



Shire of Harvey

**CORPORATE SERVICES
COMMITTEE
AGENDA**

14th May 2019

SHIRE OF HARVEY

CORPORATE SERVICES COMMITTEE

Dear Councillor,

Notice is hereby given that the next meeting of the Corporate Services Committee will be held on Tuesday, 14th May 2019, in the Council Chamber, Young Street, Harvey, commencing at 2:00p.m.

The business to be transacted is shown in the Agenda hereunder.

Yours faithfully,



ANNIE RIORDAN
CHIEF EXECUTIVE OFFICER

10th May 2019

AGENDA

1. **OFFICIAL OPENING**
2. **RECORD OF APOLOGIES**
3. **DECLARATIONS OF MEMBERS' AND OFFICERS' PERSONAL INTEREST**
4. **RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**
5. **PUBLIC QUESTION TIME**
6. **PETITIONS/DEPUTATIONS/PRESENTATIONS**

7. CONFIRMATION OF PREVIOUS MINUTES**7.1 CORPORATE SERVICES COMMITTEE MEETING – Tuesday, 23rd April 2019.**

The Minutes of the Corporate Services Committee Meeting held on Tuesday, 23rd April 2019, are attached hereto.

ATTACHMENT

Recommendation:

That the Minutes of the meeting held on Tuesday, 23rd April 2019, as attached, be confirmed as a true and correct record.

8. REPORTS OF OFFICERS

8.1	Financial Statement for the Period Ending 30 th April 2019 – Shire of Harvey (CCC062).	4
8.2	Debtors Reconciliation – Shire of Harvey (FMS006).	5
8.3	Statement of Investments – Shire of Harvey (FMS006).	6
8.4	Accounts for Payment including Electronic Funds Transmission and Credit Card Payments – Shire of Harvey (FMS006).	6
8.5	Major Projects – Status Report – Shire of Harvey (FMS006).	6
8.6	Schedule of Fees and Charges for 2019/20 - Shire of Harvey (FMH001)	7
8.7	Request for Rates Concession 2018/19 Financial Year - Binningup Nominees Pty Ltd - Lots 194, 195, 199, 200, 9005 & 8002 Binningup – Public Open Space – Footpaths (FM/R/012)	9
8.8	Southern Seawater Desalination Plant Community Benefits Package – Budget Submissions - Binningup Community Groups - Shire of Harvey (F000211)	11

9. MATTERS BEHIND CLOSED DOORS**10. CLOSURE OF MEETING**

8. REPORTS OF OFFICERS

Item No.	8.1
Subject:	Financial Statements for the Period Ending 30th April 2019
Proponent:	Shire of Harvey
Location:	Shire of Harvey
Reporting Officer:	Finance Manager
File No.:	CC/C/062

Summary

Presented by way of attachment are the Financial Statements as at the 30th April 2019.

The following key balances are provided to assist in reporting the Shire's financial performance.

It is recommended Council receive the Financial Statements (refer **Attachment 1**).

	ACTUAL YTD	BUDGET FULL YEAR	VARIANCE
Operating Statement			
Ordinary Revenue	\$36,383,630	\$39,823,177	\$3,439,547
Ordinary Expenditure	\$32,854,863	\$45,745,437	\$12,890,574
Capital Revenue	\$3,608,306	\$12,606,704	\$8,998,398
Capital Expenditure	\$3,636,801	\$17,478,161	\$13,841,360
End of Period Profit / (Loss)	\$15,234,336		

Statement of Financial Position

Current Assets	\$51,668,930
Net Assets	\$477,459,670

Background

In accordance with the provisions of Section 6.4 of the *Local Government Act 1995*, and Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*, a Local Government is to prepare each month a Statement of Financial Activity (refer **Attachment 1**) reporting on the revenue and expenditure as set out in the Annual Budget under Regulations 22 (1)(d) for the month.

Comment

Any material variances are highlighted in the Operating Statement and included by way of Note to the Operating Statement (as attached).

Attached to the Agenda is a copy of:

- Total Municipal Revenue and Expenditure - graph
- Statement of Cash at Bank – Loans
- Statement of Cash at Bank – Reserves
- Statement of Cash at Bank – Trust
- Current Ratio – graph
- Outstanding Rates – graph
- Current Account Coverage - graph

Statutory/Policy Environment

Section 6.4 of the *Local Government Act 1995*, requires financial reports to be prepared as prescribed.

