- (2) Notwithstanding subclause (1), approval is not required for an electrified fence if –
  - (a) constructed on a rural lot or rural residential lot;
  - (b) for the purpose of animal control;
  - (c) installed in accordance with the manufacturer's specifications; and
  - (d) which is not the dividing fence with a residential lot, townsite lot or special use lot.
- (3) An electrified fence for the purpose of security must not be present on a lot unless it complies with *AS/NZS 3016:2002 Electrical Installations – Electric Security Fences*, as amended from time to time, and which is available for viewing free of charge at the Shire of Morawa Administration Centre.
- (4) Approval to have and use an electrified fence for the purpose of security shall not be issued –
  - (a) in respect of a lot which is or which abuts a residential lot or townsite lot; and
  - (b) unless provision is made so as to enable the fence to be rendered inoperable during the hours of business operations, if any, on the lot where it is constructed.

#### **5.3 Razor wire fencing**

- (1) An owner or occupier of a lot shall not construct a fence wholly or partly of razor wire on that lot without first obtaining approval under subclause (2).
- (2) Approval to have a fence constructed wholly or partly of razor wire shall not be issued –
  - (a) in respect of a lot which is or which abuts a residential lot or townsite lot;
  - (b) if the fence is within 3m of the boundary of the lot; or
  - (c) where any razor wire used in the construction of the fence is less than 2000mm or more than 2400mm above the ground level.

### **PART 6 - APPROVALS**

#### **6.1 Application for approval**



- (1) An owner of a lot may apply to the local government for approval of any discretionary matter contained within this local law.
- (2) An application for approval under this local law shall –
  - (a) provide all necessary documentation and information required for a decision;
  - (b) provide two copies of a plan and specifications of the proposed;
  - (c) engineering certification of structural or electrical engineering specifications, if required;
  - (d) be signed by the owner of the lot;
  - (e) be forwarded to the CEO together with any set fee; and
  - (f) be in the form determined by the local government from time to time.
- (3) An authorised person may require an applicant to provide additional information reasonably related to an application before determining an application for approval.
- (4) An authorised person may refuse to consider an application for approval which is not in accordance with subclauses (2) and (3).

## **6.2 Decision on application for approval**

- (1) An application submitted to the local government under this local law may be –
  - (a) approved by an authorised person;
  - (b) approved by an authorised person subject to conditions as the authorised person sees fit; or
  - (c) rejected by an authorised person.
- (2) In determining whether to grant its consent to the construction or installation, an authorised person may consider, in addition to any other matter that it is authorised to consider, whether the construction or retention of the fence would have an adverse impact on –
  - (a) the safe or convenient use of any land;
  - (b) the safety or convenience of any person; or
  - (c) the visual amenity of the streetscape or neighbouring properties.
- (3) An authorised person may by written notice amend a condition imposed under subclause (1)(b) at any time.
- (4) An amendment under subclause (3) is effective from the date specified in the notice.
- (5) If an authorised person approves an application for approval, it is to give written notice of the approval and any conditions applied, to the applicant.
- (6) If an authorised person refuses to approve an application for approval, it is to give written notice of that refusal and the reasons for the decision to the applicant.

## **6.3 Compliance with approval**

Where an application for approval has been approved under clause 6.2, the applicant and the owner or occupier of the lot to which the approval relates, shall comply with the terms and any conditions of that approval.

## **6.4 Cancellation of an approval**

An authorised person may cancel an approval if –

- (a) the owner or occupier requests an authorised person to do so;
- (b) the fence to which the approval applies has been demolished and is not rebuilt for a period of 6 months;
- (c) the circumstances have changed in such a way that an approval for the fence could no longer be granted under the local law;
- (d) the owner or occupier fails to comply with a condition of the permit or breaches a provision of this local law in respect of the fence; or
- (e) the owner or occupier fails to comply with a notice of breach issued under clause 8.1.

## **6.5 Duration of approval**

- (1) Unless otherwise stated in the form of approval, an approval granted under this local law transfers with the lot to which it relates and is deemed to transfer to each successive owner or occupier of the lot to which the approval applies.
- (2) Where an approval is transferred under subclause (1), the successive owner or occupier may apply to an authorised person for written confirmation of this transfer.

- (3) For the avoidance of doubt, approval granted under this local law may be relied upon by any subsequent owner or occupier of the lot, and may be enforced against them by the local government.

## **PART 7 - OBJECTIONS AND REVIEW**

### **7.1 Objections and review**

Where an authorised person exercises a discretion pursuant to this local law, an affected person has a right of objection and appeal under Division 1 of Part 9 of the *Local Government Act 1995*.

## **PART 8 - ENFORCEMENT**

### **8.1 Notices of breach**

- (1) Where a breach of any provision of this local law has occurred in relation to a fence on a lot, an authorised person may give a notice of breach in writing to the owner or occupier of that lot.
- (2) A notice of breach shall –
  - (a) specify the provision of this local law which has been breached;
  - (b) specify the particulars of the breach; and
  - (c) state that the owner or occupier is required to remedy the breach within the time specified in the notice.
- (3) An owner or occupier given a notice of breach shall comply with the terms of the notice and remedy the breach within the time specified in the notice.
- (4) Should an owner or occupier fail to comply with a notice, an authorised person may enter upon the lot to which the notice relates and remedy the breach, and may recover the expenses of doing so from the owner or occupier of the lot, as the case may be, in a court of competent jurisdiction.
- (5) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the *Local Government Act 1995* and any power of entry exercised by the local government under this local law is subject to Part 3, Division 3 of the *Local Government Act 1995*.

### **8.2 Offences and penalties**

- (1) A person who fails to do anything required or directed to be done under this local law, or who does anything which under this local law that person is prohibited from doing, commits an offence.
- (2) Any person who commits an offence under this local law is liable, upon conviction to a penalty not exceeding \$5,000, and if the offence is of a continuing nature, to an additional penalty not exceeding \$500 for each day or part of a day during which the offence has continued.

### **8.3 Modified penalties**

The amount appearing in the final column of Schedule 4 directly opposite a prescribed offence in that Schedule is the modified penalty for that prescribed offence.

### **8.4 Form of notices**

For the purposes of this local law –

- (1) the form of the infringement notice referred to in section 9.17 of the *Local Government Act 1995* is to be in the form of Form 2 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*; and
- (2) the form of the withdrawal of infringement notice referred to in section 9.20 of the *Local Government Act 1995* is to be in the form of Form 3 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*.

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## **SCHEDULE 1 – SUFFICIENT FENCE – RESIDENTIAL AND TOWNSITE LOTS**

[Clause 2.2(a)]

Each of the following is a sufficient fence on residential and townsite lots –

- (a) except with respect to the front setback area for which there is no minimum height but which is

- subject to clause 3.1; and  
(b) where constructed to an average height of 1800mm.

### **1. Timber fence**

- (1) Any type of professionally manufactured timber fence, constructed in accordance with the manufacturer's specifications.
- (2) A dense brushwood constructed in accordance with the manufacturer's specifications.
- (3) A timber fence constructed as follows –
  - (a) corner posts to be 125mm x 125mm x 2 400mm and intermediate posts to be 125mm x 75mm x 2400mm spaced at 2400mm centres;
  - (b) corner posts to be strutted two ways with 100mm x 50mm x 450mm sole plates and 75mm x 50mm struts;
  - (c) intermediate posts to be doubled yankee strutted with 150mm x 25mm x 450mm struts;
  - (d) all posts to have tops with a 60mm weather cut and to be sunk at least 600mm into the ground;
  - (e) rails to be 75mm x 50mm with each rail spanning 2 bays of fencing double railed or bolted to each post with joints staggered; and
  - (f) the fence to be covered with 75mm x 20mm sawn pickets, 1800mm in height placed 75mm apart and affixed securely to each rail.

### **2. Corrugated fence**

- (1) Any fence constructed of corrugated fibre reinforced pressed cement sheet fence or steel sheeting fence in accordance with the manufacturer's specifications.
- (2) A fence constructed of corrugated fibre reinforced pressed cement or steel sheeting constructed to manufacturer's specifications or which satisfies the following specifications –
  - (a) a minimum in-ground length of 25 per cent of the total length of the sheet, but in any case shall have a minimum in-ground depth of 600mm;
  - (b) the total height and depth of the fence to consist of a single continuous fibre reinforced cement or steel sheet; and
  - (c) the sheets to be lapped and capped with extruded snap-fit type capping in accordance with the manufacturer's specifications.

### **3. Brick, stone or concrete fence**

Any type of brick stone or concrete fence that –

- (a) is constructed in accordance with the Building Code, finished plumb, true and level and appropriately jointed, cleaned and of good general appearance.
- (a) has footings having a minimum of 225mm x 150mm concrete 15MPa or 300mm x 175mm brick laid in cement mortar;
- (b) fences to be offset a minimum of 200mm at maximum 3000mm centres or 225mm x 100mm engaged piers to be provided at maximum 3000mm centres; and
- (c) expansion joints in accordance with the manufacturer's specifications.

### **4. Composite fence**

- (1) A composite fence which satisfies the following specifications for the brick construction –
  - (a) brick piers shall have a minimum of 345mm x 345mm at 1800mm centres bonded to a minimum height base wall of 514mm;
  - (b) each brick pier shall be reinforced with one R10 galvanised starting rod 1 500mm high with a 250mm horizontal leg bedded into a 500mm x 200mm concrete footing and set 65mm above the base of the footing. The top of the footing shall be 1 course (85mm) below ground level;
  - (c) the minimum ultimate strength of brickwork shall be 20MPa. Mortar shall be a mix of 1 part cement, 1 part lime and 6 parts sand;
  - (d) the ground under the footings is to be compacted to 6 blows per 300mm and checked with a standard falling weight penetrometer; and
  - (e) control joints in brickwork shall be provided with double piers at a maximum of 6 metre centres;
- (2) Notwithstanding paragraphs (1)(a) and (b), a composite fence may be constructed so that –
  - (a) brick piers of a minimum 345mm x 345mm x 2700mm centres bonded to the base wall;
  - (b) each pier shall be reinforced with two R10 galvanised starting rods as previously specified, and
  - (c) all other requirements are as previously specified.

