

# Ordinary Council

# AGENDA

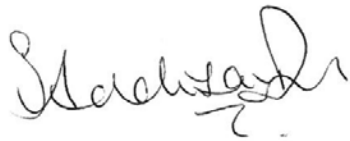
FOR THE MEETING TO BE HELD  
WEDNESDAY, 11 MARCH 2020  
IN COUNCIL CHAMBERS,  
ALLNUTT TERRACE, AUGUSTA  
COMMENCING AT 5:30PM

## Meeting Notice

Dear Councillor

I advise that an Ordinary Council Meeting of the Shire of Augusta Margaret River will be held in Council Chambers, Allnutt Terrace, Augusta on Wednesday 11 March 2020, commencing at 5:30pm.

Yours faithfully



**STEPHANIE ADDISON-BROWN**  
**CHIEF EXECUTIVE OFFICER**

## **ATTENTION/DISCLAIMER**

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

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# Ordinary Council Meeting

1. **DECLARATION OF OPENING**
2. **ATTENDANCE**
3. **DISCLOSURES OF INTEREST**
4. **PUBLIC QUESTIONS**
  - 4.1. **Response to Previous Public Questions Taken on Notice**
  - 4.2. **Public Question Time**
5. **APPLICATIONS FOR LEAVE OF ABSENCE**
6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
  - 6.1 **Ordinary Council Meeting held 26 February 2020**
7. **DEPUTATIONS**
8. **PETITIONS**
9. **ANNOUNCEMENTS FROM THE PRESIDING MEMBER**
10. **QUESTIONS FROM MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**
11. **REPORTS OF COMMITTEES AND EMPLOYEE REPORTS**

# 11.1. Chief Executive Officer

**11.1. CHIEF EXECUTIVE OFFICER**

Nil

# 11.2. Sustainable Development



**11.2.1 BUSH FIRE ADVISORY COMMITTEE MEETING - 19 FEBRUARY 2020**

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<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	EMS/4
<b>REPORT AUTHOR</b>	Adam Jasper, Community Emergency Services Manager
<b>AUTHORISING OFFICER</b>	Dale Putland, Director Sustainable Development

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**IN BRIEF**

- On 19 February 2020, the Bush Fire Advisory Committee (BFAC) held its first meeting of the year.
- Shire Chief Executive Officer (CEO), Stephanie Addison-Brown, clarified the Shire's Media Policy and process.
- Shire Community Emergency Services Manager (CESM), Adam Jasper, provided information regarding the Main Street Makeover Project.
- Mr Jasper also provided information regarding the Shire's planned Hazard Reduction Burn Program for autumn 2020.
- Chief Bush Fire Control Officer (CBFCO), David Holland, informed the meeting of the outcome of the recent donation from the Lions Club of Margaret River.
- Wallcliffe Brigade Delegate, Gordon Temby, proposed a motion regarding a request for funding from the State Government for a full time Bushfire Risk Management Planner.
- Karridale Bush Fire Brigade (BFB) Captain, Peter Warrilow, proposed a motion regarding the Council decisions on the transfer of Wallcliffe and Rosa Brook Bush Fire Brigades to DFES management.

**COMMITTEE RECOMMENDATIONS**

That Council:

1. Receives the unconfirmed minutes of the Augusta Margaret River Bush Fire Advisory Committee (BFAC) meeting held 19 February 2020 and takes note of the motions;
2. Requests the CEO to approach the State Government in regard to funding to employ a full time Bushfire Risk Management Planner for the Shire of Augusta Margaret River for the new financial year;
3. Notes the Bush Fire Advisory Committee's disappointment in Council going back on the original decision to end the discussion around Brigades transitioning to management by DFES;
4. Notes that BFAC's view is that by reopening the discussion for two Brigades to transfer to DFES, Councillors have failed to consider the impact of this decision on the other eight Brigades and the division that this decision is causing;
5. Revokes the following decisions:

*MOTION / COUNCIL DECISION*

*CR MCLEOD, CR MELDRUM OM2019/220*

*That Council, in principle, supports the transition of Wallcliffe Fire Brigade to DFES Volunteer Fire and Emergency Services brigade and requests the CEO to enter discussions with the DFES Commissioner in regards to the transition.*

*CARRIED 7/0*

---

and:

*PRIMARY MOTION / COUNCIL DECISION*

*CR MELDRUM, CR MCLEOD OM2020/17*

*That Council, in principle, supports the transition of Rosa Brook Fire Brigade to DFES Volunteer Fire and Emergency Services brigade and requests the CEO to enter discussions with the DFES Commissioner in regards to the transition.*

*CARRIED 5/2*

*CRS EARL AND KENNAUGH VOTED AGAINST*

---

and reverts back to original decision:

*ALTERNATIVE MOTION / COUNCIL DECISION*

*CR EARL, CR MELDRUM OM2019/199*

*That Council:*

- 1. Does not proceed with transition to DFES; and*
- 2. Thanks BFAC and the Steering Committee for their hard work over six years in exploring the options.*

*CARRIED 7/0*

---

made on 25 September 2019, which was made to prevent disunity and was made following a rigorous discussion process; and

6. Consults the remaining eight Brigades with respect to any impact of the proposed transitions of two Brigades to DFES should Recommendation 5 not be supported.
- 

**LOCATION PLAN**

Nil

**TABLED ITEMS**

Nil

**BACKGROUND**

The Bush Fire Advisory Committee meetings are held quarterly on the third Wednesday of the month.

**CONSULTATION AND ADVICE**

**External Consultation**

BFAC delegates

**Internal Consultation**

Chief Executive Officer

Director Sustainable Development

Community Emergency Services Manager

Ranger Services

**DISCUSSION / OFFICER COMMENTS**

Please note the following Motions proposed at the BFAC meeting held 19 February 2020:

**MOTION/BFAC DECISION BFAC2020/02**

That BFAC requests Council approach the State Government in regards to funding to employ a full time Bushfire Risk Management Planner for the Shire of Augusta Margaret River for the new financial year.

Moved: Gordon Temby, Wallcliffe BFB

Seconded: John Matten, Molloy Island BFB

Carried: 9/0

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**MOTION/BFAC DECISION BFAC2020/03**

That BFAC:

1. Wishes to express their disappointment in the Council going back on their original decision to end the discussion around Brigades transitioning to management by DFES.
2. Advises Council that by reopening the discussion for two Brigades, the councillors have failed to consider the impact of this decision on the other eight Brigades and the division that this decision is causing.
3. Urges Council to revoke OM2019/220 and OM2020/17 and revert back to their original decision OM2019/199 on 25 September 2019, which was made to prevent disunity and was made following a rigorous discussion process.

4. Requests Council consult the remaining eight Brigades of any impact of the proposed transitions should Council not support recommendation No. 3 above.

Moved: Peter Warrilow, Karridale BFB

Seconded: Tim Garstone, Cowaramup BFB

Carried: 7/2

Rosa Brook BFB and Wallcliffe BFB voted AGAINST

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Please refer to the attachments listed at the end of this report for further and more detailed information on items discussed at the meeting.

#### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Section 38(1) *Bush Fire Act 1954*

*Local Government Act 1995*

#### **STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2019-2023***

Key Result Area: Welcoming and inclusive communities

Community Outcome 3: Strong community groups and networks

Strategic Response: Support and value community organisations and volunteers across the region.

#### **PLANNING FRAMEWORK**

Nil

#### **FINANCIAL IMPLICATIONS**

##### **Implications**

Nil

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

Nil

#### **Whole of Lifecycle considerations**

Nil

#### **SUSTAINABILITY IMPLICATIONS**

##### **Environmental**

An effective BFAC and well trained brigade members will reduce the likelihood and consequence of a bushfire impacting on the environment.

##### **Social**

An effective BFAC and well trained brigade members will reduce the likelihood and consequence of a bushfire impacting on community wellbeing.

##### **Economic**

An effective BFAC and well trained brigade members will reduce the likelihood and consequence of a bushfire impacting on the economic wellbeing of the local community.