Local Government (Financial Management) Regulation 1996, Regulation 34 prescribes the monthly financial reporting requirements of Council.

Strategic Framework

Within the Shire's Strategic Community Plan 2017 – 2027, Strategy 4.3.4 states:

“Monitor and ensure compliance with the regulatory framework for Local Government Business.”

Risk Management

The Risk Theme Profile identified as part of this report is ***Providing Inaccurate Advice/Information***. There is no Consequence associated as Council is receiving financial information only with no recommendation on action or intervention.

Budget Implications

Review of the monthly accounts aids in ensuring works and services are undertaken and the Shire operates within its adopted Budget.

Officer's Recommendation

That Council receives the Financial Statements as at the 30th April 2019.

Item No.	8.2		
Subject		Debtors' Reconciliation	
Proponent:		Shire of Harvey	
Location:		Shire of Harvey	
Reporting Officer:		Finance Manager	
File No.:		FMS006	CONFIDENTIAL ATTACHMENT

Attached to the Agenda is the Debtors' Reconciliation as at the 30th April 2019.

Total of Debtors Submitted	\$434,744.92
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Officers Recommendation

That Council receives the Debtors' Reconciliation as at the 30th April 2019, showing the balance of \$434,744.92.

Item No.	8.3		
Subject		Statement of Investments	
Proponent:		Shire of Harvey	
Location:		Shire of Harvey	
Reporting Officer:		Finance Manager	
File No.:		FMS006	ATTACHMENT

Attached to the Agenda is a Statement of Investments.

Officers Recommendation

That Council receives the Statement of Investments as at the 30th April 2019.

Item No.	8.4			
Subject		Accounts for Payment including	Electronic	Funds
		Transmission and Credit Card Payments		
Proponent:		Shire of Harvey		
Location:		Shire of Harvey		
Reporting Officer:		Finance Manager		
File No.:		FMS006		ATTACHMENT

The following list of accounts paid is submitted for consideration:

<u>Voucher</u>	<u>Amount</u>
Schedule of Accounts	
Trust	Chq 3230 \$6,462.96
Municipal	EFT 44527 – EFT 44928 \$2,969,818.04
	116686 – 116705 \$44,252.71
	DD18617.1 – DD18690.22 \$126,509.12
Electronic Funds Submitted	\$1,037,447.90
CBA Credit Card	\$3,138.92
Total	\$4,187,629.65

Officers Recommendation

That Council receives the above list of accounts paid totalling \$4,187,629.65.

Item No.	8.5		
Subject		Major Projects – Status Report	
Proponent:		Shire of Harvey	
Location:		Shire of Harvey	
Reporting Officer:		Finance Manager	
File No.:		FMS006	ATTACHMENT

Attached to the Agenda is a schedule showing the progress of the Major Works of the Shire.

Officers Recommendation

That Council receives the Major Projects – Status Report as at the 30th April 2019.

Item No.	8.6
Subject:	Schedule of Fees and Charges for 2019/20
Proponent:	Shire of Harvey
Location:	Shire of Harvey
Reporting Officer:	Finance Manager
File No.:	FMH001

Summary

The Schedule of Fees and Charges is attached for Council to consider for the 2019/20 financial year (refer **Attachment 1**). The majority of fees and charges have not increased due to the current low inflation rate.

The most predominant fee or charge listed in the Schedule of Fees and Charges is the rubbish charge. This charge is applicable to the majority of properties in the Shire and as such Staff highlight the proposed rubbish charges which are as follows:

Urban Rubbish Charge

\$344 per annum for the weekly removal of one (1) 240L mobile 'Organics' garbage bin, fortnightly removal of one (1) 240L mobile 'General Waste' garbage bin and fortnightly removal of one (1) 240L mobile 'Recycling' bin plus one (1) tip pass (includes four (4) standard tip entries).

Industry Rubbish Charge

\$194 per annum for the weekly removal of one (1) 240L mobile garbage bin.

Additional Rubbish Service Charge

\$115 per annum for the additional fortnightly removal of one (1) 240L mobile garbage bin.

Rural Rubbish Charge

\$105 per annum for a rural rubbish charge on those rural properties which do not have a weekly 240L mobile garbage bin service – this provides one (1) tip pass which allows 52 standard tip entries.

Comment

Listed below is a comparison of the past (2) two years of rubbish charges compared to the proposed 2019/20. The increase in the Urban Rubbish Charge from 2018/19 to the proposed 2019/20 charge allows for the introduction of an organics rubbish collection as well as increases to recycling processing costs.