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## **SCHEDULE 2 - SUFFICIENT FENCE – COMMERCIAL, INDUSTRIAL AND SPECIAL USE LOTS**

[Clause 2.2(b)]

Each of the following is a sufficient fence on commercial and industrial lots –

- (1) A fence constructed of galvanized or PVC coated –
  - (a) rail-less link;
  - (b) chain; or
  - (c) steel mesh.
- (2) A fence constructed in accordance with clause (1) shall be constructed in accordance with the following specifications –
  - (a) to a height of 2000mm;
  - (b) corner posts to be a minimum of 50mm nominal bore x 3.5mm and with footings of a 225mm diameter x 900mm;
  - (c) intermediate posts to be minimum 37mm nominal bore x 3.15mm at maximum 4 metre centres and with footings of a 225mm diameter x 600mm;
  - (d) struts to be minimum 30mm nominal bore x 3.15mm fitted at each gate and two at each corner post and with footings 225mm x 600mm;
  - (e) cables to be affixed to the top, centre and bottom of all posts and to consist of two or more 3.15mm wires twisted together or single 4mm wire;
  - (f) galvanized link mesh wire to be 2000mm in height and constructed of 50mm mesh 2.5mm galvanized iron wire and to be strained, neatly secured and laced to the posts and affixed to cables;
  - (g) vehicle entry gates shall provide an opening of not less than 3.6 metres and shall be constructed of 25mm tubular framework with one horizontal and one vertical stay constructed of 20mm piping and shall be covered with 50mm x 2.5mm galvanized link mesh strained to framework; and
  - (h) gates shall be fixed with a drop bolt and locking attachment.
- (3) A fence constructed in accordance with paragraph (2) may have up to 3 strands of plain or barbed wire, none being less than 1800mm above ground level, not more than 2400mm above ground level
- (4) Fences constructed in accordance with Schedule 1.

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## **SCHEDULE 3 – SUFFICIENT FENCE – RURAL AND RURAL RESIDENTIAL LOTS**

[Clause 2.2(c)]

Each of the following is a sufficient fence on rural and rural residential lots –

- (1) In the case of a non-electrified fence, a fence of posts and wire construction, the minimum specifications for which are –
  - (a) wire shall be –
    - (i) high tensile wire and not less than 2.5mm; and
    - (ii) a minimum of seven wires shall be used, generally with the lower wires spaced closer together than the higher wires so as to prevent smaller stock passing through, and connected to posts in all cases;
  - (b) posts shall be of indigenous timber or other suitable material including –
    - (i) timber impregnated with a termite and fungicidal preservative, and not less than 1650mm long x 50mm diameter at small end if round or 125mm x 60mm if split or sawn;
    - (ii) standard iron star pickets; or
    - (iii) concrete;
  - (c) posts to be set minimum 400mm in the ground and 1200mm above the ground; and
  - (d) strainer posts shall be –
    - (i) not less than 2250mm long and 50mm diameter at the small end (tubular steel to be 50mm in

- diameter);
- (ii) cut from indigenous timber or other suitable material; and
- (iii) placed a minimum of 1000mm in the ground.
- (2) An electrified fence having five wires only is a sufficient fence if constructed generally in accordance with clause (1).

#### SCHEDULE 4 – PRESCRIBED OFFENCES

[Clause 8.3]

Item	Clause	Nature of offence	Modified penalty \$
1	2.1	Construction of a dividing fence or boundary fence on a lot that is not a sufficient fence without approval	200
2	3.1	Construction of a non-compliant fence within setback area without approval	200
3	3.2(1)	Alteration of ground levels without approval	500
4	3.3	Obstruction of a watercourse	200
5	3.4	Construction of a gate or fence encroaching over other property	200
6	3.5	Construction of retaining wall without approval	500
7	3.6(1)	Construction of estate fencing without approval	500
8	3.7	Failure to maintain fence in good condition	200
9	3.8	Construction of a fence across right-of-way etc. without approval	500
10	4.1	Use of prohibited materials in a fence	500
11	4.2(1)	Use of pre-used fencing materials without approval	200
12	4.4(2)	Construction of screen exceeding 2.1m in height	200
13	5.1(1)	Using or allowing to remain barbed wire on a residential lot	200
14	5.1(2)	Non-compliant use of barbed wire on a townsite, rural or rural residential lot	200
15	5.1(3)	Non-compliant use of barbed wire on a commercial, industrial or special use lots	500
16	5.2	Construction of an electric fence without approval	500
17	5.3	Construction of a razor wire fence without approval	500
18	6.3	Failure to comply with conditions of approval for fence	500
19	8.1(3)	Failure to comply with notice of breach in relation to Part 5 – Restricted Fencing	500
20	8.1(3)	Failure to comply with notice of breach in relation to all matters other than Part 5 – Restricted Fencing	200
21	8.2(1)	Other offences not specified	200

Dated \_\_\_\_\_ 2018

The Common Seal of the Shire of Morawa was affixed by authority of a resolution of Council in the

presence of –

K.J. CHAPPEL, President

C.P.M. LINNELL, Chief Executive Officer

DRAFT

<i>Item No/ Subject:</i>	<b>7.2.3.2 Netball Courts</b>
<i>Date of Meeting:</i>	<b>22 June 2018</b>
<i>Date &amp; Author:</i>	<b>15 June 2018 – Samantha Appleton</b>
<i>Responsible Officer:</i>	<b>Samantha Appleton – Executive Manager Development &amp; Administration</b>
<i>Applicant/Proponent:</i>	<b>Nil</b>
<i>File Number:</i>	<b>RC.LSN.16</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

Council to consider a resolution to resolve current issues with the Morawa Netball Courts and to undertake planning for the construction of new dual use courts.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 - 7.2.3.2a Proposed temporary court layout, existing court photos.

### **BACKGROUND INFORMATION**

Morawa netball courts are currently in a dangerous condition. Major issues identified are:

- Both courts have deteriorating subsurface, with courts being cracked in numerous places. The first court is severely cracked and has one area where a section of the cracking is considerably higher than adjacent area, leading to the formation of a major trip hazard.
- The second court while in better condition is subject to major flooding when it rains, as the areas surrounding the court are considerably higher than the court, with water pooling on one side of the court.

### **OFFICER'S COMMENT**

The Acting Works Supervisor has provided the following comments with regard to the existing courts:

- *The underlying cause of the cracking in the base of the second netball court is not apparent, although it is likely that water leakage through the existing cracks to the underlying subgrade is exacerbating the problem. Given the age of the courts, it is difficult to speculate on an exact cause however expansion of the underlying clay base as a result of water ingress is the most likely explanation.*
- *Whatever the initial cause, the problems with the playing surface cannot be resolved now by simply filling the cracks. Indeed, were the Shire to do so and thus encourage the use of this court under match conditions, it may result in an even worse outcome. This is because there is vertical deformation across the larger cracks, which would create a trip hazard and may result in serious injury to athletes, and a legal liability for the Shire.*
- *If the cracks were to be filled, it is recommended that the protruding surface be ground down on as flat a gradient as possible which in turn would destroy the rubberised surface coating and create a further hazard through a discontinuity in the texture and “grip” of the surface which would be problematic under the speed of match play.*
- *At the same time, problems with ponding of water caused by overspray from the adjacent oval irrigation system cannot readily or cheaply be fixed. Modifying or turning off the offending sprinklers would result in parts of the oval surface not being watered, unless the Shire were to invest significantly in a redesign of the sprinkler system and layout.*
- *Accordingly, it is recommended that no action be taken in relation to the existing cracks and that the court be kept out of general use.*

Should the courts be no longer used, there will need to be an alternative put in place for netball to continue until new courts are constructed. Suggested alternatives are:

1. Relocate home games to other towns;
2. Temporarily relocate both courts to the outdoor basketball courts at the Recreation Centre;
3. Temporarily relocate one court to the outdoor basketball courts at the Recreation Centre;
4. Utilise the indoor existing court at the Recreation Centre.

### **Evaluation of interim Options**

1. Relocate home games to other towns:
  - Loss of home ground advantage.
  - Family groups will be playing sport at different distant locations.
2. Temporarily relocate both courts to the outdoor basketball courts at the Recreation Centre:
  - Cost of approximately \$11,700 ex GST for line marking and goal posts.
  - Runoff area between two courts is less than ideal for two adjoining courts (3.05m x 2 is ideal actual is 4.4m but can be allowed subject to negotiation with the Association).
  - Family groups will be playing sport at different locations, however distance is not significant.



- This solution is not immediately available – it may take 1 month to get this operating.
3. Temporarily relocate one court to the outdoor basketball courts at the Recreation Centre:
    - No issues with runoff area
    - Family groups will be playing sport at different locations, however distance is not significant.
    - This solution is not immediately available – it may take 1 month to get this operating.
    - Only one game can be played at a time.
    - Estimate of \$10,000
  4. Utilise the indoor existing court at the Recreation Centre:
    - Court is significantly smaller than the required size (3.25m shorter)
    - Runoff areas are significantly shorter than required.
    - Family groups will be playing sport at different locations, however distance is not significant.
    - Only one court at this location.

It is also likely that feedback from the Club will be available at the meeting that was not available at the time this item was prepared.

Additionally it is recommended that planning be commenced for the future replacement of the courts and that a working group be formed comprising staff and members of netball and other clubs that may be potentially affected.

### **COMMUNITY CONSULTATION**

Staff will be making contact with the Morawa Netball Club concerning this proposal (the Club President was unavailable at the time of writing).

### **COUNCILLOR CONSULTATION**

CEO Briefing Forum 12 June 2018

### **STATUTORY ENVIRONMENT**

Nil

### **POLICY IMPLICATIONS**

Policy 10.1 – Infrastructure Asset Management

6. To encourage the development of junior and senior sport through development of excellent sporting facilities that will attract visiting teams

## **FINANCIAL IMPLICATIONS**

2018/19 Budget if Option 2 or 3 is endorsed

## **STRATEGIC IMPLICATIONS**

2018 Morawa Strategic Community Plan

3.5 Improved and well maintained community, recreational and civic infrastructure

## **RISK MANAGEMENT**

Relocating the netball courts and the future reconstruction of them will remove the risk of injury to the players and enable the retention of netball as a sport being played in the community.