#### **ADVOCACY**

Nil

#### **IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Should Council decide to revoke previous decisions OM2019/220 and OM2020/17, a motion of revocation is required as per the *Local Government (Administration) Regulations*:

LG (Administration) Regulations

10. *Revoking or changing decisions (Act s. 5.25(1)(e))*

- (1) *If a decision has been made at a council or a committee meeting then any motion to revoke or change the decision must be supported —*

- (a) *in the case where an attempt to revoke or change the decision had been made within the previous 3 months but had failed, by an absolute majority; or*
- (b) *in any other case, by at least 1/3 of the number of offices (whether vacant or not) of members of the council or committee,*

*inclusive of the mover.*

- (1a) *Notice of a motion to revoke or change a decision referred to in subregulation (1) is to be signed by members of the council or committee numbering at least 1/3 of the number of offices (whether vacant or not) of members of the council or committee, inclusive of the mover.*
- (2) *If a decision has been made at a council or a committee meeting then any decision to revoke or change the first-mentioned decision must be made —*
  - (a) *in the case where the decision to be revoked or changed was required to be made by an absolute majority or by a special majority, by that kind of majority; or*
  - (b) *in any other case, by an absolute majority.*
- (3) *This regulation does not apply to the change of a decision unless the effect of the change would be that the decision would be revoked or would become substantially different.*

### **VOTING REQUIREMENTS**

Simple Majority

*\*Absolute Majority required should Council move a motion of revocation.*

### **COMMITTEE RECOMMENDATIONS**

That Council:

1. Receives the unconfirmed minutes of the Augusta Margaret River Bush Fire Advisory Committee (BFAC) meeting held 19 February 2020 and takes note of the motions;
2. Requests the CEO to approach the State Government in regard to funding to employ a full time Bushfire Risk Management Planner for the Shire of Augusta Margaret River for the new financial year;
3. Notes the Bush Fire Advisory Committee's disappointment in Council going back on the original decision to end the discussion around Brigades transitioning to management by DFES;
4. Notes that BFAC's view is that by reopening the discussion for two Brigades to transfer to DFES, Councillors have failed to consider the impact of this decision on the other eight Brigades and the division that this decision is causing;
5. Revokes the following decisions:

#### ***MOTION / COUNCIL DECISION***

*CR MCLEOD, CR MELDRUM OM2019/220*

*That Council, in principle, supports the transition of Wallcliffe Fire Brigade to DFES Volunteer Fire and Emergency Services brigade and requests the CEO to enter discussions with the DFES Commissioner in regards to the transition.*

*CARRIED 7/0*

---

and:

#### ***PRIMARY MOTION / COUNCIL DECISION***

*CR MELDRUM, CR MCLEOD OM2020/17*

*That Council, in principle, supports the transition of Rosa Brook Fire Brigade to DFES Volunteer Fire and Emergency Services brigade and requests the CEO to enter discussions with the DFES Commissioner in regards to the transition.*

*CARRIED 5/2*

*CRS EARL AND KENNAUGH VOTED AGAINST*

---

and reverts back to original decision:

#### ***ALTERNATIVE MOTION / COUNCIL DECISION***

*CR EARL, CR MELDRUM OM2019/199*

---

*That Council:*

- 1. Does not proceed with transition to DFES; and*
- 2. Thanks BFAC and the Steering Committee for their hard work over six years in exploring the options.*

*CARRIED 7/0*

---

made on 25 September 2019, which was made to prevent disunity and was made following a rigorous discussion process; and

6. Consults the remaining eight Brigades with respect to any impact of the proposed transitions of two Brigades to DFES should Recommendation 5 not be supported.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Unconfirmed Bush Fire Advisory Committee meeting Minutes and Attachments – 19 February 2020

# 11.3. Infrastructure Services

### 11.3.1 DEPROCLAMATION OF BUSSELL HIGHWAY THROUGH MARGARET RIVER

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<b>LOCATION/ADDRESS</b>	Margaret River
<b>APPLICANT/LANDOWNER</b>	Main Roads Western Australia - South West Region
<b>FILE REFERENCE</b>	RDS/H43
<b>REPORT AUTHOR</b>	David Nicholson, Manager Asset Services
<b>AUTHORISING OFFICER</b>	Stephanie Addison-Brown, Chief Executive Officer

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#### IN BRIEF

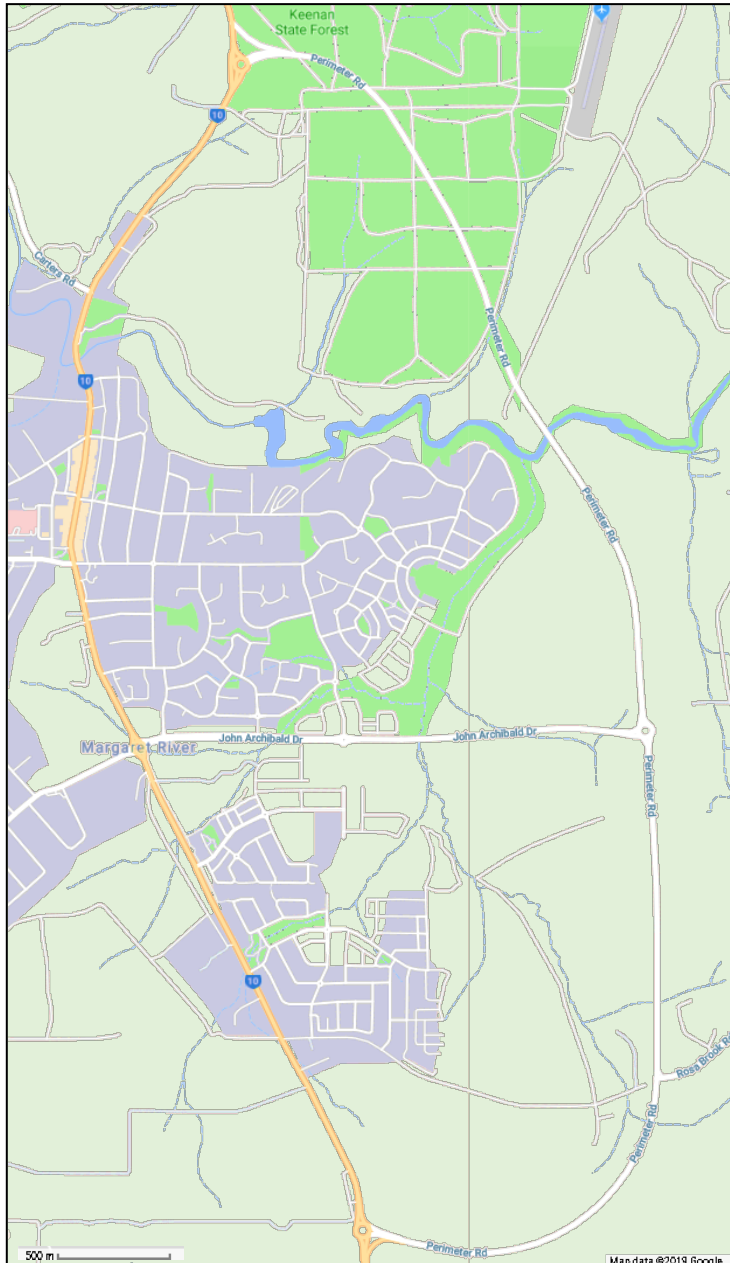
- Since November 2017 the Shire has been negotiating with Main Roads WA over the deproclamation and hand over to the Shire of a 5.7km section of Bussell Hwy, and associated financial compensation.
- In March 2019 Main Roads WA initially offered \$405,000 and in May 2019 increased this offer to \$1.0M.
- The Shire commissioned pavement testing and both parties engaged independent consultants to assess future renewal and maintenance needs.
- Further negotiations have not resulted in a change in MRWA's offer, which officers now recommend be accepted.

#### RECOMMENDATION

That Council:

1. Advises Main Roads WA that it accepts the transfer of responsibility for the section of Bussell Highway between the northern and southern intersections with the Margaret River Perimeter Road;
  2. Accepts Main Roads WA offer of \$1.0M to bring the road up to an appropriate standard for deproclamation;
  3. Transfers these funds into the Road Reserve account, specifically for the purpose of maintaining this section of Bussell Highway that has been deproclaimed; and
  4. Authorises the Chief Executive Officer to sign an agreement with Main Roads WA that formalises deproclamation, transfer of responsibility and financial settlement.
- 

#### LOCATION PLAN



## TABLED ITEMS

Nil

## BACKGROUND

For many years, the Shire has been working with the state government, through the South West Development Commission, Main Road WA (MRWA) and other state agencies, to construct a bypass road around Margaret River. The primary objective was to divert through traffic, particularly large trucks, from the main street, allowing the creation of a traffic calmed and pedestrian friendly environment between the Margaret River bridge and Wallcliffe Road. The Margaret River Perimeter Road was completed in early 2019 at a cost of approximately \$58M and works commenced in February 2020 on the main street 'makeover'.

MRWA have permitted the traffic calming works to proceed on the main street on the basis that the Shire will take over responsibility for care, control and management of the 5.7km section of Bussell Highway, between the northern and southern intersections with the Perimeter Road. If this section of road was to remain a state highway under MRWA control, then the works on the main street would not have been permitted as the design standards are less than those required for a state highway.



There is a formal process for 'deproclamation' of a state highway and transfer of management responsibility from MRWA to a local government. This is usually achieved via an exchange of letters that transfers operational responsibility, followed by formal deproclamation, which provides legal effect to the change.