	<u>2017/18</u>	<u>2018/19</u>	<u>Proposed 2019/20</u>
<i>Urban Rubbish Charge</i>	\$250	\$255	\$344
<i>Industry Rubbish Charge</i>	\$250	\$255	\$194
<i>Additional Rubbish Service Charge</i>	\$250	\$255	\$115 (Inc. GST)
<i>Rural Rubbish Charge</i>	\$102	\$104	\$105 (Inc. GST)

The breakdown of the increase in the Urban Rubbish Charge is as follows;

2018/19 Urban Rubbish Charge	-	\$255
Plus – Cost of new organics bin service	-	\$66
Plus – provision for recycling cost increase	-	\$20
CPI calculated at 1.1%	-	<u>\$3</u>
		\$344

The reduction in the Industrial Rubbish Charge and the Additional Rubbish Service reflects the fact that these services excludes both Organic and Recycling services. By way of note, the rubbish pick-up and dumping contractor charges are due to increase by CPI which for Perth from March 2018 – March 2019 was 1.1%.

Of those other fees and charges the majority of amendments relate to the Gibbs Pool Amphitheatre fees, Benger Hall fees, Leschenault Leisure Centre fees and some Building Permit fees.

Statutory/Policy Environment

Waste Avoidance and Resources Recovery Act 2007 – provides authority for the Shire to collect refuse waste and to recoup the cost of same.

Planning and Development Regulations 2009, Schedule 2 – provides the maximum fees for local government planning services.

Local Government Act 1995, Section 6.16 – allows for the imposition of fees and charges by Council by Absolute Majority.

Local Government Act 1995, Section 6.17 – gives guidance in determining the level of fee or charge (i.e. taking into account the cost to the Local Government in providing that service or good).

Strategic Framework

Within the Shire’s Strategic Community Plan 2017 – 2027, Strategy 4.5.2 states:

“Monitor existing and develop new revenue streams.”

Risk Management

The Risk Theme Profile identified as part of this report is ***Providing Inaccurate Advice/information***. The Consequence could be “Financial” and “Reputational” should an appropriate or unrealistic fee be adopted by Council. The risk is mitigated by the report being thoroughly researched, reviewed and provided by a qualified Shire Officer. As such it is considered that a LOW risk is present.

Budget Implications

The proposed Schedule of Fees and Charges has allotted income streams included as part of the 2019/20 Draft Budget.

Rubbish Charge

The application of a rubbish charge is to provide sufficient funds to carry out that service. The intent of this charge is not to provide additional surplus or subsidy to the Shire's general rates.

Officer's Recommendation

That Council adopts the attached Schedule of Fees and Charges within the Shire of Harvey for the 2019/20 financial year, effective from 1st July 2019 (refer **Attachment 1**), along with the following rubbish charges:

Urban Rubbish Charge

\$344 per annum for the weekly removal of one (1) 240L mobile 'Organics' garbage bin, fortnightly removal of one (1) 240L mobile 'General Waste' garbage bin and fortnightly removal of one (1) 240L mobile 'Recycling' bin plus one (1) tip pass (includes four (4) standard tip entries).

Industry Rubbish Charge

\$194 per annum for the weekly removal of one (1) 240L mobile garbage bin.

Additional Rubbish Service Charge

\$115 per annum for the additional fortnightly removal of one (1) 240L mobile garbage bin.

Rural Rubbish Charge

\$105 per annum for a rural rubbish charge on those rural properties which do not have a weekly 240L mobile garbage bin service – this provides one (1) tip pass which allows 52 standard tip entries.

ABSOLUTE MAJORITY REQUIRED

Item No.	8.7
Subject:	Request for Rates Concession 2018/19 Financial Year
Proponent:	Binningup Nominees Pty Ltd
Location:	Lots 194, 195, 199, 200, 9005 & 8002 Binningup – Public Open Space - Footpaths
Reporting Officer:	Finance Manager
File No.:	FM/R/012

Summary

The developers of Peppertree Lakes Estate Binningup – Binningup Nominees Pty Ltd have made a written application for a rates concession for 2018/2019 on the abovementioned lots within this subdivision. It is recommended that the concession be approved.