## **VOTING REQUIREMENTS**

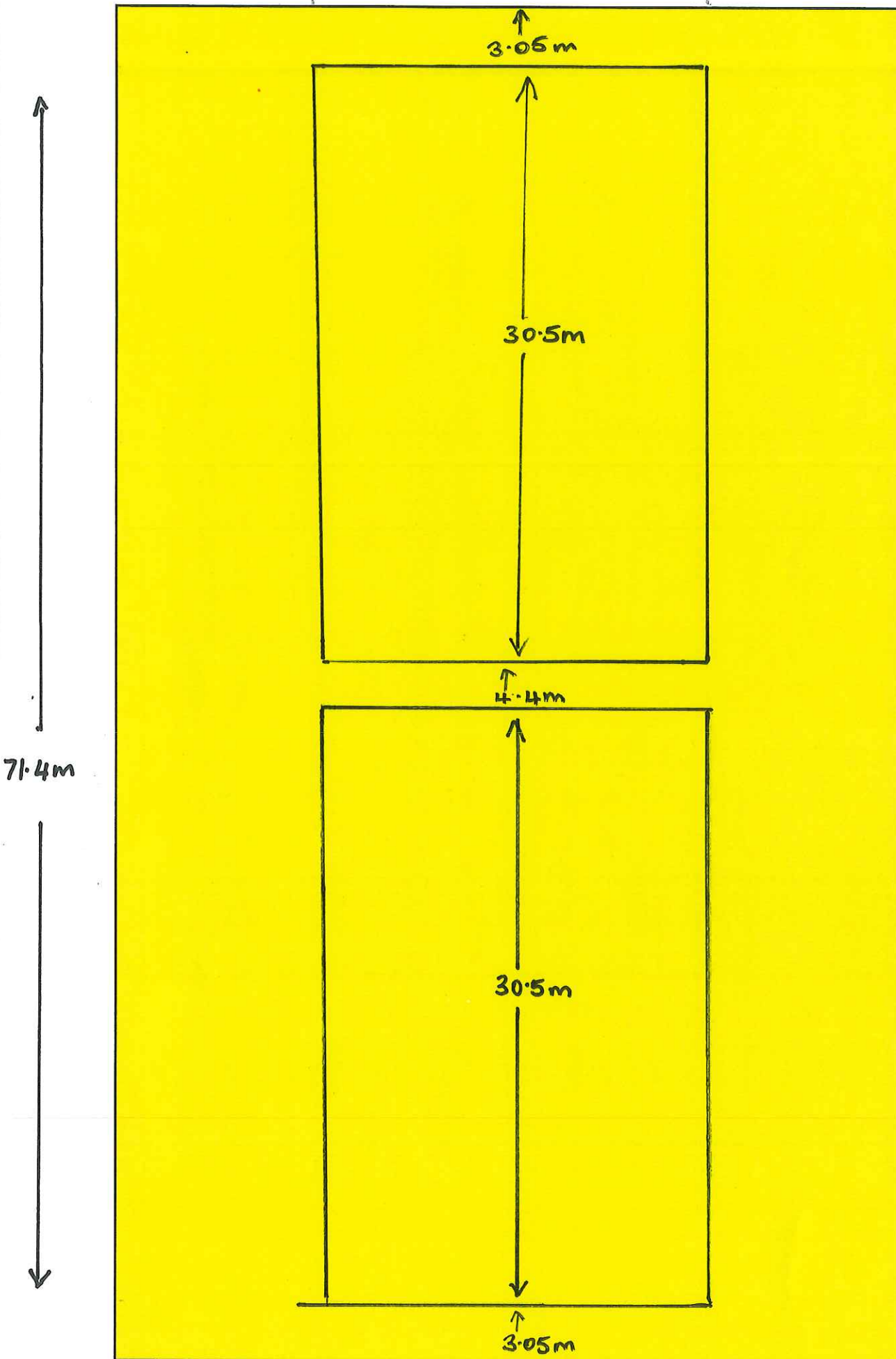
Simple Majority

## **OFFICER'S RECOMMENDATION**

That in respect of the Morawa Netball Courts, Council resolve to direct the CEO to:

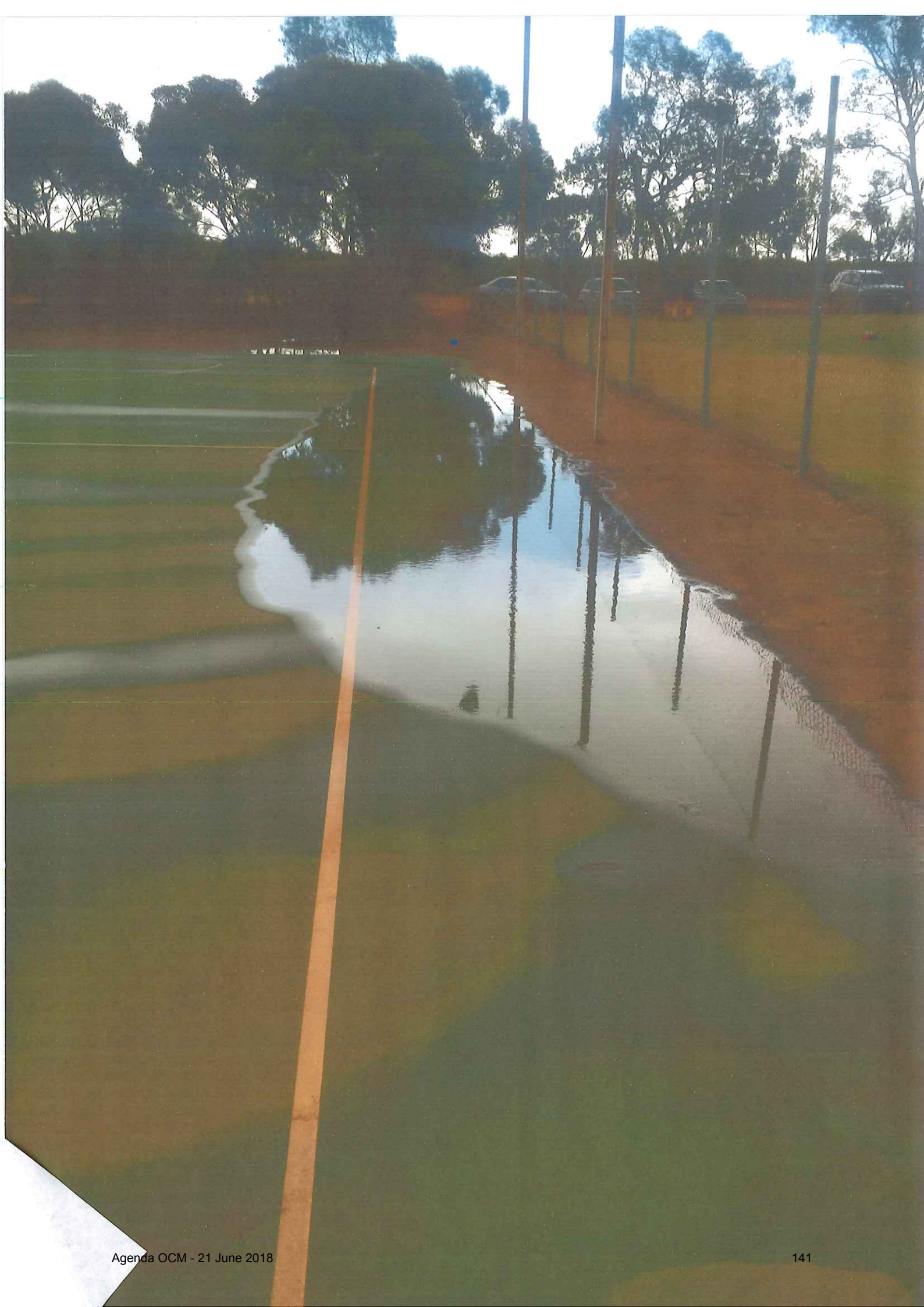
1. Work with the Morawa Netball Club to pursue Option 3 and make budget provision of \$10,000 In the 2018/19 Budget.
2. Form a working group with the Morawa Netball Club and other sporting Clubs at the site to develop a term of reference for the planning of new court infrastructure at the Morawa Oval; and
3. Report back to Council with a draft Terms of Reference for adoption.

# Proposed Option 2









## **ADDITIONAL INFORMATION: ORDINARY COUNCIL MEETING 21 JUNE 2018**

### **Addendum Item 7.2.3.2 – Netball Courts**

**Author: Chris Linnell – CEO**

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#### **Option 5 – Drainage solution**

- Morawa Netball Club (MNC) requested an on-site meeting with Shire staff to further discuss options for managing the Netball Courts. This meeting was held at 4pm on Wednesday 20 June at the Netball facility.
- MNC proposed the recommended option in the Council report would cause significant complications to game day management as the winter sporting program is built around netball, hockey and football being at the same venue to support travelling teams. It also maximises volunteerism at one venue rather than potentially over three different venues.
- This multi-sport venue approach also provides a day of entertainment for people (local or visiting) to enjoy.
- Development of a drainage system had been considered by staff at the writing of the report but had been deemed too expensive as an interim solution.
- During the site meeting it was raised that a swale drain could be developed outside of the netball boundary fence to remove pooling water. This option has merit as an interim solution for use of the second netball court during wet weather.
- Further investigation into the detailed design is required but the proposal can be summarised as follows:
  - Develop a swale drain approximately 3m from the edge of the second netball court. This area is currently the buffer between netball and hockey.
  - Relocate the netball fence towards the hockey field so to enclose the drain inside the netball area. Hockey have been informed about the relocation of the fence.
  - This work can be undertaken by Shire staff with the only cost being operational – staff time and machinery.
  - A/Principal Works Manager will prepare a design for the drainage system.
  - Weather permitting, this solution should be in place prior to the next home game.
- I would like to acknowledge and thank the MNC for working pro-actively with the Shire on developing this solution.

- With this new option considered by MNC and Shire staff, the following Officer's Recommendation is now provided.

### **OFFICER'S RECOMMENDATION**

That in respect of the Morawa Netball Courts, Council resolve to direct the CEO to:

1. **Work with the Morawa Netball Club on the implementation of option 5, development of a swale drain interim solution.**
2. Form a working group with the Morawa Netball Club and other sporting clubs at the site to develop a term of reference for the planning of new court infrastructure at the Morawa Oval and report back to Council with a draft Terms of Reference for adoption.



Figure 1 - Proposed area for swale drain and fence





<i>Item No/ Subject:</i>	<b>7.2.5.1 Delegation of Authority to Dispose of Surplus and Redundant Items</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>6 June 2018 – Ray Davy - Acting Principal Works Supervisor</b>
<i>Responsible Officer:</i>	<b>Chris Linnell – Chief Executive Officer</b>
<i>Applicant/Proponent:</i>	<b>Ray Davy</b>
<i>File Number:</i>	<b>PE.AUT.2</b>
<i>Previous minute/s &amp; Reference:</i>	

## **SUMMARY**

A significant amount of surplus and redundant items of plant, materials and equipment are currently located at the Shire depot. This includes items of equipment that have not been used for many years, items that no longer meet regulatory or operational requirements and materials that have been hoarded for no particular purpose. Many of the items are considered to be of NIL financial value and the estimated total realisable value of all items is considered to be less than \$10,000.

This report seeks delegation of authority to the CEO up to a value of \$10,000 per item, being half of what the Local Government (Functions and General) Regulations 1996 allow for, to dispose of such materials in accordance with the Local Government Act 1995.

## **DECLARATION OF INTEREST**

Nil

## **ATTACHMENTS**

Attachment 1 – 7.2.5.1a Draft instrument of delegation (*based on WALGA template*)  
Attachment 2 - 7.2.5.1b Indicative schedule of surplus and redundant items  
[Note - for general information only; any item intended for disposal would be subject to individual appraisal.]

## **BACKGROUND INFORMATION**

Many of the items under consideration for disposal date from up to 20 years ago and in most cases, have not been used for up to 10 years and/or have been superseded by more functional equipment, or no longer comply with regulatory requirements. In most cases the items are no longer functional and do not justify the cost of restoration.

## **OFFICER'S COMMENT**

While the financial return from disposal of redundant and surplus items may be negligible, there is a cultural value in ensuring that old and unsightly plant and materials for which there is no foreseeable future use are disposed of and ensuring that the working environment of the depot is one that reflects efficiency and productivity.