MRWA has guidelines for use in negotiations between local governments on the condition of roads proposed for reclassification. A key issue is the condition of the road that is to be transferred and the costs that will be incurred in maintaining the road into the future. The guidelines specify that the road is to remain in an 'acceptable condition' for a period of at least two years. This means that MRWA will either undertake, or provide the funds for the Shire to undertake, the programmed maintenance that would have occurred on the road for the two-year period following transfer of responsibility. It does not provide for any unprogrammed maintenance or improvement/upgrade works.

Council, at its meeting on 14 August 2019, considered a comprehensive report of the process and issues associated with the deproclamation and hand-over to the Shire of a 5.7km section of Bussell Highway and resolved:

*MODIFIED RECOMMENDATION / COUNCIL DECISION*

*CR EARL, CR MELDRUM OM2019/151*

*That Council authorises the CEO to notify Main Roads WA of its decision to support in principle the proposed deproclamation of Bussell Highway subject to further negotiations taking place to achieve adequate funding as part of a proposed asset transfer.*

*CARRIED 6/0*

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**CONSULTATION AND ADVICE**

**External Consultation**

Main Roads WA

**Internal Consultation**

Executive Leadership Team

**DISCUSSION / OFFICER COMMENTS**

MRWA's initial offer in May 2019 was for \$405,000 and was based on the estimated cost to repair defects identified during a joint site inspection. This did not include developer funded works at the Tonkin Boulevard and Brookfield Avenue intersections (recently completed), or upgrading of the street lighting at the Boodjidup Road roundabout to current Western Power standards, which MRWA agreed to fund separately. Shire officers considered the offer to be less than satisfactory and requested a detailed breakdown of the cost estimates.

As MRWA provided limited asset condition information, the Shire engaged the services of an external engineering consultant and independent pavement expert to ascertain the best approach and likely cost of pavement rehabilitation of the Bussell Highway road segment being the subject of proposed deproclamation. This assessment was supported by in-depth field and laboratory-based geotechnical testing of pavement samples.

The outcome of the assessment produced an estimated pavement rehabilitation requirement of \$2.6m (without indexation and based on 2018 unit rates) to be delivered over the next 12 financial years. Approximately \$800,000 of this work would need to be delivered in parallel with the Margaret River Main Street Redevelopment project. No allowance has been made for this expenditure in MRWA's offer, on the basis that the Shire has already received state government funding for the main street project.

In May 2019, after considering issues raised by the Shire, MRWA increased the offer to \$1.0M.

Officers have continued to negotiate for a greater amount, however, MRWA has advised that this is the upper limit and exceeds what would normally be provided under the abovementioned guidelines, which is to fund identified maintenance works for a two year period.

MRWA has drafted an agreement relating to the deproclamation and hand-over (Attachment 1) and requested that the transfer of responsibility occur at midnight on 6 April 2020. Minor changes might be made to the wording of the agreement, but the intent will not change.

### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

The responsibility for highways and main roads rests with the Governor of Western Australia, acting on the recommendation of the Commissioner of Main Roads, as per the *Main Roads Act 1930*, Part 4 — Highways and Main Roads. The control of highways and main roads and the property within the road reserve rests with the Crown. The care, control and management rests with the Commissioner of Main Roads, as per the *Main Roads Act 1930*, Part 4 – Highways and Main Roads.

The proposed deproclamation would result in transfer of the responsibility, from MRWA to the Shire, for the care, control and management of an existing 5.7km section of Bussell Highway (State Route 10), including the roundabout at John Archibald Drive and the timber bridge over the Margaret River.

### **STRATEGIC PLAN / POLICY IMPLICATIONS**

**Community Strategic Plan 2036 (CSP)**

**Corporate Business Plan 2019-2023**

Key Result Area 3: Ensuring Sustainable Development

Community Outcome 6: Connected and safe transport network

Strategy 2: Manage traffic flows, parking and pedestrian safety in town and village centres

Strategic Response: 3.6.2.1 Priority Project: Deliver the upgrade to the Margaret River Main Street.

### **PLANNING FRAMEWORK**

Local Planning Strategy (currently under review).

### **FINANCIAL IMPLICATIONS**

#### **Implications**

At 30 June 2019, the 5.7km section of Bussell Highway to be handed over to the Shire as part of the deproclamation has been estimated at a value of \$6.0M, based on limited inventory data provided by Main Roads WA and the Shire's current unit rates for construction.

The section proposed to be transferred also includes an existing, approximately 60 year old timber bridge (No.537). The remaining useful life of the structure is estimated to be approximately 25 years. The current replacement cost of the bridge is estimated to be approximately \$10.5m.

Based on a combined value of assets proposed to be transferred by Main Roads WA estimated at \$16.5m, the Shire can expect a minimum \$250,000 increase in annual depreciation as a result of the transfer in asset ownership. The Shire would also incur annual operating costs relating to the transferred asset, including routine maintenance and inspections of the road and the timber bridge, street lighting, verge vegetation management, roadside drainage maintenance, guide posts, roadside traffic barriers, line marking improvement works, etc. The costs of this have not been estimated.

The Margaret River bridge will be included on MRWA's rolling ten-year bridge program. Under this program, local governments carry out regular inspections and routine maintenance. Major works, such as deck replacement, are jointly funded by the federal government (2/3) and the state government (1/3) at no cost to the local government.

Whilst the 5.7km section of Bussell Hwy to be handed over to the Shire will no longer be a state highway, the Shire can apply to the South West Regional Road Group for it to be classified as a regional road, together with John Archibald Drive. This is certain to be approved as both roads will function as higher order distributor roads similar to existing regional roads within the Shire, including Wallcliffe Road, Rosa Brook Road-Mowen Road, Carters Road, Cowaramup Bay Road and Leeuwin Road.

Whilst some traffic that previously travelled through the town centre on Bussell Hwy has diverted to the Perimeter Road, traffic volumes on Bussell Hwy will ultimately return to previous levels due to growth in both resident population and visitation to the town centre, highlighting its ongoing strategic importance in the road network. Regional Roads are eligible for 2/3 funding through the South West Regional Road Group, for renewal (resealing or reconstruction) and improvement works (such as road

widening, intersection improvements and turning lanes). Local governments are required to contribute 1/3 of project costs. So the \$1.0m will enable the Shire to obtain a further \$2.0M in grant funding, providing a total of \$3.0M for maintaining this section of road.

The \$1.0M offer is therefore considered a satisfactory outcome and acceptance of the offer is recommended. It is also recommended that the funds be placed in the Road Reserve account, specifically for the purpose of maintaining this section of Bussell Highway. MRWA will make the payment prior to 30 June 2019, so will be received as unbudgeted income.

**Long Term Financial Plan**

The increase in maintenance costs and the \$1.0M payment from MRWA will be included in the long-term financial plan, which is currently being reviewed.

**Whole of Lifecycle considerations**

Discussed in Financial Implications (above).

**SUSTAINABILITY IMPLICATIONS**

**Environmental**

The hand over will have minimal impact on environmental issues.

**Social**

The transfer will allow the Shire implement pedestrianisation and traffic calming works as part of the main street makeover that would otherwise not be possible if the road remained a state highway.

**Economic**

Transfer of responsibility for management of the 5.7km section of Bussell Hwy will increase the Shire's road maintenance and renewal funding requirements.

**ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Council has already provided in principle support for the handover of a 5.7km section of Bussell Highway.

**VOTING REQUIREMENTS**

Absolute Majority

**RECOMMENDATION**

That Council:

1. Advises Main Roads WA that it accepts the transfer of responsibility for the section of Bussell Highway between the northern and southern intersections with the Margaret River Perimeter Road;
2. Accepts Main Roads WA offer of \$1.0M to bring the road up to an appropriate standard for deproclamation;
3. Transfers these funds into the Road Reserve account, specifically for the purpose of maintaining this section of Bussell Highway that has been deproclaimed; and
4. Authorises the Chief Executive Officer to sign an agreement with Main Roads WA that formalises deproclamation, transfer of responsibility and financial settlement.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Draft Basis of Agreement

# 11.4. Corporate and Community Services

#### 11.4.1 FINANCIAL ACTIVITY STATEMENT REPORT - JANUARY 2020

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<b>LOCATION/ADDRESS</b>	N/A
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	FIN/14
<b>REPORT AUTHOR</b>	Andrew Ross, Manager Corporate Services
<b>AUTHORISING OFFICER</b>	James Shepherd, Director Corporate and Community Services

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#### IN BRIEF

- The monthly financial activity statement report is a standard financial reporting item prepared in accordance with the provisions of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.
- Council is to consider the financial results for the period ending 31 January 2020.

#### RECOMMENDATION

That Council receives the Monthly Financial Report – January 2020 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.

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#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

In accordance with Financial Management Regulation 34 the Shire is to prepare each month a Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation (1) (d), for that month with the following details:

- annual budget estimates;
- budget estimates to the end of the month to which the statement relates;
- actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- material variances between the comparable amounts referred to in (b) and (c); and
- net current assets at the end of the month to which the statement relates.