Background

In January 2018, Council granted a Rates Concession on this land and resolved:-

1. That Council grants a concession of \$388.98 in accordance with Section 6.47 of the *Local Government Act 1995* on the general rates on Lots 194, 195, 199, 200 and 8002 – Binningup Public Open Space for the period 1st July 2017 to 30th June 2018, based on the percentage of the land area used for “Public Open Space”; and
2. That Council invites the developer to make a written application in May each year informing Council of any changes to the use of the land or any transfers to the Crown and applying to Council to consider a concession for the next rating year relating to Lots 194, 195, 199, 200, 9005 and 8002.

The land is in the ownership of Binningup Nominees Pty Ltd and is currently rateable land under Section 6.26 of the *Local Government Act 1995* (“the Act”). The subdivision development is covered by the Shire of Harvey Town Planning Scheme No. 12 – Peppertree Lakes Guided Development Scheme.

The developer has advised that Lots 194, 195, 199, 200, 9005 and 8002 are Public Open Space (POS) lots that have footpaths running through them and have not been transferred to the Crown at this time.

Under Clause 3.7 of the Peppertree Lakes Guided Development Scheme the POS shall be vested in the Crown.

When POS land is vested in the Crown, the land automatically becomes non-rateable land under section 6.26(2)(a)(i) of the Act.

Section 6.26 (2) “The following land is not rateable land-
(a) Land which is the property of the Crown and
(i) Is being used or held for a public purpose.”

Comment

Staff agrees that the POS should be exempt from rates because in a standard subdivision of land the POS is vested in the Crown under the *Planning and Development Act 2005* when the WA Planning Commission approves the survey.

Staff believe that the basis for estimating the concession should be the Total Rates on the Land divided by the total area of the estate (57.1737ha) multiplied by the area of lots 194, 195, 199, 200, 9005 and 8002, (1.7186ha). i.e. 2018/2019 Rates \$13,264.04 / 57.1737 X 1.7186 = \$398.70.

Statutory/Policy Environment

Applications for rate concession can only be considered under Section 6.47 of the *Local Government Act 1995* which states:-

“a Local Government may at the time of imposing a rate or service charge or at a later date resolve to waive (**Absolute majority required**) a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.”

Strategic Framework

Within the Shire's Strategic Community Plan 2017 – 2027, Strategies 4.3.4 and 4.5.3 state:

4.3.4 “Monitor and ensure compliance with the regulatory framework for local government.”

4.5.3 “Review rating strategies.”

Risk Management

The Risk Theme Profile identified as part of this report is **Failure to fulfil Compliance Requirements** and the Consequence is Financial Impact. The controls in place have determined that the Risk Rating for this matter is "Insignificant" therefore there is no treatment proposed.

Budget Implications

The total of this application for rates concession is \$398.70 which is calculated as a percentage of the land used for public open space.

Officer's Recommendation:

That Council;

1. Grants a concession of \$398.70 in accordance with Section 6.47 of the *Local Government Act 1995* on the general rates on Lots 194, 195, 199, 200, 9005 and 8002 – Binningup Public Open Space for the period 1st July 2018 to 30th June 2019, based on the percentage of the land area used for “Public Open Space”; and
2. Invites the developer to make a written application in May each year informing Council of any changes to the use of the land or any transfers to the Crown and applying to Council to consider a concession for the next rating year relating to Lots 194, 195, 199, 200, 9005 and 8002.

ABSOLUTE MAJORITY REQUIRED

Item No.	8.8
Subject:	Southern Seawater Desalination Plant Community Benefits Package – Budget Submissions
Proponent:	Binningup Community Groups
Location:	Shire of Harvey
Reporting Officer:	Finance Manager
File No.:	F000211

Summary

The Shire received funding from the Water Corporation that is to be used for the benefit of the Shire's Coastal communities in and around the town sites of Binningup and Myalup. The funds have been placed into a specific Reserve Account for that purpose and are managed by the Shire. Three (3) funding submissions have been received and are presented for consideration as part of the Shire's 2019/20 Budget process.

Background

The Community Benefits Package was provided by the Water Corporation, as a result of the Southern Seawater Desalination Plant project. It has been set up as a long term reserve fund, managed and operated by the Shire of Harvey for the benefit of the residents in and around the towns of Binningup and Myalup. In accordance with an agreement between the Shire of Harvey and the Water Corporation the funds are not to be used for normal operational or maintenance activities.