## **COMMUNITY CONSULTATION**

Nil

## **COUNCILLOR CONSULTATION**

CEO Briefing Forum – 12 June 2018

## **STATUTORY ENVIRONMENT**

Section 3.58 of the Local Government Act 1995 provides that

- (2) *Except as stated in this section, a local government can only dispose of property to -*
- (a) *the highest bidder at public auction; or*
  - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property -*
- (a) *it gives Statewide public notice of the proposed disposition -*
    - (i) *describing the property concerned;*
    - (ii) *giving details of the proposed disposition; and*
    - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
- and*
- (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

Regulation 30(3) of the Local Government (Functions and General) Regulations 1996 provides that a disposition of property other than land is exempt from the requirements of section 3.58 if its market value is less than \$20,000. However, this applies only to the process by which a disposal occurs and a decision for disposal must still be made either by Council or by an officer under delegated authority.

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

Many of the items are considered to be of NIL financial value and the estimated total realisable value of all items is considered to be less than \$10,000.

Notwithstanding the exemption under reg 30(3), the CEO would still give due consideration to the means of disposal in each case so as to achieve best value for the Shire from each disposal.

## **STRATEGIC IMPLICATIONS**

Clearing the depot of old and unsightly plant and materials for which there is no foreseeable future use will contribute to an improved culture of workplace efficiency and productivity.

## **RISK MANAGEMENT**

Nil

## **VOTING REQUIREMENTS**

Absolute Majority

## **OFFICER'S RECOMMENDATION**

That Council resolve to give delegated authority to the Chief Executive Officer to dispose of redundant and surplus plant, materials and equipment up to a value of \$10,000 per item in accordance with the attached instrument of delegation.

7.2.5.1a Draft instrument of delegation

<b>Delegator:</b> <i>Power / Duty assigned in legislation to:</i>	Local Government
<b>Express Power to Delegate:</b> <i>Power that enables a delegation to be made</i>	<i>Local Government Act 1995:</i> s.5.42 Delegation of some powers or duties to the CEO s.5.43 Limitations on delegations to the CEO
<b>Express Power or Duty Delegated:</b>	<i>Local Government Act 1995:</i> s.3.58(2) & (3) Disposing of Property
<b>Delegate:</b>	<b>Chief Executive Officer</b>
<b>Function:</b> <i>This is a precis only. Delegates must act with full understanding of the legislation and conditions relevant to this delegation.</i>	1. Authority to dispose of property to: <ol style="list-style-type: none"> <li>(a) to the highest bidder at public auction [s.3.58(2)(a)].</li> <li>(b) to the person who at public tender called by the local government makes what is considered by the delegate to be, the most acceptable tender, whether or not it is the highest tenders [s.3.58(2)(b)]</li> </ol> 2. Authority to dispose of property by private treaty only in accordance with section 3.58(3) and prior to the disposal, to consider any submissions received following the giving of public notice [s.3.58(3)].
<b>Council Conditions on this Delegation:</b>	<ol style="list-style-type: none"> <li>a. Disposal of land or building assets is limited to matters specified in the Annual Budget and in any other case, a Council resolution is required.</li> <li>b. In accordance with s.5.43, disposal of property, for any single project or where not part of a project but part of a single transaction, is limited to a maximum value of \$10,000 or less.</li> <li>c. When determining the method of disposal: <ul style="list-style-type: none"> <li>• Where a public auction is determined as the method of disposal: <ul style="list-style-type: none"> <li>○ Reserve price has been set by independent valuation.</li> <li>○ Where the reserve price is not achieved at auction, negotiation may be undertaken to achieve the sale at up to a -10% variation on the set reserve price.</li> </ul> </li> <li>• Where a public tender is determined as the method of disposal and the tender does not achieve a reasonable price for the disposal of the property, then the CEO is to determine if better value could be achieved through another disposal method and if so, must determine not to accept any tender and use an alternative disposal method.</li> <li>• Where a private treaty is determined [s.3.58(3)] as the method of disposal, authority to: <ul style="list-style-type: none"> <li>○ Negotiate the sale of the property up to a -10% variance on the valuation; and</li> <li>○ Consider any public submissions received and determine if to proceed with the disposal, ensuring that the reasons for such a decision are recorded.</li> </ul> </li> </ul> </li> <li>d. Where the market value of the property is determined as <sup>145</sup></li> </ol>

	<p>being less than \$20,000 (F&amp;G r.30(3) excluded disposal) may be undertaken:</p> <ul style="list-style-type: none"> <li>• Without reference to Council for resolution; and</li> <li>• In any case, be undertaken to ensure that the best value return is achieved however, where the property is determined as having a nil market value, then the disposal must ensure environmentally responsible disposal.</li> </ul>
<b>Express Power to Sub-Delegate:</b>	<i>Local Government Act 1995:</i> s.5.44 CEO may delegate some powers and duties to other employees

<b>Sub-Delegate/s:</b> <i>Appointed by CEO</i>	Nil
<b>CEO Conditions on this Sub-Delegation:</b> <i>Conditions on the original delegation also apply to the sub-delegations.</i>	Not Applicable

Compliance Links:	<p><a href="#">Local Government Act 1995</a> – s.3.58 Disposal of Property</p> <p><a href="#">Local Government (Functions and General) Regulations 1995</a> – r.30 Dispositions of property excluded from Act s. 3.58</p>
Record Keeping:	Register to be kept detailing all disposals made under this delegation

**Version 1**

#### 7.2.5.1b List of items

2 old engine blocks  
Small compressor unit  
2 travelling irrigators  
2 concrete mixers  
Davey pump trailer and pump  
Spreader attachment  
Tolmer Freeroll grader attachment  
Exercise equipment (ex Recreation Centre)  
Pacific R16 roller (unserviceable)  
Ford Courier utility P128 (not roadworthy)  
Toyota utility P121 (poor condition)  
Miscellaneous old chairs, rubbish bins, etc  
Salvaged insulation foam  
Corrugated iron water tank  
2 petrol bowsers  
Miscellaneous steel and timber remnants  
Redundant shed structures

<i>Item No/ Subject:</i>	<b>7.2.5.2 Memorandum of Understanding - Mungada Road</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>6 June 2018 Ray Davy - Acting Principal Works Supervisor</b>
<i>Responsible Officer:</i>	<b>Chris Linnell – Chief Executive Officer</b>
<i>Applicant/Proponent:</i>	<b>Ray Davy</b>
<i>File Number:</i>	<b>RDS137</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

A short section (0.52km) of Mungada Road east of Lochada Road lies within the boundaries of the Shire of Morawa (the Shire) but is currently maintained by the Shire of Perenjori. This situation has only recently come to light and the Shire of Perenjori has been in contact to regularise the situation. The road was constructed and sealed by Karara Mining and is in good condition, and it is not expected that there will be any specific maintenance needs in the near future. However, it is remote from any other sealed roads maintained by the Shire and the most practicable approach is considered to be the establishment of a Memorandum of Understanding between the two Shires under which the Shire of Perenjori would continue to maintain this portion of the road and recover the costs from the Shire of Morawa.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 – 7.2.5.2a Plan showing affected section of Mungada Road

### **BACKGROUND INFORMATION**

It has always previously been assumed that the Shire boundary on Mungada Road was located at the Lochada Road intersection. However, due to an anomaly in the boundary alignment, the first 520 metres east from Lochada Road actually lies within the Shire of Morawa. The remainder of the public section of Mungada Road eastwards lies within the Shire of Perenjori, along with the adjoining section of Lochada Road. Mungada Road westwards from Lochada Road is private and is not subject to regular maintenance by the Shire. Main Roads WA and the Shire of Perenjori have now requested that the Shire take formal responsibility for the portion of Mungada Road within its territory.

## **OFFICER'S COMMENT**

As the Shire of Perenjori has to date maintained the whole of the public portion of Mungada Road, and given that it is remote from the nearest other section of sealed road under the Shire's control, the most practicable approach would be for the two Shires to enter into a Memorandum of Understanding under which the Shire of Perenjori would continue to maintain this portion of the road and recover the costs from the Shire of Morawa.

This report seeks only authority in principle for the CEO to negotiate such an agreement, and to bring the proposed agreement to a future meeting of Council for ratification.

## **COMMUNITY CONSULTATION**

Nil

## **COUNCILLOR CONSULTATION**

CEO Briefing Forum on 12 June 2018

## **STATUTORY ENVIRONMENT**

Section 3.20 of the Local Government Act 1995 empowers a local government to perform its executive functions (which includes road maintenance) outside its own district if it is done on behalf of the local government of that district. Accordingly, there is no impediment to the Shire of Perenjori taking responsibility for maintenance of Mungada Road outside its boundary, but the basis for it doing so on behalf of the Shire of Morawa needs to be properly documented.

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

The road was constructed and sealed by Karara Mining relatively recently and is in good condition. Accordingly it is not expected that there will be any maintenance costs incurred in the near future.

## **STRATEGIC IMPLICATIONS**

Nil

## **RISK MANAGEMENT**

Nil



## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council resolves to authorise the Chief Executive Office to negotiate with the Shire of Perenjori a Memorandum of Understanding in relation to the maintenance of that part of Mungada Road east of Lochada Road as falls within the boundaries of the Shire of Morawa, under which the Shire of Perenjori agrees to maintain the road at the Shire of Morawa expense, and present the proposed agreement to a future meeting of Council for ratification.

7.2.5.2a Plan showing affected section of Mungada Road



<i>Item No/ Subject:</i>	<b>7.2.5.3 Response to WALGA Waste Levy Discussion Paper</b>
<i>Date of Meeting:</i>	<b>21 June 2018</b>
<i>Date &amp; Author:</i>	<b>6 June 2018 Ray Davy - Acting Principal Works Supervisor</b>
<i>Responsible Officer:</i>	<b>Chris Linnell – Chief Executive Officer</b>
<i>Applicant/Proponent:</i>	<b>Ray Davy</b>
<i>File Number:</i>	<b>GR.STL.15</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

WALGA is currently seeking comment on its recent review of its Waste Levy Policy.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Attachment 1 – 7.2.5.3a Letter from WALGA 15 May 2018

Attachment 2 – 7.2.5.3b Discussion Paper – Review of WALGA Waste Levy Policy Statement 2009

### **BACKGROUND INFORMATION**

The State currently imposes a Waste Avoidance and Resource Recovery Levy (generally referred to as a Landfill Levy) on all non-recyclable waste delivered to landfill in the Perth Metropolitan Area. WALGA has an established policy position in relation to the Levy, and has recently reviewed that policy in the light of various changes in the State's approach to the levy since it was first introduced in 2009.

The State has recently published a draft updated State Waste Strategy, and is seeking public comment. WALGA's policy review is proposed as a coordinated response to that draft Strategy on behalf of local government.

### **OFFICER'S COMMENT**

The primary matter of direct concern for the Shire is that among the measures in the new draft State Waste Strategy is the potential for the Landfill Levy to be applied to all waste taken to landfill anywhere in the State. This would impose an additional cost (at current rates) of \$70.00 per tonne which would force local governments to pass this cost to

residents and in the context of regional areas such as Morawa would most likely act as an incentive to illegal dumping.