Also under Financial Management Regulation 34(5) Council are to adopt each year a material variance threshold. At the Ordinary Meeting of Council on 24 July 2019 (**OM2019/136**) Council adopted a monthly variance for reporting of material variances, where financial activity is greater than 10% and \$10,000.

#### CONSULTATION AND ADVICE

##### External Consultation

Nil

##### Internal Consultation

Business unit managers were provided the draft monthly financial reports for their business units and have provided their comments on variances greater than 10% and \$10,000.

#### DISCUSSION / OFFICER COMMENTS

The commentary contained in the body of this report is in line with Financial Management Regulation (2)(b) that requires commentary on material variances to the Statement of Financial Activity at the nature/type, program or business unit level.

SHIRE OF AUGUSTA MARGARET RIVER  
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The Statement of Financial Activity shows a year to date actual closing position at 31 January of \$16.857 million (\$1.676 million lower than last month's result of \$18.533 million). This result was higher than the expected year to date budgeted position of \$8.056 million. The following details the main reasons for this favourable variation to Budget.

Operating revenue is \$0.691 million or 2.2% above budget (last month \$0.460 million or 1.5% above budget). The main contributors to this favourable variance are higher than budget fees and charges in the waste, planning and caravan park areas as well as over budget operating grants, subsidies and contributions. Offsetting these favourable variances is under budget interest received due to lower than budgeted interest rates.

Operating expenditure on a year to date basis is \$1.429 million or 6.2% under budget (last month \$1.026 million or 5.3% below budget). Variations include materials and contracts being \$1.729 million or 26.8% under budget (last month \$1.627 million or 28.8% under budget) with the Asset Services, Fire Prevention, Maintenance, Parks and Gardens, Waste, Community Planning & Development and HEART areas having the largest variances; and interest being \$0.089 million under budget due to a timing difference. Over budget employee expenses of \$0.153 million or 1.7% (last month \$0.600 million or 8.5% over budget) and over budget depreciation of \$0.154 million or 2.8% (last month \$0.136 million or 2.9% over budget) have partially offset these under budget expenditures.

Employee expenses are over budget in a number of business units including Outside School Hours Care, the HEART and Marketing due to additional hours or employees. Some internal restructuring has also resulted in actual employee costs varying to the initial budget and these will be adjusted with the mid-year budget review. The following table provides a breakdown of actual to budget performance for employee expenses.

Category	Full Year Budget	YTD Budget	YTD Actual	YTD Variance
Provisions	1,161,756	669,854	673,393	3,539
Salaries & Wages	11,874,196	6,865,541	6,992,052	126,511
Superannuation	1,552,500	894,704	926,849	32,145
Workers Compensation	147,085	84,754	86,625	1,871
Fringe Benefits Tax	70,420	43,673	43,673	0
Recruitment expenses	24,880	12,597	14,598	2,001
Training & Education	360,667	180,083	156,914	(23,169)
Uniforms & PPE	88,225	54,050	59,837	5,787
Memberships	0	0	4,212	4,212
<b>Total</b>	<b>15,279,729</b>	<b>8,805,256</b>	<b>8,958,153</b>	<b>152,897</b>

Grants for capital works are \$0.268 million or 8.1% below budget (last month \$0.231 million or 8.4% above budget). The main reasons for this variation are:

- the balance of the \$0.405 million Lotterywest grant for the Cowaramup Hall project won't be claimed until construction is completed, the \$0.070 million Better Bins grant application is in progress, the ESL grant of \$0.178 million for the replacement of the Witchcliffe Light Tanker will be processed when this vehicle is received and Regional Road Group grant instalments are claimed progressively as works are completed;
- offsetting the above are over budget developer contributions of \$0.070 million, an unbudgeted bridge grant of \$0.189 million to be provided to Main Roads WA and receipt of the full annual Roads to Recovery grant allocation of \$0.649 million.

Capital expenditure of \$0.783 million during the month (\$1.330 million last month) compared to the budget for the month of \$0.809 million. On a year to date basis capital expenditure is \$6.282 million under budget (last month \$6.256 million under budget). The extent of the variance has not increased during the month and the main causes are therefore similar to last month, including:

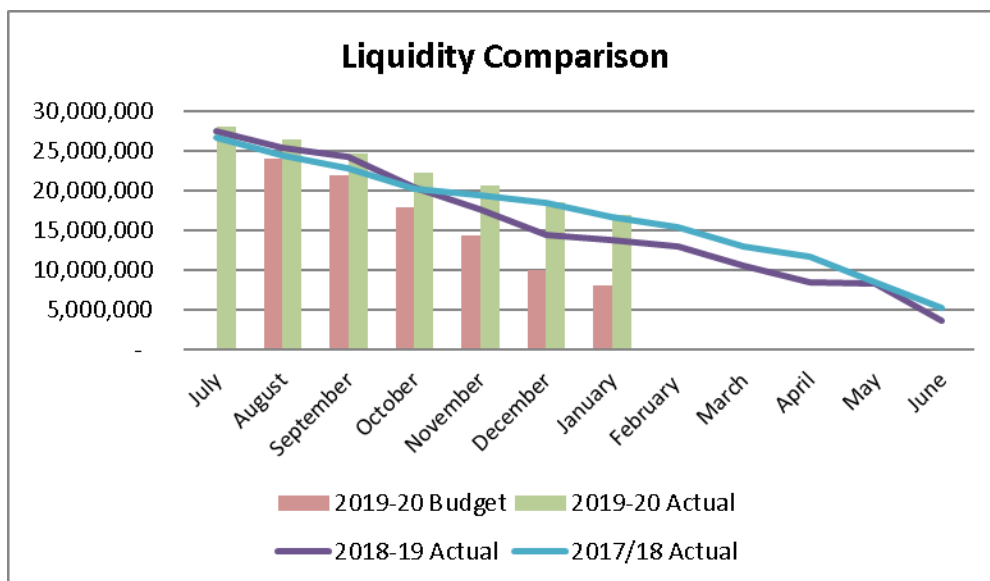
- works for buildings in the Margaret River Youth Precinct being delayed;
- the delayed commenced of works for cemeteries and animal care facilities;
- construction having only recently commenced on major projects at the Davis Road landfill site;