Incorporated community groups within Binningup and Myalup have been invited to apply for funding through the Community Benefits Package Program for projects that provide a benefit to their local communities. In line with previous practice, the 2019 funding round was advertised in local papers and on the Shire's website. Applications closed on 15th March, 2019 and three (3) submissions were received.

When considering potential Community Benefits Package funding allocations Council should be mindful that the fund is intended to be sustainable in the long term and provide a potential source of funds for worthwhile community projects in the years to come. In the current low interest climate, it is important to maintain a reasonable balance and avoid a situation whereby minimal interest is being generated to top up the fund.

Comment

A summary of the grant applications received is provided in the table below. All amounts are exclusive of GST.

Applicant	Project Description	Project Budget	Applicant Request	Amount Recommended
Binningup Community Association	Outdoor furniture for new Patio	\$8,388	\$4,194	\$4,194
Binningup Christian Youth Camp	New chain mesh fence and gates on northern boundary.	\$9,350	\$8,600	\$6,000
Binningup Bowling Club	Replace synthetic grass on "B" Green.	\$168,500	\$84,250	\$84,250
Totals		\$186,238	\$97,044	\$94,444

The following comments are made with regard to each application:

Binningup Community Association

The Binningup Community Association (BCA) is seeking a grant of \$4,194 (50%) towards the cost of purchasing outdoor furniture for the new patio recently installed on the north side of the Country Club building.

The BCA has previously received grants totalling \$291,263 from the Community Benefits Package since 2010 for various projects including a major grant of \$110,380 for the Binningup Foreshore and playground in 2011-12. The requested small grant for the purchase of outdoor furniture for the new patio is supported.

Binningup Christian Youth Camp

This application is seeking funding for the provision of a new 1.5 metre high PVC coated chain mesh fence on the northern boundary of the Binningup Christian Youth Camp (BCYC) in Valentine Road, Binningup. The provision of a suitable fence has been requested by a number of users and potential users of the camp as a safety measure to restrict young children from leaving the property.

Aside from an in-kind contribution of \$750 from BCYC to remove some old posts and existing fencing, the application does not propose any other financial contribution towards the project. The recommended grant of \$6,000 would cover approximately 70% of the cost of the proposed new fence, leaving the Binningup Christian Youth Camp to contribute \$2,600 cash plus \$750 in-kind.

Binningup Bowling Club

The Club is seeking a 50% contribution towards the replacement of the existing synthetic surface of the "B" Green at the Binningup Bowling Club. The original surface was installed in 2010 and is nearing the end of its lifespan. The drainage system that was installed at the time has failed and some depressions have appeared in the surface. In its current state the surface is not suitable for competition bowls.

The proposed scope of works includes removing the existing drainage system and replacing with a new "Megaflow" drain system, hand screed the base and install new a synthetic surface to Bowls Australia's specifications. The type of synthetic grass surface proposed is the same as that recently installed at the Harvey Bowling Club which has been very well received.

The Club has set aside funds for the replacement of the surface and is able to contribute \$84,250 (50%) towards the cost of the new synthetic surface.

Statutory/ Policy Environment

Southern Seawater Desalination Plant Community Benefits Package Agreement 2009 – provides guidelines in allocating and managing the Coastal Communities Reserve Account

Strategic Framework

Within the Shire's Strategic Community Plan 2017 – 2027, Strategies 3.1.2 and 3.1.3 state:

- 3.1.2 *"Continue to actively engage local community groups to understand needs, improve facilities and source grant funding."*
- 3.1.3 *"Continue to provide facilities and services to support local community organisations."*

Risk Management

The Risk Theme Profile identified as part of this report is ***Providing Inaccurate Advice/information***. The Consequence could be "***Reputational***" should Council not adopt the recommendation to support the grant applications. The Consequence rating is considered "Minor" and the likelihood "Unlikely", therefore the Risk is deemed to be LOW.

Budget Implications

Funding for these applications can be made from the Coastal Communities Reserve Account, which has a projected year end closing balance of \$1,378,995. This report recommends total expenditure of \$94,444 from the reserve in 2019-20.

Officer's Recommendation

That Council lists for consideration of funding in its 2019/20 Draft Budget the following allocations from the Coastal Communities Reserve Fund:

Applicant	Project Description	Amount \$
Binningup Community Association	Outdoor furniture for new Patio	\$4,194
Binningup Christian Youth Camp	New chain mesh fence on northern boundary	\$6,000
Binningup Bowling Club	Replace synthetic grass on "B" Green.	\$84,250
	Total	\$94,444