The Shire should express its firm opposition to any proposed extension of the Landfill Levy to regional landfills, and support WALGA's policy that funds raised by the levy should be dedicated to waste management rather than (as is currently the case) mainly going to Consolidated Revenue.

The other policy issues raised in the WALGA Discussion Paper have no direct impact on the Shire at present, but should generally be supported in view of the possibility that the Shire may be subject to the levy in future.

### **COMMUNITY CONSULTATION**

Nil

### **COUNCILLOR CONSULTATION**

CEO Briefing Forum on 12 June 2018

### **STATUTORY ENVIRONMENT**

The Waste Avoidance and Resource Recovery Levy Act 2007 sets the terms for the imposition of the Levy and the use of the funds, as described in the attached Discussion Paper.

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

No direct financial implications at this stage, but extension of the Levy to regional areas would force the Shire to increase rates to cover the \$70.00/tonne cost.

### **STRATEGIC IMPLICATIONS**

Waste management is a major strategic focus for local government. While minimising waste to landfill is supported, care needs to be taken that the cost to the public of taking waste to the landfill does not reach levels that would incentivise illegal dumping

### **RISK MANAGEMENT**

Illegal dumping poses environmental risks and costs that exceed those associated with confining waste to landfill.

### **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

Council resolve that WALGA be advised of the Shire's response to the issues raised in its Discussion Paper, as follows:

1. *Basis for Local Government Support for the Levy*

The Shire recommends that WALGA maintain its current policy position.

2. *Application of the Levy to waste generated in the non-metropolitan area*

The Shire strongly opposes any move to extend the Levy to areas such as Morawa as it will produce no local benefits and will inevitably lead to detrimental impacts including illegal dumping.

3. *Rationale for the Waste Levy*

The Shire supports the current WALGA policy position and agrees with the inclusion of the proposed additional point.

4. *Differential Levies*

Although differential levies as such no longer apply, the Shire supports retention of the second part of the current policy, for a reduced Levy applicable to facilities whose primary purpose is resource recovery.

5. *Basis for Setting Levy Rates*

The Shire supports the proposed amendment to include a five year rolling schedule of proposed levy increases.

6. *Basis for Setting Levy Rates*

The Shire has no position on this matter.

7. *Basis for Setting Levy Rates*

The Shire supports the proposed amendments.

8. *New Section: Regulation of the Levy*

The Shire supports the proposed new Policy provision.



**15 May 2018**

**Our Ref: 01-006-02-0003RB:RNB**

Mr Chris Linnell  
Chief Executive Officer  
Shire of Morawa

Dear Chris

**Request for Comment on Waste Levy Discussion Paper**

WALGA is currently reviewing its Policy Statement on the Waste Levy and I am writing to seek your comment on the attached Discussion Paper. The WALGA Waste Levy Policy Statement was last reviewed in 2009. This review occurred in response to a substantial increase in the Waste Avoidance and Resource Recovery Levy (the Levy) and a diversion of funds away from strategic waste management activities.

There have been a number of changes to the Levy since the 2009 review of the Policy Statement. These changes include a schedule of Levy increases, a move away from charging different Levies for inert and putrescible waste, a State Waste Strategy and the Auditor General's Report on the Implementation of the State Waste Strategy. The Minister has also requested that the Waste Authority undertake an economic analysis of the Levy. These factors present the sector with an opportunity to discuss and reaffirm, or amend, the sectors Policy position on the Waste Levy.

The Municipal Waste Advisory Council has developed the attached Discussion Paper outlining key issues for consideration by the sector. This Paper reviews the Policy Statement, providing background information on the current situation, then discusses each section of the Policy Statement and identifies if there is a need for change. The Discussion Paper was included in the most recent round of State Council Papers for discussion at the Zone level.

WALGA would appreciate your feedback on the Levy Discussion Paper by **25 May 2018**. For more information, please contact Rebecca Brown, Manager, Waste and Recycling on 9213 2063 or email [rbrown@walga.asn.au](mailto:rbrown@walga.asn.au)

Yours sincerely

**Ricky Burges**  
Chief Executive Officer

# Discussion Paper

## Review of the WALGA Waste Levy Policy Statement 2009

December 2017

## Contents

Status of this Paper.....	3
1.0 Executive Summary.....	3
2.0 Background .....	4
2.1 Waste Levy Application.....	4
2.2 Waste Levy Funds .....	5
2.3 Effectiveness .....	6
2.4 Compliance.....	7
3.0 Items for Discussion .....	7
4.0 References.....	15
5.0 Appendix 1 .....	16



## Status of this Paper

This Paper has been prepared by the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (the Association). MWAC is a standing committee of the Association with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management), and a number of Local Governments. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate.

Local Government feedback on the Discussion Paper is requested by **COB Friday 25 May 2018**.

## 1.0 Executive Summary

The Waste Avoidance and Resource Recovery Levy (the Levy) is an economic instrument which has the potential to incentivise waste diversion from landfill and fund strategic waste management initiatives. The Levy operates in a complex environment and is not the only mechanism which should be relied upon to achieve these outcomes.

Local Government has long argued that the Levy should only be expended on strategic waste management initiatives. However, this is currently not the case – with only 25% of funds allocated to the Waste Avoidance and Resource Recovery Account (WARR Account). Given the current fiscal environment, it is unlikely that this situation will change in the near future. Therefore, it is vital that the 25% of Levy funds that are allocated to the WARR Account are expended on strategic waste management initiatives – not the core operational activities of the Department of Water and Environmental Regulation.

This Paper reviews the WALGA Waste Levy and Strategic Waste Funding Policy Statement. The Paper first provides background information on the current situation regarding the Levy, then discusses each section of the Policy Statement and identifies if there is a need for change.

The sections discussed are:

1. Basis for Local Government support for the Levy
2. Application of the Levy to waste generated in the non-metropolitan area
3. Rationale for the Levy
4. Differential Levies
5. Basis for Setting Levy rates
6. Administration of the Levy
7. Funding Scope
8. New Section: Regulation of the Levy

Proposed changes to the Policy Statement are included in Appendix 1.

## 2.0 Background

The Waste Levy Policy Statement was last reviewed in 2009. This review occurred in response to a substantial increase to the Levy and a diversion of funds away from strategic waste management activities.

The WARR Levy intends to discourage waste to landfill, with a portion of it (not less than 25%) provided to the WARR Account for activities related to the management, reduction, recycling, monitoring or measurement of waste. The Levy is therefore partially a hypothecated tax, in that the revenue raised is earmarked for a specific purpose.

While economists are cautious around the use of earmarked taxes due to the rigidities they impose on the Government's budget, there can be a case for hypothecation in some circumstances. One of the benefits of hypothecation is that it leads to a closer alignment between those who benefit from a service, and those which fund it, as well as providing a signal to the taxpayer about the true cost of funding the particular service. A further benefit (at least, in theory), is that hypothecation imposes a hard budget constraint on the Government. These factors can lead to a level of taxation and spending that is more closely aligned with the public's preferences and that is less subject to the political whims of Governments.

However, if the hypothecated tax only partly funds the services with the remainder covered by general government revenue, these benefits are diluted. This is a key issue for the WARR Levy. With only a proportion of the tax being used for waste services, and further investment needed to assist WA to meet the targets in the State Waste Strategy, taxpayers do not receive a clear signal about the true cost of these activities.

There have been a number of changes to the Levy since the last review of the Policy Statement occurred. The most significant include the introduction of a five year schedule of Levy increases, the introduction of the State Waste Strategy and the Auditor General's Report on the Implementation of the State Waste Strategy. There has also been a move away from charging different levies on putrescible and inert wastes. In the 2018/19 Financial Year, the Levy for both types of waste will be \$70/tonne. No increases to the Levy are scheduled after this date, with the Regulations stating that the Levy will remain at this level from 2019 onwards. However, it is worth noting that the Minister has requested that the Waste Authority undertakes an economic analysis of the Levy. These factors present the sector with an opportunity to discuss and reaffirm, or alternatively amend, its collective position on the Levy.

### 2.1 Waste Levy Application

The *Waste Avoidance and Resource Recovery Levy Act 2007* (WARRL Act) was enacted to impose a Levy on certain wastes. A similar Levy was previously raised under the *Environmental Protection Act 1986*. The Levy applies to waste collected or landfilled in the metropolitan area. In 2009, the WARR and WARRL Acts were amended to change how funds were distributed. Of the Levy funds raised, at least 25% must now be paid into the WARR Account, which is administered by the Waste Authority. The remaining 75% of funds raised through the Levy goes to consolidated revenue.

Funds from the WARR Account are to be applied in line with s80 of the WARR Act 2007:

- (1) Moneys held in the WARR Account are to be applied, in a manner that is consistent with the current business plan or as may be approved by the Minister —*
- (a) to fund programmes relating to the management, reduction, reuse, recycling, monitoring or measurement of waste; and*
  - (b) to fund the preparation, review and amendment of the waste strategy, waste plans under Part 4 and extended producer responsibility schemes and the implementation of that strategy and those plans and schemes; and*
  - (c) in payment of the costs of administering the WARR Account (including the costs of collecting levies and penalties and support and evaluation services); and*
  - (d) to fund the services and facilities referred to in section 36(1)(da); and*
  - (e) in payment of the other costs of the administration and enforcement of this Act, including the remuneration of members of the Waste Authority.*

## 2.2 Waste Levy Funds

Upon its establishment in 2008, a balance of \$11 million was transferred into the WARR Account from its predecessor, the Waste Management and Recycling Account. From 1 July 2008 to 30 June 2016, the WARR Account received \$108 million in Levy payments, and \$9 million in interest and other income.

Concern over the use of WARR Account funds has been repeatedly raised by Local Government. Of the approximately \$117 million funds paid into the WARR Account during the 1 July 2008 to 30 June 2016 period, \$98 million was distributed. As of June 2016, unexpended funds exceeded \$30 million.

It is worth noting that the Waste Authority, Waste Authority Services Unit, Waste Wise Schools, Keep Australia Beautiful WA and any other construct of the Department of Water and Environmental Regulation that delivers waste related administrative or regulatory activities is also now funded from the WARR Account. According to the Office of the Auditor General (2016):

*DER [now DWER] receives approximately \$7 million annually from the WARR Account for purposes such as levy and compliance inspections, administrative support and policy and legislative review. The Waste Authority has sought, but has not received from DER, a detailed breakdown to show that the moneys from the WARR Account for DER administration, compliance and policy have been expended on Waste Authority functions.*

In the 2014-15 Financial Year, only 62% of budgeted WARR Account funds were distributed. For the 2015-16 Financial Year, this dropped to 58% of budgeted items. Overwhelmingly, expenditure was directed towards the activities of the Department. Many of the external parties that received funds, had to submit competitive grant applications that aligned with the limited priorities of the Waste Authority.