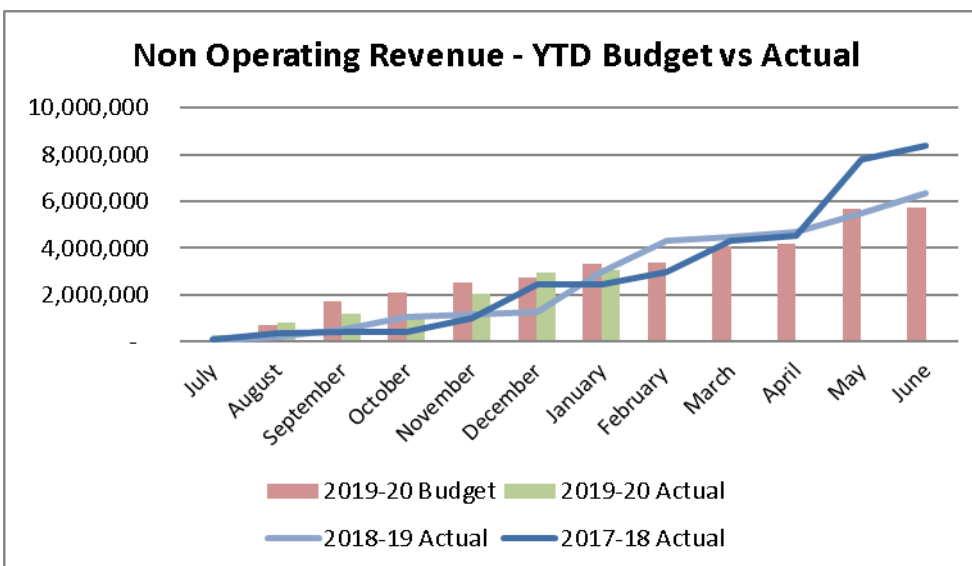
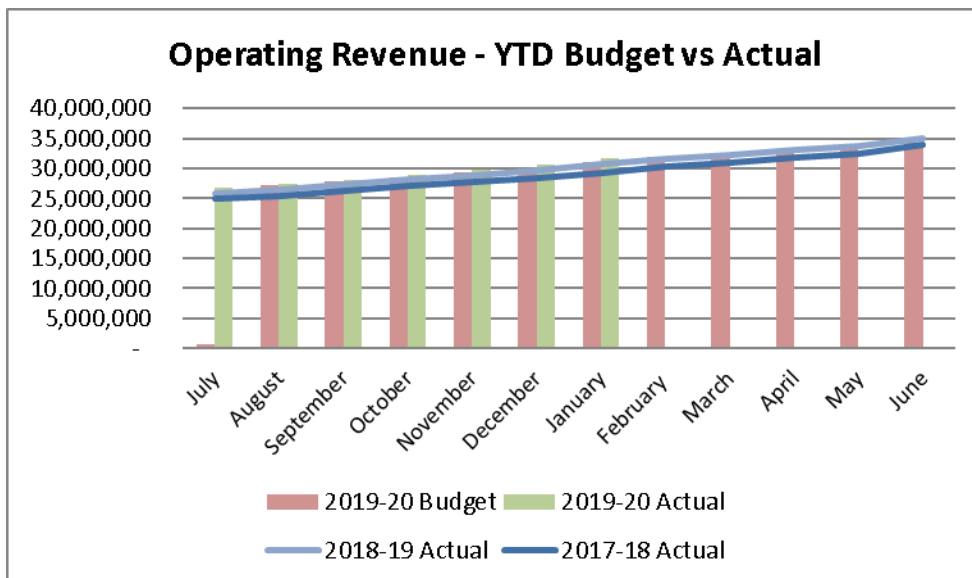
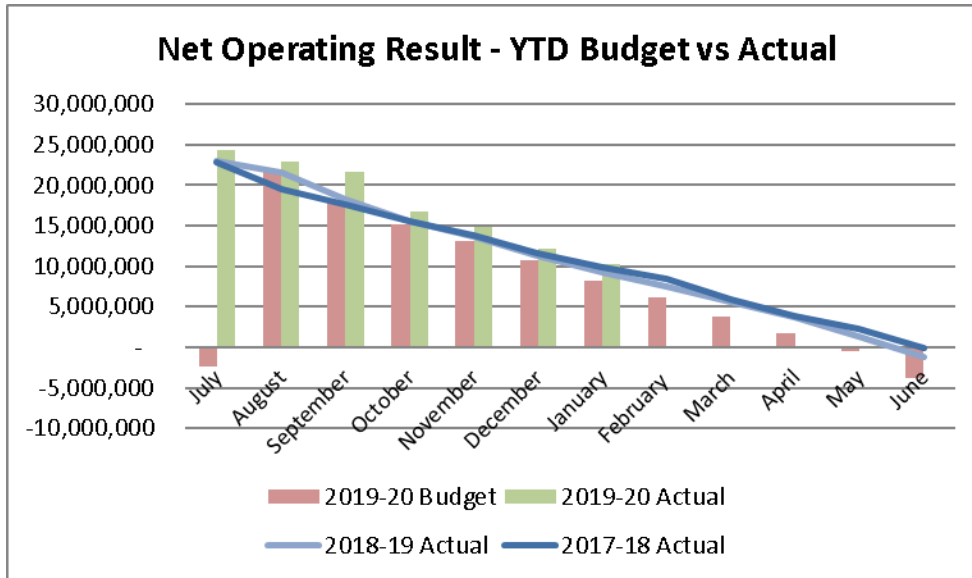
- the sourcing of a suitable option to replace the retractable seating at the HEART is taking some time;
- building projects including the Cowaramup Hall, Witchcliffe hall, Alexandra Bridge hall and the Margaret River Recreation Centre fire detection system, are collectively \$0.257 million under budget due primarily to project commencement delays;
- various purchases for the HEART project such as furniture and signage totalling \$0.104 million have not occurred in accordance with budget expectations and come were reconsidered in the mid-year review;
- consultation for the replacement of playground equipment is progressing;
- delays with approvals and consultation as well as reconsideration of the accounting for the purchase of land for the Margaret River trail have contributed to under budget expenditure for Asset Services;
- infrastructure upgrade projects are \$3.480 million under budget with the main cause being the delayed start to the Margaret River main street project and reconsideration of the staging for this project;
- infrastructure renewal projects are \$0.310 million under budget with the main variations occurring for road rehabilitation, gravel re-sheeting, path and drainage preservation projects;
- the delayed delivery of a Loader, a Prime Mover and 2 utilities has resulted in an under budget variance of \$0.461 million being recorded for plant and equipment purchases; and
- the deferral of the chalet project to May 2020 is the main reason for caravan park capital works being \$0.652 million under budget.

Capital expenditure for the month included:

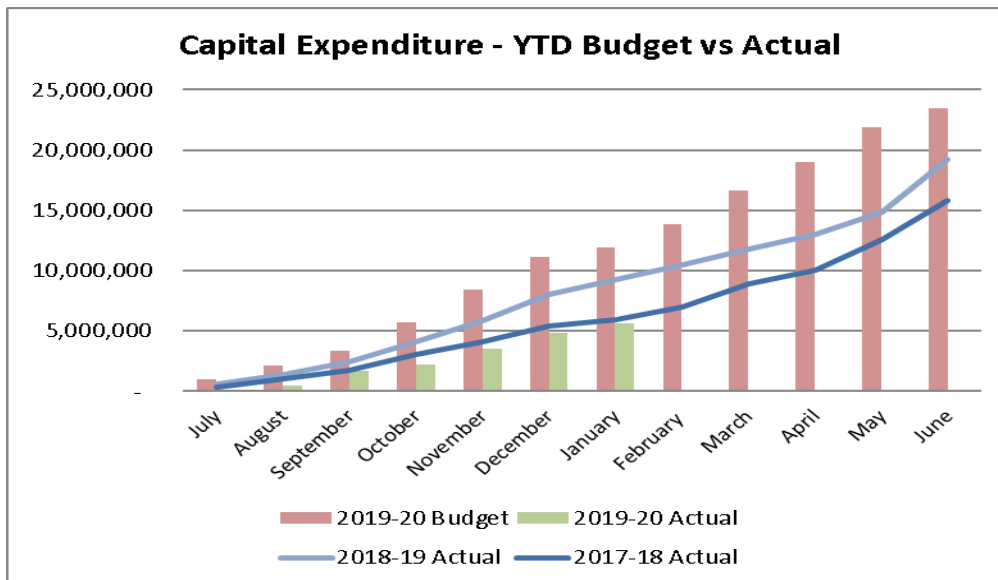
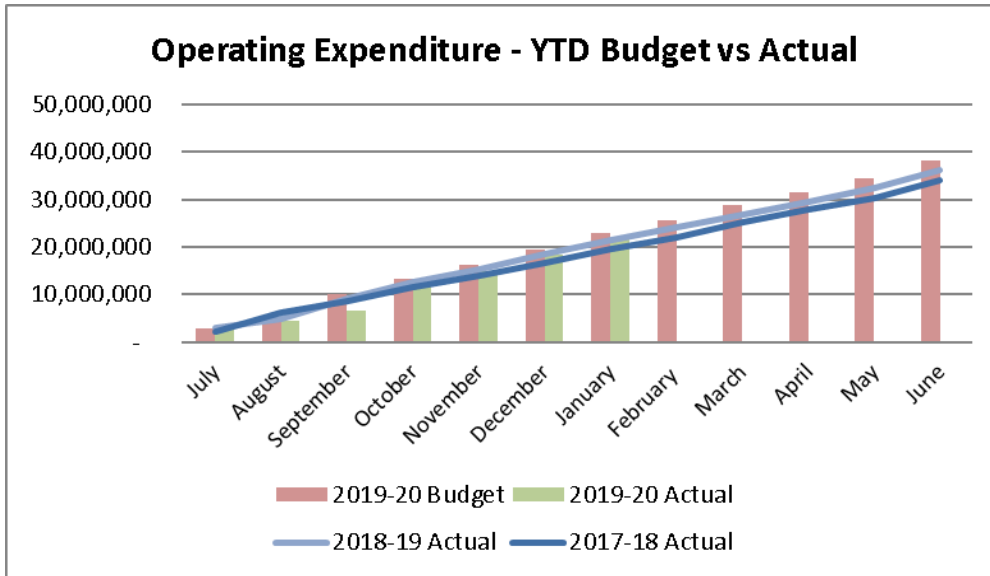
- \$15,894 for works to the Karridale fire station;
- \$74,168 for works on the Cowaramup Hall;
- \$8,609 for the Margaret River Recreation Centre included the upgrade of basketball backboards;
- \$5,732 on various parks and gardens projects with playground equipment works at Flinders Bay being the main item of expenditure;
- \$611,358 on road related projects of which \$137,299 was spent on infrastructure upgrade projects and \$474,058 was spent on infrastructure renewal projects. The Flinders Bay to Cape Leeuwin lighthouse path, the Margaret River main street upgrade, path and trail projects, asphalt overlays, Leeuwin Road, Warner Glen Road, Rosa Brook Road and Ashton Street reconstruction were the main areas of expenditure; and
- \$37,300 for the purchase of a replacement utility; and
- \$20,668 of infrastructure works at Turner Caravan Park.

Financial performance against budget is shown in the following charts.









Following is the Statement of Financial Activity for the year ending 31 January 2020.

SHIRE OF AUGUSTA MARGARET RIVER  
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<b>SHIRE OF AUGUSTA MARGARET RIVER STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 January 2020</b>							
<b>BUSINESS UNITS</b>	<b>2019-20 Approved Budget</b>	<b>2019-20 Amended Budget</b>	<b>2019-20 Month of Jan</b>	<b>2019-20 YTD Budget</b>	<b>2019-20 YTD Actual</b>	<b>YTD Variance &gt;10% &amp; &gt;\$10,000</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		
<b>Net Current Assets at 1 July surplus/(deficit)</b>	<b>3,587,167</b>	<b>3,587,167</b>		<b>3,587,167</b>	<b>3,804,165</b>		C/F includes FAG paid in advance less write off of assets from previous years
<b>Revenue from Operating Activities</b>							
Rates	22,523,990	22,523,990	22,402	22,398,490	22,436,481	0	
General Financing	1,565,093	1,565,093	63,971	858,913	819,754	0	
Members of Council	200	200	0	100	303	0	
Chief Executive Officer	0	0	0	0	0	0	
Director Corporate & Community	0	0	0	0	0	0	
Director Sustainable Development	0	0	0	0	0	0	
Finance	20,100	20,100	0	8,100	2,251	0	
Records	400	400	0	200	210	0	
Corporate Services	0	0	0	0	0	0	
Customer Services	183,800	183,800	13,477	107,550	105,240	0	
Information Comm. Technology	1,440	1,440	200	840	1,409	0	
Community Planning & Development	49,555	49,555	3,892	29,947	30,732	0	
Community Fire & Emergency Services	531,010	531,010	106,408	355,858	407,275	51,417	Timing: MAF & ESL supplementary grant
Rangers	190,814	190,814	7,496	113,759	83,518	(30,241)	Timing/Perm: infringements, fees and charges
Libraries	39,720	39,720	4,168	23,810	25,582	0	
Environmental Health	124,460	124,460	4,919	105,610	110,473	0	
Outside School Hours Care	430,700	430,700	51,668	274,250	289,944	0	
Waste Services	4,901,376	4,901,376	79,395	4,535,030	4,780,599	0	
Planning & Development Services	284,000	284,000	21,406	166,000	201,138	35,138	Timing: fees and charges for applications
Community Buildings	41,000	41,000	216	41,000	3,245	(37,755)	Timing: RADS grant to be received
MR Recreation Centre	815,600	815,600	79,292	461,100	467,865	0	
Cultural Centre	65,000	65,000	0	15,000	1,600	(13,400)	
Augusta Recreation Centre	37,500	37,500	3,849	21,500	22,589	0	
Gloucester Park	67,500	67,500	808	50,500	31,837	(18,663)	Timing: invoicing of annual usage charges
Parks and Gardens	12,800	12,800	0	4,000	1,160	0	
Asset Services	89,400	89,400	3,496	61,900	65,137	0	
Landcare & Environmental Services	0	0	0	0	3,000	0	
Construction	0	0	0	0	0	0	
Maintenance	0	0	0	0	10,997	10,997	Perm: recoup of bonds
Plant Program	12,373	12,373	14,341	12,373	35,835	23,462	Timing: vehicle auction proceeds
Caravan Parks	2,091,140	2,091,140	512,189	1,247,570	1,342,798	0	
Building Services	240,000	240,000	17,641	140,000	121,641	(18,359)	Timing: fees and charges for applications
Plant Operation Costs	0	0	0	0	802	0	
Other Property and Services	47,000	47,000	26,331	35,000	194,216	159,216	Timing: workers compensation recovered
	<b>34,365,971</b>	<b>34,365,971</b>	<b>1,199,563</b>	<b>31,068,400</b>	<b>31,759,631</b>	<b>691,230</b>	
<b>Expenditure from Operating Activities</b>							
Revenue	(346,438)	(346,438)	(32,361)	(186,450)	(192,710)	0	
General Financing	(649,202)	(649,202)	(47,799)	(383,676)	(296,562)	87,114	Timing: Reversal of interest accrual, Govt Cty Fee
Members of Council	(330,775)	(330,775)	(21,625)	(204,637)	(207,512)	0	
Chief Executive Officer	(600,706)	(600,706)	(29,950)	(347,665)	(343,988)	0	
Director Corporate & Community	(486,767)	(486,767)	(12,890)	(263,822)	(233,308)	30,514	Perm: Admin salaries moved to CESM's area
Director Sustainable Development	(445,212)	(445,212)	(29,063)	(257,379)	(253,240)	0	
Director Infrastructure	(439,036)	(439,036)	(32,089)	(253,674)	(216,664)	37,010	Timing: employee costs, projects
Finance	(1,068,164)	(1,068,164)	(155,480)	(835,131)	(949,280)	(114,149)	Perm: Workers Comp performance based adjustment
Records	(197,974)	(197,974)	(14,154)	(114,305)	(93,130)	21,175	Timing/Perm: employee costs due to vacancy
Corporate Services	(225,800)	(225,800)	(13,029)	(135,775)	(128,712)	0	
Customer Services	(510,738)	(510,738)	(44,421)	(292,274)	(287,726)	0	
Information Comm. Technology	(945,668)	(945,668)	(171,045)	(690,476)	(698,983)	0	
Human Resources	(686,022)	(686,022)	(50,733)	(381,480)	(395,815)	0	
Community Planning & Development	(787,806)	(787,806)	(38,410)	(505,118)	(375,570)	129,548	Timing: projects delayed
Legal & Governance	(297,554)	(297,554)	(36,239)	(171,971)	(180,891)	0	
Communications & Marketing	(562,671)	(562,671)	(25,090)	(301,044)	(287,128)	0	
Community Fire & Emergency Services	(1,338,102)	(1,338,102)	(80,811)	(852,293)	(726,743)	125,550	Timing: bushfire mitigation works
Rangers	(694,694)	(694,694)	(52,166)	(407,479)	(378,153)	0	
Beach Lifeguards	(111,586)	(111,586)	(708)	(59,287)	(3,019)	56,268	Timing/Perm: service has been contracted
Libraries	(1,011,190)	(1,011,190)	(69,633)	(583,435)	(520,562)	62,873	Timing: employee costs & stock purchases
Environmental Health	(558,328)	(558,328)	(43,857)	(323,881)	(322,377)	0	
Outside School Hours Care	(455,666)	(455,666)	(44,917)	(254,262)	(282,065)	0	
Waste Services	(3,142,330)	(3,142,330)	(180,469)	(1,911,760)	(1,495,076)	416,684	Timing: special projects, waste collection invoices
Planning & Development Services	(1,281,978)	(1,281,978)	(81,839)	(737,002)	(633,313)	103,689	
Landcare & Environmental Services	(761,967)	(761,967)	(20,019)	(455,819)	(296,369)	159,450	Timing: EMF project invoices
Community Buildings	(2,108,088)	(2,108,088)	(225,094)	(1,230,223)	(1,207,783)	0	
MR Recreation Centre	(2,102,355)	(2,102,355)	(183,732)	(1,235,554)	(1,228,075)	0	
Margaret River Heart	(1,082,025)	(1,082,025)	(110,485)	(776,123)	(539,073)	237,050	Timing: employee costs, public relations, projects
Augusta Recreation Centre	(111,974)	(111,974)	(20,269)	(66,919)	(68,538)	0	
Gloucester Park	(258,000)	(258,000)	(16,800)	(165,400)	(105,811)	59,589	Timing: projects
Parks and Gardens	(2,911,900)	(2,911,900)	(196,008)	(1,751,215)	(1,488,078)	263,137	Timing: maintenance of reserves
Asset Services	(1,253,065)	(1,253,065)	(80,386)	(808,832)	(592,441)	216,392	Timing: projects
Construction	0	0	0	0	0	0	
Maintenance	(8,753,850)	(8,753,850)	(687,732)	(5,130,547)	(4,997,604)	0	
Plant Program	(54,913)	(54,913)	(663)	(44,913)	(14,374)	30,539	Timing: vehicle sales
Caravan Parks	(1,311,826)	(1,311,826)	(108,185)	(728,915)	(729,386)	0	
Building Services	(169,282)	(169,282)	(12,048)	(96,763)	(90,615)	0	
Sustainable Economy	(112,024)	(121,194)	(7,731)	(77,188)	(58,425)	0	
Works Overheads	105,698	105,698	(46,328)	39,121	(464,071)	(503,192)	Timing: unallocated works payroll not budgeted
Plant Operation Costs	164,528	164,528	(32,337)	91,413	5,315	(86,098)	Timing: over allocation of cost recovery
Other Property and Services	(43,000)	(43,000)	(5,817)	(12,000)	(97,525)	(85,525)	Timing: workers compensation paid to be recovered
	<b>(37,938,450)</b>	<b>(37,947,620)</b>	<b>(3,062,415)</b>	<b>(22,904,154)</b>	<b>(21,475,377)</b>	<b>1,428,777</b>	