Projects from the 2015-16 Business Plan that did not expend allocated funds include the Better Bins Engagement Program and Local Government Waste Plans. Other significant projects where only a portion of allocated funds were spent, include the Recycled C&D Market Development Program and the Better Bins Program. In the Association's Submission on the Auditor General's Report, it was identified that the cause of these issues

was a lack of timely decision making by the Minister, the Department of Environment Regulation and the Waste Authority.

## 2.3 Effectiveness

Applying a Levy on waste to landfill is intended to achieve several outcomes. By increasing the cost of landfill, alternative diversion practices become financially attractive. A Levy also raises funds that can be invested back into strategic waste management initiatives. The Levy has been effective at raising funds, but as noted, a large proportion of these funds have either gone to consolidated revenue or remain unspent.

### *Inert Material*

There is clear evidence that the January 2015 Levy increase (approx. \$8 to \$40/tonne) has driven the diversion of inert material away from landfill. In the 2016 review of the Strategy, the Auditor General commented that 2015 landfill figures had reduced 86%, when compared with 2014 figures. The average amount of inert waste disposed to landfill declined from 266,860 tonnes per quarter in 2014 to 36,930 tonnes per quarter in 2015. This equates to a reduction of over 900,000 tonnes per year. Unfortunately, it is not so clear where this material has been diverted to. Both the regulator (DWER) and industry are concerned that material has been stockpiled, illegally dumped, used as 'fill,' and/or diverted away from the metropolitan area.

### *Putrescible waste*

There has not been such a dramatic diversion of putrescible waste following the January 2015 Levy increase. The Local Government Census for the 2015/16 Financial Year reported a 38% recovery rate for municipal solid waste in the metropolitan area, an increase of 2% on the previous year. Whereas the 2015/16 Recycling Activity Report showed a recovery rate of 36% for municipal solid waste in the metropolitan area, a decrease of 4% from the previous year. The latter figure resulted in negative media for Local Government, as the impression was given that Local Government was not recycling as much as it could. In reality, the Recycling Activity Report did not capture information from all recycling operators, and could well have missed material recycled by Local Government.

Local Government has consistently argued that Levy funds must be reinvested back into waste diversion initiatives in order for it to be effective. A limited reinvestment of Levy funds, coupled with the constant downward pressure on Local Government rates, has meant there are fewer funds available to spend on improving waste management outcomes. Table 1 shows that the 2015 targets in the Waste Strategy were not achieved (Office of the Auditor General, 2016).

Table 1: Baseline, Diversion Targets and recovery rates for Commercial & Industrial, Construction & Demolition and Municipal Solid Waste.

Material Type	Strategy Baseline (2009/10)	2015 Diversion Target	Result – 2015/16
C&I	46%	55%	52%
C&D	29%	60%	42%
MSW (metro)	36%	50%	40%
MSW (regional centres)	15%	30%	24%

## 2.4 Compliance

Alternative disposal options for inert material have clearly become financially attractive following the increase to the Levy. For the Levy to be effective, it is vital that the waste industry is monitored to ensure it is compliant with relevant legislation. At the time of the Levy increase, Local Government requested that resources were allocated to strengthen compliance efforts for the Levy and illegal dumping. Unfortunately these resources were not immediately allocated, which has led to substantial concerns about material being transported outside the metropolitan area for disposal – without paying the Levy. Local Government has also reported increases in illegal dumping. The Department of Water and Environmental Regulation in recent times has substantially increased the resources allocated to Levy compliance and illegal dumping, however this effort will need to be sustained – and proven to be effective – before Local Government confidence in the Department’s regulatory approach is restored.

## 3.0 Items for Discussion

MWAC has reviewed the current Policy Statement and requests sector comment on the following issues. Additional comments from Local Governments on the Waste Levy Policy Statement are also welcomed. The key issues for comment include:

1. Basis for Local Government support for the Levy
2. Application of the Levy to waste generated in the non-metropolitan area
3. Rationale for the Levy
4. Differential Levies
5. Basis for Setting Levy rates
6. Administration of the Levy
7. Funding Scope
8. New Section: Regulation of the Levy

Each section includes the current Policy Statement position, commentary about the need for a change/revision and the proposed change. It should be noted that the Policy Statement provides comment with respect to the existing Waste Levy and how it operates.

### 1. **Basis for Local Government support for the Levy**

#### **Current Policy - Conditional support for Waste Levy**

*Continuing Local Government support for the Levy is subject to the provision (on an ongoing basis) of robust evidence, made available to the public, demonstrating the Levy is achieving its broad objectives, and on a number of conditions regarding the Levy’s operation and the application of Levy funds.*

*A. Support for a Levy that is hypothecated to strategic waste management activities: Local Government strongly opposes the application of the Levy to non-waste management related activities, such as funding State Government core activities. Local Government supports funds from the Levy being applied to strategic waste management activities.*

#### *Comment*

Local Government support of the Levy is conditional on:

- Provision of evidence that the Levy is effective
- The Levy hypothecation to strategic waste management activities.

In relation to evidence that the Levy is effective, data accuracy continues to be an ongoing issue. When consulting on proposed amendments to the WARR Act, the then DER

commented that “In 2012–13 approximately one in five organisations identified as being involved in recycling waste did not respond to the Recycling Activity Report survey.” Conversely, over 90% of Local Governments are reporting their waste management data. The limited degree of reporting from the private sector undermines the evidence base used to measure the Levy’s effectiveness. Questions have been raised on the amount of inert material that is currently stockpiled. In this instance it is clear that the Levy has diverted waste from landfill, but effective action to ensure market development has not occurred.

Currently 75% of the Levy is directed to State Government general revenue. 25% of Levy funds are directed to the WARR Account. While it is Local Government’s strong preference that all funds generated from the Levy are used to support strategic waste management initiatives, it is unlikely that this will occur in the near future.

#### *Case for change?*

Both of the expectations outlined in the current Policy Statement remain relevant. Open and transparent reporting on the effectiveness of the Levy and expenditure on strategic waste management initiatives is still required. The key issue is how both of these factors have been practically managed by the Government.

**Question:** Should the Policy Statement be amended to focus only on the portion of the Levy that is allocated to the WARR Account?

## **2. Application of the Levy to waste generated in the non-metropolitan area**

**Current Policy - There is no support for the Levy to be applied to licensed landfills outside the metropolitan area.**

*Application of the Levy to licensed landfills outside the metropolitan area would prove to be a significant logistical and financial impost on Local Government landfill operators and potentially have severe environmental impacts. Levy application in these areas could increase the frequency of illegal dumping and provide a disincentive to the regionalisation of landfills.*

#### *Comment*

As noted in the Background section of this Discussion Paper, there have been a number of regulatory challenges associated with the increase to the Levy. For example, larger amounts of waste are now transported to the non-metropolitan area, increasing the regulatory requirements and costs of operating non-metropolitan landfills. Applications for new landfills are predominately from outside the metropolitan area and may have different environmental controls required to those located on, or near, the Swan Coastal Plain. The State’s current fiscal environment could mean the Government will seek to increase revenue by applying the Levy to a broader geographic area. This section of the Discussion Paper is intended to inform debate. Feedback is sought from Local Government to inform the Association’s position.

#### **1. Case against applying the Levy to the non-metropolitan area**

There are a range of rationales for why the Levy should not be applied to the non-metropolitan area, including:

- Current expenditure of the Levy
- Range of considerations associated with resource recovery decisions
- Equity of outcome
- Complexity of regulation.

### *Current Expenditure*

Currently, Local Governments must collect the Levy on behalf of State Government. Of the Levy funds collected, 75% funds the general functions of the Government. Of the 25% of the Levy allocated to waste management, only a relatively small proportion is spent on Programs that support Local Government. Given there is currently very limited funding and reinvestment back into Local Government waste management programs, the sector is right to question what benefit an increase would bring. It is likely that the application of the Levy to Regional Centres would result in an increase to rates. If the Levy was to be applied at the same level as the metropolitan area, rates could increase by between 2% to 5.9% (Table 2). This means Local Government would potentially have to increase rates to cover the cost of the Levy or scale back services in other areas to minimise the impacts on rates. Table 2 provides some examples of the cost impact that the Levy could have in Regional Centres. Another approach is the Levy could just be applied to certain regions, which would then not impact the entire non-metropolitan area.

Table 2: Application of the Levy to Regional Centres and potential rate increases.

<b>Regional Centres</b>	<b>Total rates + WARR levy revenue (\$)</b>	<b>% increase</b>
Albany	\$34,057,810	4.1
Broome	\$21,593,285	3.3
Bunbury	\$35,164,866	3.5
Busselton	\$40,441,536	3.3
Carnarvon	\$4,885,433	4.7
Greater Geraldton	\$42,645,842	3.3
Kalgoorlie-Boulder	\$24,098,420	5.9
Karratha	\$38,913,861	2.0
Wyndham East Kimberley (Kununurra)	\$10,491,848	4.2
Mandurah	\$73,734,112	4.6
Port Hedland	\$25,692,371	2.0

### *Decisions about Resource Recovery*

Local Government decisions on the type of resource recovery activity they will undertake are informed by a number of considerations. For example, the cost of waste management options, the type of services that a community wants, as well as available landfill space. The majority of the non-metropolitan area has kerbside recycling services, despite landfill presenting a cheaper waste management option. Food and Garden Organics collection services have also been introduced by some Local Governments. For example, Bunbury, Capel, Collie, and Donnybrook-Balingup, with the Bunbury Harvey Regional Council. This system was provided in response to community demand, and enables these Local Governments to meet the current Waste Strategy diversion targets for 2020.



### *Equity of outcome*

Fees and charges are frequently raised in one area and spent in another. The Federal Assistance Grants for non-metropolitan Local Governments is one example of such an approach. The aim of this Grants Program is to level the playing field and ensure all Australians achieve the same basic level of service provision. Unfortunately Waste Management is not covered by this Program. The Policy Statement already includes a section to show when it is appropriate for funds from the Levy to be expended in the non-metropolitan area (Inter-regional Transfer of Funds).

### *Complexity of Regulation*

There are two approaches to applying the Levy in the non-metropolitan area. The first is to apply the full Levy, and another is to apply a differential Levy. While the latter approach has been used in other States, it could result in a number of complications if applied in WA. Victoria has differential levies for metropolitan and regional areas, with the regional Levy approximately half that of the metropolitan area. NSW uses a similar approach, albeit with a far higher Levy. The Levy for the metropolitan area is \$138.20 (2017/18), with the Levy in the non-metropolitan area \$79.60 per tonne. Applying the full Levy to the non-metropolitan area would avoid this complexity, but would not take into account the different capacity to pay the Levy in the metropolitan versus the non-metropolitan area.

#### *2. Case for applying the Levy to the Non-Metropolitan area*

There could also be a range of rationales for expanding the Levy into the non-metropolitan area, such as:

- Raising additional funding for waste management activities (25% of the Levy is allocated to this)
- Promoting the business case for increased resource recovery in the non-metropolitan area
- Equity - currently the Levy is only paid for metropolitan waste but can be expended in regional areas
- Simplifying the regulation of the Levy.

### *Raising Additional Funding*

An initial analysis indicates that the application of the Levy to the non-metropolitan area will raise an estimated \$17,466,000. This represents a 25% increase in revenue raised through the WARR Levy, bringing the total to \$87,466,000. It equates to an estimated cost of \$84.89 per household. This calculation is based on the average waste disposed of per household in 2015/16<sup>1</sup>. As 25% of the Levy is allocated to the Waste Avoidance and Resource Recovery Account, this could mean an additional \$4.36M for waste management projects and programs.

### *Business Case for Resource Recovery*

Currently in some regional areas landfill costs are relatively low and do not necessarily provide a strong economic driver for diversion of waste. This is particularly significant for the more remote regional centres where costs to recover and potentially transport material for recycling are significant. With an increased cost of landfill it would build the business case for diversion of waste from landfill and resource recovery. As with the metropolitan Local

<sup>1</sup> Fact Sheet 7: Domestic waste generation and recovery per household per capita (undated). Available from [www.wasteauthority.wa.gov.au](http://www.wasteauthority.wa.gov.au)



Governments, there would need to reinvestment of the Levy to fund waste reduction initiatives.

### *Equity*

Currently the Levy is only paid by those in the metropolitan area, however the non-metropolitan area benefits from funding for the WARR Account for certain programs. To promote a more equitable outcome all areas should pay the Levy. One Waste Authority Program, the Recycled Construction Products Program, is only open to metropolitan Local Governments. It could be argued that if the non-metropolitan area was to pay the Levy they could then access all Programs undertaken by the Waste Authority.

### *Simplify Regulation*

By looking at waste it is not readily identifiable as metropolitan or non-metropolitan waste. There is a degree of regulatory complexity associated with requiring the Levy to be paid on metropolitan waste only. If the Levy was applied to all waste, wherever it waste generated or landfilled, avoidance of the Levy would be much more difficult and regulation of the Levy more straightforward.

**Question:** Should the Policy Statement be amended to support the application of the Levy to non-metropolitan areas, and if so, under what circumstances should application of the Levy be considered?

## **3. Rationale for the Waste Levy**

### ***Current Policy – Rationale for the Waste Levy***

*A clear rationale for the Levy is essential for assessing the appropriateness of all policy decisions which relate to the Levy, such as how it is charged, the rate applied and where the money is spent.*

*Primarily for raising strategic funds: The primary rationale for the Levy is that it provides a means of generating secure funding for strategic activities in waste management. For the purposes of the Levy, appropriate strategic activities must be identified by a current State Waste Strategy.*

*Alternative rationale/s: Where State Government identifies an alternative rationale for the Levy, Local Government will only support the alternative rationale to the extent it agrees that the alternative rationale is valid.*

*State Government rationale/s to be clarified and supported: State Government must clearly state, explain, justify and publicly communicate the rationale/s for applying the Levy, particularly if the State Government intends to apply the Levy to non-metropolitan regions.*

### *Comment*

The current Policy Statement identifies that the primary rationale for the Levy should be to secure funding for strategic waste management activities, which are identified in an agreed State Waste Strategy. The Policy Statement notes that other rationales may be considered, based on evidence.

Feedback from the sector indicates the current price of landfill, including the cost of the Levy, is beginning to provide a business case to change waste management practices. However, significant investment is required to make large scale changes. The Better Bins Program provides up to \$30 per household to Local Governments that move to a three bin system. This is only a fraction of the cost associated with such a service change, and may not be enough of an incentive to encourage Local Governments to progress this option.

The rationale of raising funds for waste management activities is undermined if funds are not spent. While the Waste Authority may budget for funds to be expended, there have been a number of cases where this has not occurred. One significant example is the Recycled Construction Products Program, with \$10 million allocated for market development. The Program was launched in September 2015 and only a very small amount of funds have been expended.

#### *Case for Change?*

It is proposed that an additional point be added to this section of the Policy Statement:

- Any funds raised for, and allocated to, strategic waste management activities must be expended in a timely manner.

#### **4. Differential Levies**

##### **Current Policy – Differential Levies**

*Local Government supports the use of different levy rates between putrescible and inert wastes and considers that other distinctions might be considered such as commercial vs domestic, vs contaminated (including Hazardous waste).*

*Differential Levy for residual waste resulting from resource recovery facilities: Local Government supports the application of a reduced Levy to residual waste produced by facilities whose primary purpose is resource recovery. This is consistent with the Levy rationale for supporting strategic waste activities; whilst maintaining an economic driver to reduce residual waste.*

#### *Comment*

The Levy regime has moved away from using a differential Levy as a price signal. Currently, the full Levy amount is applied to residual waste from resource recovery facilities. Recent discussions with Local Government have highlighted there are two views as to whether a differential Levy should be applied to residual materials from resource recovery operations:

*View 1: The full levy should be applied to residuals:* the application of the Levy drives innovation and encourages a more efficient approach to resource recovery.

Additionally, it reduces the administrative burden on both operators and the Department.

*View 2: A differential rate should be applied:* for instances where the limits of affordable technology have been reached and/or a State Government policy decision inhibits further landfill diversion.

#### *Case for Change?*

As the current Levy regime no longer includes a differential Levy and the Department is still working to implement the Levy, it is suggested that the section of the Policy Statement on Differential Levies is removed.

#### **5. Basis for Setting Levy rates**

##### **Current Policy – Basis for Setting Levy Rates**

*Consistent with its views regarding the appropriate rationale for the Waste Levy, Local Government considers that the rate of the Waste Levy should be set by reference to a well defined set of criteria. The criteria which Local Government would support are:*

*Capacity to fund the State Waste Strategy*

*Capacity to achieve stated objectives*

*Capacity to pay the Levy*

### *Comment*

A five year schedule of Levy increases has been introduced in the Regulations. Some Local Governments have expressed support for this initiative, as it provides a degree of certainty in making decisions on services and infrastructure. It is proposed that this section of the Policy Statement be amended to include a five year rolling schedule of Regulated Levy increases to assist Local Governments in planning for any future Levy increases.

### *Case for Change?*

Capacity to Plan: To ensure Local Government can plan and budget for changes to the Levy, and has a firm basis from which to develop business cases on changes to services, at least a five year rolling schedule for the Levy is required.

## **6. Administration of the Levy**

### **Current Policy - Administration by Dedicated Waste Agency**

*Consistent with MWAC's Position Paper on Preferred Structures for Waste Management in Western Australia (Sept 2001), Local Government support for the Levy is predicated on the funds raised being administered by an independent statutory body.*

### *Comment*

The Waste Authority is not currently functioning as an independent Statutory Authority. The WALGA Policy Statement on Waste Management Legislation will soon be reviewed. Pending this review, Local Government's support for a dedicated waste agency could change. Therefore it is recommended that this section is removed from the Policy Statement.

### *Case for change?*

It is proposed that this section of the Policy Statement is removed.

## **7. Funding Scope**

### **Current Policy – Funding Scope**

*The scope of activities and projects able to be funded through the Waste Levy must recognise differences in regional priorities. Such recognition should include acknowledgement that activities of high priority in urban areas may justifiably be ascribed secondary priority in many rural and regional rural areas.*

### *Comment*

In June 2017 MWAC adopted funding principles which outlines Local Government expectations regarding State Government funding programs that support waste management activities. These funding principles are that State Government funding programs should:

1. Provide adequate funding and support for Regional Councils, non-metropolitan and metropolitan Local Governments: This recognises the different needs of Local Governments and Regional Councils based on the geographic location, waste generation rate, population and range of services.
2. Reflect the targets and priorities within the State Waste Strategy: Local Government invests \$279M annually (2014/15 Local Government Census) on waste management related activities, providing a range of waste management services to the community. Local Government considers the Levy should be spent on the State Waste Strategy priorities and targets.
3. Fully fund and acknowledge the life-cycle costs of infrastructure and services: Grant schemes have not traditionally considered the full cost of projects. In particular, the funding of continuous service delivery. Local Government supports funding programs

that demonstrate a commitment to continuous funding for service delivery, as opposed to short-term funding for infrastructure only. In developing funding Programs, the existing contribution of Local Government to waste management activities should be recognised and requirements for co-contribution limited.

4. Facilitate the development and implementation of Product Stewardship Schemes: For waste management to be sustainable in the long term, the onus of responsibility for management of products at end of life needs to shift. The design of products, which ultimately become waste, is controlled by the companies that manufacture them. Local Government considers that a range of Product Stewardship Schemes are essential to ensure producers have more responsibility for end of life product management – both financial and physical.

The review of the Policy Statement provides an opportunity to incorporate these principles into the Policy Statement. The full explanation for the principles is provided in the [Local Government Funding Principles: Waste Management](#).

#### *Case for Change?*

It is suggested that this section be amended as follows:

The scope of activities and projects able to be funded through the Waste Levy must recognise differences in priority. Local Government expects State Government funding programs that support waste management activities to:

1. Provide adequate funding and support for Regional Councils, non-metropolitan and metropolitan Local Governments
2. Reflect the targets and priorities within the State Waste Strategy
3. Fully fund and acknowledges the life-cycle costs of infrastructure and services
4. Facilitate the development and implementation of Product Stewardship Schemes.

### **8. New Section: Regulation of the Levy**

#### ***NEW Policy Position: Regulation of the Levy***

*Without effective regulation, the Levy's ability to raise funds and act as an economic instrument to reduce waste to landfill is negated. The Levy needs to be supported by a comprehensive regulatory regime for both licenced premises and other sites undertaking waste management activities.*

The Levy currently applies to all waste generated, or landfilled, in the Perth metropolitan area (as defined by the Perth Metropolitan Planning Scheme). Some waste from the Perth metropolitan area is now disposed outside of this region. By accepting this material, operators of facilities must pay the Levy, and have a greater level of risk and regulatory burden.

Concern has been expressed by Local Government and the waste industry that commercial waste management operators may be avoiding the Levy by transporting waste for processing and final disposal in the non-metropolitan area. The current Policy Statement is silent on the issue of how the Levy is regulated. This issue has emerged as a vital component of the Levy's effectiveness. To address this, it is proposed that an additional section is added to the Policy.

In other jurisdictions, different approaches have been used in an attempt to address this issue. In NSW, a proximity principle was adopted where it became an offence to transport waste generated in NSW more than 150km from the place of generation, unless the waste was transported to one of the two nearest lawful disposal facilities to the place of generation. This approach attempted to “*address the environmental and human health impacts in NSW*”

*associated with the unnecessary transportation of waste over long distances and ensure local communities play an active role in waste management by taking greater responsibility".* However, as has been publically reported in August 2017, there have been some challenges with implementing this approach.

#### *Case for change?*

A new section of the Policy Statement is proposed, titled *Regulation of the Levy*. Without effective regulation, the Levy's ability to raise funds and act as an economic instrument to reduce waste to landfill is negated. The Levy needs to be supported by a comprehensive regulatory regime for both licenced premises and other sites.