SHIRE OF AUGUSTA MARGARET RIVER  
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<b>SHIRE OF AUGUSTA - MARGARET RIVER STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 January 2020</b>						
BUSINESS UNITS	2019-20	2019-20	2019-20	2019-20	2019-20	YTD
	Approved	Amended	Month of	YTD	YTD	Variance
	Budget	Budget	Jan	Budget	Actual	>10% & >\$10,000
	\$	\$	\$	\$	\$	
<b>Operating activities excluded from Budget</b>						
Depreciation on assets	9,361,200	9,361,200	798,473	5,460,700	5,615,116	0
(Profit)/Loss Asset Disposal	22,540	22,540	(14,341)	22,540	(1,735)	(24,275)
	9,383,740	9,383,740	784,132	5,483,240	5,613,380	(24,275)
<b>Amount attributable to operating activities</b>	<b>9,398,428</b>	<b>9,389,258</b>	<b>(1,078,720)</b>	<b>17,234,653</b>	<b>19,701,799</b>	
<b>INVESTING ACTIVITIES</b>						
<b>Non Operating Grants &amp; Contributions</b>						
Community Fire & Emergency Services	1,280,000	1,280,000	0	178,000	0	(178,000)
Waste Services	70,000	70,000	0	70,000	0	(70,000)
Planning & Development Services	204,000	204,000	0	119,000	172,383	53,383
Community Buildings	1,155,268	1,155,268	0	1,155,268	858,888	(296,380)
Parks and Gardens	0	0	0	0	(60,555)	(60,555)
Asset Services	36,000	36,000	0	0	5,000	0
Construction	2,961,987	2,961,987	84,000	1,794,987	2,073,146	278,159
Other Property & Services	0	0	0	0	0	0
	5,707,255	5,707,255	84,000	3,317,255	3,048,861	(268,394)
<b>Capital Investment</b>						
Purchase Land Held for Resale	0	0	0	0	0	0
Purchase Land and Buildings	(3,688,157)	(3,688,157)	(89,262)	(2,824,676)	(1,816,981)	1,007,695
Purchase Infrastructure Assets - Other	(1,881,705)	(1,891,635)	(33,244)	(1,228,635)	(484,101)	744,534
Purchase Infrastructure Assets - Roads	(15,610,000)	(15,610,000)	(611,358)	(6,579,655)	(2,789,673)	3,789,982
Purchase Plant and Equipment	(2,064,000)	(2,064,000)	(46,313)	(1,121,000)	(481,975)	639,025
Purchase Furniture and Equipment	(230,100)	(230,100)	(3,171)	(177,100)	(76,800)	100,300
Proceeds from Disposal of Assets	435,000	435,000	48,016	155,000	448,178	293,178
Proceeds from Sale of Land Held for Resale	0	0	0	0	122,727	122,727
	(23,038,962)	(23,048,892)	(735,332)	(11,776,066)	(5,078,625)	6,697,441
<b>Amount attributable to investing activities</b>	<b>(17,331,707)</b>	<b>(17,341,637)</b>	<b>(651,332)</b>	<b>(8,458,811)</b>	<b>(2,029,763)</b>	
<b>FINANCING ACTIVITIES</b>						
Repayment of Debentures	(924,549)	(924,549)	(46,121)	(552,983)	(552,983)	0
Repayment of Leases	(241,897)	(241,897)	133,721	(177,003)	(19,299)	0
Advances to Community Groups	0	0	0	0	0	0
Proceeds from Self-Supporting & IF Loans	18,277	18,277	0	9,777	5,777	0
Proceeds from New Loan	0	0	0	0	0	0
Transfers to Cash Reserves	(1,113,076)	(1,113,076)	(33,378)	0	(248,822)	(248,822)
Transfers from Cash Reserves	10,194,525	10,194,525	0	0	0	0
<b>Amount attributable to financing activities</b>	<b>7,933,280</b>	<b>7,933,280</b>	<b>54,221</b>	<b>(720,209)</b>	<b>(815,327)</b>	<b>(248,822)</b>
<b>Net Current Assets Surplus (Deficit)</b>	<b>(0)</b>	<b>(19,100)</b>	<b>(1,675,831)</b>	<b>8,055,633</b>	<b>16,856,708</b>	

### Investments

At 31 January 2020 the Shire's cash on hand, deposits and investments totalled \$37,972,411 (an increase of \$1,741,907 to last month's total of \$36,230,504). Total investment interest earned for the year was \$341,606 and did not achieve the budget of \$443,800. The decisions of the Reserve Bank to reduce the cash reference rate (0.75% at 1/10/19) have negatively affected interest on investments projections based on a historically higher interest rate.

### Term Deposits – Cash Management

At the end of January the Shire had the following short-term facilities (term deposits).

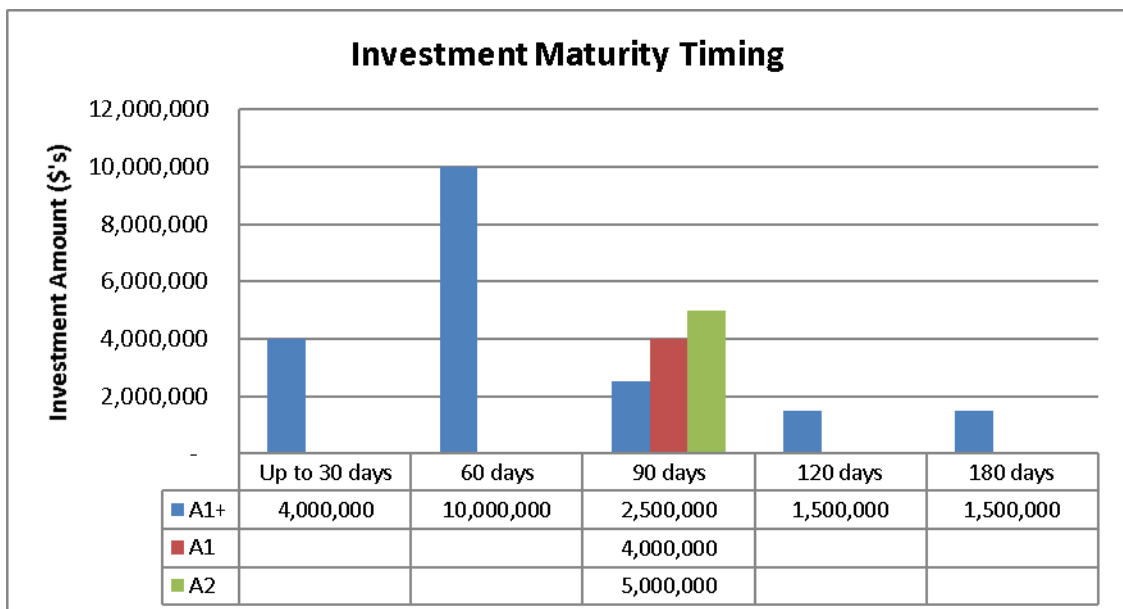
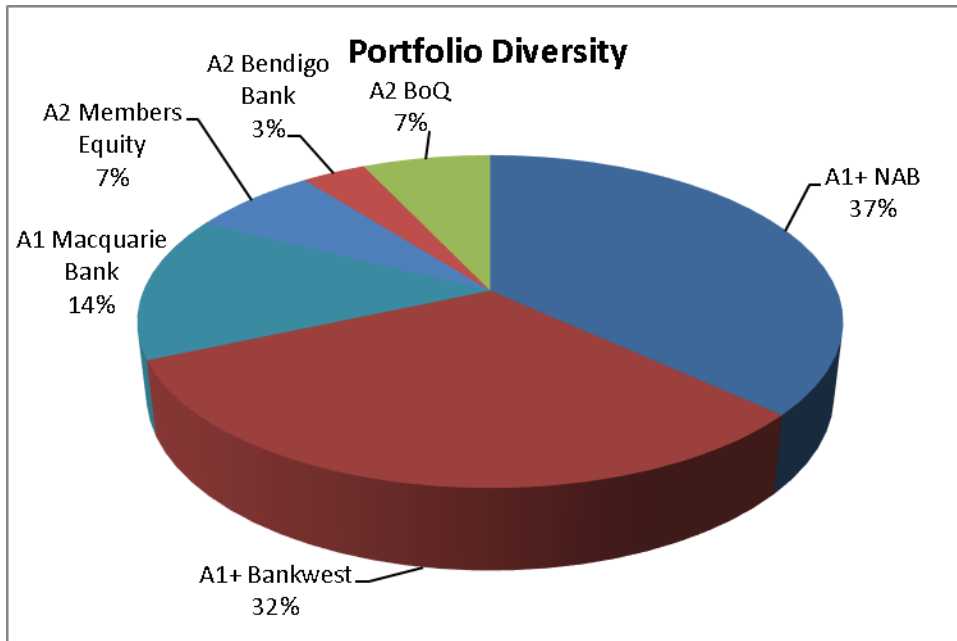
Term Days	Maturity	Institution (ADI)	Principal \$	Interest Rate	Interest \$
182	2/4/20	Bendigo Bank	1,000,000	2.45%	24,567
365	10/4/20	National Australia Bank	2,500,000	2.45%	61,250
365	17/7/20	NAB	1,500,000	1.85%	27,750
365	8/5/20	National Australia Bank	1,500,000	2.36%	35,400
180	12/2/20	Bankwest	4,000,000	1.65%	32,548
180	4/3/20	Bankwest	2,000,000	1.65%	16,274