## 4.0 References

Office of the Auditor General (2016). Western Australian Waste Strategy: Rethinking Waste. Available online. <https://audit.wa.gov.au/reports-and-publications/reports/western-australian-waste-strategy-rethinking-waste/>.

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#### *Legislation*

Environmental Protection Act 1986

Waste Avoidance and Resource Recovery Act 2007

Waste Avoidance and Resource Recovery Levy Act 2007

Waste Avoidance and Resource Recovery Regulations 2007

## 5.0 Appendix 1

# Waste Levy Policy Statement

### **Status of this Policy Statement**

This Policy Statement has been prepared by the Municipal Waste Advisory Council and adopted by the Western Australian Local Government Association. The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

The Municipal Waste Advisory Council has been formed through collaboration with Regional Councils who are not ordinary members of the WA Local Government Association. The resulting body effectively represents the views of all Local Government bodies responsible for waste management in Western Australia.

Policy Statements adopted by the WA Local Government Association represent a consolidated viewpoint from local government and may differ from the positions adopted by individual member organisations. The Municipal Waste Advisory Council and the WA Local Government Association will strive to promote this Policy Statement and to act consistently with its contents. Individual Local Governments and Regional Councils are encouraged to support them in this but are not bound by the document.

Policy Statements adopted by the WA Local Government Association are reviewed and new Policy Statements are developed regularly. The latest WA Local Government Association Policy Statements can be obtained from the website: [www.wastenet.net.au](http://www.wastenet.net.au)

In-line with standard MWAC policy, this policy statement will be reviewed at least every 2-years subsequent to this; with any significant developments acting to instigate an earlier review.

### **The Municipal Waste Advisory Council's member organisations are:**

City of Geraldton-Greenough  
Eastern Metropolitan Regional Council  
Mindarie Regional Council  
Rivers Regional Council  
Southern Metropolitan Regional Council  
Western Australian Local Government Association  
Western Metropolitan Regional Council

## Policy Statement on the Waste Levy

<b>Title:</b>	<p><b>Municipal Waste Advisory Council Policy Statement on the Waste Levy</b>  <i>“A Policy Statement to enunciate the Local Government position on Levies charged on the weight or volume of waste received at licensed premises and the application of those funds to waste management activities.”</i></p>
<b>Statement of Policy:</b>	<p><b>1. Context</b>  This policy statement has been developed in a context which includes the following constraints, intentions and insights:</p> <ul style="list-style-type: none"> <li><b>a. Coverage of consensus views</b>  In line with the MWAC Policy Development Framework, this Policy Statement is intended to cover issues where there is substantial commonality of views within Local Government.</li> <li><b>b. Ongoing work in absence of Consensus</b>  Where this commonality of views is absent, MWAC will work to explore and communicate the issues and perspectives and seek to reach consensus.</li> <li><b>c. Limited Lifespan</b>  This Policy Statement will be reviewed again within two years subsequent to its endorsement; with any significant developments acting to initiate an earlier review.</li> <li><b>d. Alternative mechanisms are recognised</b>  A range of alternative instruments could be used to capture funding for waste management that use waste generating behaviour as the fundamental criterion for contribution to the funds. These could include levies directly upon waste sent to landfill, ESL (Environmental Services Levy) style levies, and advance disposal fees. The potential advantages of some of these instruments over aspects of the Waste Levy instrument are recognised.</li> <li><b>e. Policy Statement speaks to Existing Mechanism</b>  This Policy Statement provides comment with respect to the existing Waste Levy. Hence certain comments should be taken to reflect upon this particular method of implementation rather than acceptance of the principle of taxing waste generation per se.</li> </ul> <p><b>2. Conditional support for Waste Levy</b>  Continuing Local Government support for the Levy is subject to the provision (on an ongoing basis) of robust evidence, made available to the public, demonstrating the Levy is achieving its broad objectives, and on a number of conditions regarding the Levy’s operation and the application of Levy funds.</p> <ul style="list-style-type: none"> <li><b>a. Support for a Levy that is hypothecated to strategic waste management activities</b>  Local Government strongly opposes the application of the Levy to non-waste management related activities, such as funding State Government core activities. Local Government supports funds from the Levy being applied to strategic waste management activities.</li> <li><b>b. There is no support for the Levy to be applied to waste received at licensed premises whose primary purpose is resource recovery</b>  Local Government strongly opposes the application of the Levy to waste delivered to licensed premises which have, as a primary purpose, resource recovery (such as materials recovery facilities (MRFs), green waste processing facilities and alternative waste treatment (AWTs) facilities). Local Government will consider the appropriateness of the Levy being applied to waste delivered to other types of licensed premises (for example mine dumps) on a case-by-case basis.</li> <li><b>c. There is no support for the Levy to be applied to licensed landfills outside the metropolitan area</b></li> </ul>

Application of the Levy to licensed landfills outside the metropolitan area would prove to be a significant logistical and financial impost on Local Government landfill operators and potentially have severe environmental impacts. Levy application in these areas could increase the frequency of illegal dumping and provide a disincentive to the regionalisation of landfills.

**3. Rationale for the Waste Levy**

A clear rationale for the Levy is essential for assessing the appropriateness of all policy decisions which relate to the Levy, such as how it is charged, the rate applied and where the money is spent. In addition, any funds raised for, and allocated to, strategic waste management activities must be expended in a timely manner.

**a. Primarily for raising strategic funds**

The primary rationale for the Levy is that it provides a means of generating secure funding for strategic activities in waste management. For the purposes of the Levy, appropriate strategic activities must be identified by a current State Waste Strategy.

**b. Alternative rationale/s**

Where State Government identifies an alternative rationale for the Levy, Local Government will only support the alternative rationale to the extent it agrees that the alternative rationale is valid.

**c. State Government rationale/s to be clarified and supported**

State Government must clearly state, explain, justify and publicly communicate the rationale/s for applying the Levy, particularly if the State Government intends to apply the Levy to non-metropolitan regions.

**4. Inter-regional Transfers of Funds**

The application of Levy funds to projects in areas where the Levy is not raised may be acceptable to Local Government where there is a justified business case consistent with the State Waste Strategy. In determining that the transfer of funds from levy-paying residents to fund waste management projects outside their community is justified, the State Government should consider whether projects have the capacity to deliver substantial benefits to the State in terms of environmental impacts and efficiencies.

**5. Local Government Claim on Funds**

A fixed proportion of monies collected from Local Government should be made available to Local Government on a first call basis in the form of project money to support the objectives of the State Waste Strategy. Currently, under Section 4 (2 d) of the Waste Avoidance and Resource Recovery Levy Act 2007, Local Government can claim "reimbursement of administrative costs incurred by the person, organisation or licensee collecting the levy".

**6. Basis for Setting Levy Rates**

Consistent with its views regarding the appropriate rationale for the Waste Levy, Local Government considers that the rate of the Waste Levy should be set by reference to a well defined set of criteria. The criteria which Local Government would support are:

**a. Capacity to fund the State Waste Strategy**

It is necessary that the Levy rate(s) is/are set such that the annual objectives identified under the State Waste Strategy can be funded. Local Government recognises that total annual expenditures may sometimes exceed and at other times fall below the total revenues raised by the Levy. It is also appropriate that funds from Consolidated Revenue be used to achieve State Government objectives.



	<p><b>b. Capacity to achieve stated objectives</b>  The State Government may indicate that it will use the Levy to achieve objectives other than the generation of funds for strategic activities. If so, then the State Government must give valid reasons to show how a change in the Levy will support those objectives before Local Government would support the use of Levy funds. For instance, State Government may consider that at a higher rate, the Levy will discourage landfilling of some waste types, but this belief should be supported with something more than anecdotal evidence and also demonstrate that there would not be other financial imposts on Local Government such as an increase in illegal dumping that would need to be cleaned up.</p> <p><b>c. Capacity to pay the Levy</b>  The State Government must take into account the capacity of Local Governments and their communities to pay the Levy. This capacity to pay the levy is affected by social, economic and political constraints.</p> <p><b>d. Capacity to Plan</b>  To ensure Local Government can plan and budget for changes to the Levy, and has a firm basis for business cases to change service provision, at least a 5 year rolling schedule for the Levy is required.</p> <p><b>7. Funding from the Levy</b>  The scope of activities and projects able to be funded through the Waste Levy must recognise differences in regional priorities. Local Government strongly supports funding programs that:</p> <ol style="list-style-type: none"> <li>1. Provide adequate funding and support for Regional Councils, non-metropolitan and metropolitan Local Governments</li> <li>2. Reflect the targets and priorities within the State Waste Strategy</li> <li>3. Fully funds and acknowledges the life-cycle costs of infrastructure and services</li> <li>4. Facilitate the development and implementation of Product Stewardship Schemes.</li> </ol> <p><b>8. Regulation of the Levy</b>  Without effective regulation, the Levy's ability to raise funds and act as an economic instrument to reduce waste to landfill is negated. The Levy must be supported by a comprehensive regulatory regime for both licenced premises and other sites.</p>
<b>Date of Adoption</b>	2005 Amended February 2008 Amended November 2009
<b>Associated Policies:</b>	Policy Statement on Waste Management Legislation (2004) Policy Statement on Extended Producer Responsibility (June 2008)
<b>Definitions</b>	<p><b>ESL style levies</b>  The <u>Emergencies Services Levy</u> (ESL) raises funds to pay for the operations of the Fire and Emergency Services Authority and is charged against landholders. The ESL is calculated as the Gross Rental Value of the property multiplied by the rate applicable to that region of the state. Regions of WA have been divided into categories based on the level of emergency services available in those regions. The rate is higher in regions which enjoy a higher level of emergency services.</p> <p><b>Resource Recovery</b>  Resource recovery is defined as any waste management operation that diverts a waste material from the waste stream and which results in a certain product with a potential economic or ecological benefit. Resource recovery mainly refers to the following operations:</p> <ul style="list-style-type: none"> <li>• material recovery, i.e. recycling</li> <li>• energy recovery, i.e. re-use a fuel</li> <li>• biological recovery, e.g. composting</li> </ul>

- re-use.

**State Waste Strategy**

The State Waste Strategy refers to the *Western Australian Waste Strategy 'Creating the Right Environment'*.

**The Waste Levy**

References to “the Waste Levy” are references to the *Waste Avoidance and Resource Recovery Levy (WARRL) Act 2007*. The existing Levy is charged on the basis of tonnes of waste received at Metropolitan landfill sites plus tonnes of Metropolitan waste received at non-Metropolitan landfill sites.

**End of Policy Statement**

8. **New Business of an Urgent Nature**
9. **Applications for Leave of Absence**
10. **Motions of Which Previous Notice Has Been Given**
11. **Questions from Members without Notice**
12. **Meeting Closed**
  - 12.1 Matters for which the meeting may be closed
  - 12.2 Public reading of resolutions that may be made public
13. **Closure**

**Next Meeting** - Ordinary Meeting 19 July 2018