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180	11/3/20	National Australia Bank	5,000,000	1.72%	42,411
180	31/3/20	Bankwest	1,500,000	1.45%	10,726
180	14/4/20	Bank of Queensland	2,000,000	1.55%	15,288
181	15/4/20	Members Equity Bank	2,000,000	1.55%	15,373
181	16/4/20	Macquarie Bank	4,000,000	1.60%	31,737
90	9/3/20	Bankwest	1,500,000	1.30%	4,808
			28,500,000		318,132

During the month no changes were made to term deposit investments.

The average rate of interest to be paid on all of the term deposits is 1.80% (last month 1.80%).



The Shire also has an Overnight Cash Deposit Facility (OCDF) with WA Treasury Corporation (WATC) which is used to hold the Royalties for Regions funds allocated for the main street redevelopment project. The South West Development Commission and the Department of Primary Industries and Regional Development are joint signatories for this facility. During the month interest of \$3,300 was earned (last month \$3,298) and the current balance of the

investment is \$5.554 million. At 31 January 2020 the rate of interest earned on this facility is 0.70% and is set at 5 basis points lower than the Reserve Bank's cash reference rate.

#### **In-Kind Support**

At 31 January 2020 fee waivers, donations and financial assistance sponsorships totalled \$11,573 and included \$8,200 of sporting sponsorships, \$600 of donations and \$2,773 of fee waivers.

#### **Reserves**

Movement to reserves represent interest earned on reserve funds. During the month no reserve transfers were processed.

#### **Budget Amendments**

No budget amendments are proposed.

#### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Financial Management Regulation 34 requires a local government to prepare each month a Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation 22(1) (d).

#### **STRATEGIC PLAN / POLICY IMPLICATIONS**

##### ***Community Strategic Plan 2036 (CSP)***

##### ***Corporate Business Plan 2019-2023***

Key Result Area 5: Effective leadership and governance

Outcome 6: Measure and report on success and sustainability

Strategy 1: effectively measure our success and progress to a sustainable future

Service level strategy/plan: Continue to monitor monthly, year to date and annual financial performance including preparation of the annual financial report.

#### **PLANNING FRAMEWORK**

Nil

#### **FINANCIAL IMPLICATIONS**

##### **Implications**

At 31 January 2020 the Shire's financial performance is exceeding budget projections for liquidity and the net operating result. This is attributable to under budget capital and operating expenditure and over budget operating revenue.

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

Monthly financial performance will influence the Long Term Financial Plan by providing actual revenue and expenditure parameters to compare against forecast results.

##### **Whole of Lifecycle considerations**

Nil

#### **SUSTAINABILITY IMPLICATIONS**

##### **Environmental**

As included in the report in business units such as Landcare & Environmental Services, Parks & Gardens, Waste Services, Environmental Health.

##### **Social**

As included in the report in business units such as Community Planning & Development, Town Planning, Recreation Centres, Parks & Gardens.

##### **Economic**

As included in the report in business units such as Sustainable Economy, Caravan Parks, Building Services, Town Planning, General Financing.

#### **ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council receives the Monthly Financial Report – January 2020 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. Monthly Financial Report consisting of:
  - a. Notes to and forming part of the Statement of Financial Activity
  - b. Financial Reports by Business Units

**11.4.2 INTEREST FREE LOAN MARGARET RIVER TENNIS CLUB INC.**

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<b>LOCATION/ADDRESS</b>	Shire of Augusta Margaret River
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	PTY/3899 REC/36
<b>REPORT AUTHOR</b>	Andrew Ross, Manager Corporate Services
<b>AUTHORISING OFFICER</b>	James Shepherd, Director Corporate and Community Services

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**IN BRIEF**

- The Margaret River Tennis Club Inc. (the Club) is seeking a \$19,525 (inc GST) interest free loan from the Community Loan Reserve to assist with the resurfacing of four courts.
- The Club received an interest free loan in 2013 for similar works and repaid the amount in full two years ahead of scheduled.

**RECOMMENDATION**

That Council approves unbudgeted expenditure of a \$19,525 interest free loan to the Margaret River Tennis Club Inc. for a period of five (5) years funded from the Community Loan Reserve.

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**LOCATION PLAN**

Nil

**TABLED ITEMS**

Nil

**BACKGROUND**

The Margaret River Tennis Club Inc. are seeking an interest free loan of \$19,525 to assist with the resurfacing of four courts.

The Club received a quote from West Coast Synthetic Surfaces in the amount of \$35,500 + GST (\$38,500) to carry out resurfacing works to four courts as show in Attachment 1. The Club will be directly funding 50% of the project costs and request the remaining 50% from the Shire via an interest free loan.

In 2013 the Club received a \$15,000 interest free loan to assist with resurfacing six courts. The repayment term was five (5) years however the debt was repaid full by November 2016.

The Club do not currently have any outstanding loans with the Shire.

**CONSULTATION AND ADVICE**

**External Consultation**

SRRG delegates

**Internal Consultation**

Manager Corporate Services  
Recreation Operations Manager

**DISCUSSION / OFFICER COMMENTS**

Funding through the Department of Local Government, Sporting and Cultural Industries Community Sporting and Recreation Facilities Fund (CSRFF) was considered to assist with this project. A review of the guidelines advised that projects of this nature are not eligible for funding as they are considered a recurring operational/maintenance expense.

The Club is a valuable and sustainable community organisation having been operating since 1994, continually improving the facilities and attracting high calibre events to the region.

The Club are largely self-supporting and members have always been proactive in remaining a viable organisation. The Club attract a range of visitors to the region and wish to continue providing a quality venue and experience for patrons.

The repayment on the loan will see an annual payment of \$3,905 with the loan concluding in 2025. Therefore, the length of this loan will remain within the five-year timeframe stipulated by the Shire's Interest Free Loan Procedure.

#### **STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Section 6.8(1) of the *Local Government Act 1995* states that:

“A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —

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

Point (b) requires the resolution be adopted by an absolute majority of Council.

#### **STRATEGIC PLAN / POLICY IMPLICATIONS**

***Community Strategic Plan 2036 (CSP)***

***Corporate Business Plan 2019-2023***

Key Result Area 2: Welcoming, inclusive and healthy communities

Community Outcome 2.5: Active, healthy and safe lifestyles

Strategic Response 2.5.2: Enable high standard recreational facilities and sporting grounds

CCSP 10 Financial Assistance Policy

CCSP 25 Physically Active Communities Policy

#### **PLANNING FRAMEWORK**

Nil

#### **FINANCIAL IMPLICATIONS**

##### **Implications**

A review of the Club's operating budget indicates that they are in a strong financial position and are able to meet the annual repayment of \$3,905. The Club has also provided two guarantors to the loan if there is a default on the loan repayments. The interest free loan will be provided from the Community Loan Reserve which has a balance of \$144,543.70 at 31 January 2020. There will be no adverse impact on the Shire's forecast financial position for this financial year.

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

Nil

##### **Whole of Lifecycle considerations**

Nil

#### **SUSTAINABILITY IMPLICATIONS**

##### **Environmental**

Nil

##### **Social**

The Club provides members of the community the opportunity for physical fitness and socialisation.

##### **Economic**

Nil



**ADVOCACY**

Nil

**IMPLICATIONS OF ALTERNATIVE RESOLUTION**

Nil

**VOTING REQUIREMENTS**

Absolute Majority

**RECOMMENDATION**

That Council approves unbudgeted expenditure of a \$19,525 interest free loan to the Margaret River Tennis Club Inc. for a period of five (5) years funded from the Community Loan Reserve.

**ADVICE TO APPLICANT / PROPONENT**

Nil

**ATTACHMENTS**

1. CONFIDENTIAL Margaret River Tennis Club Inc. Audited Financial Report

12. MOTIONS FROM MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
  
13. MOTIONS FOR CONSIDERATION AT NEXT MEETING
  
14. NEW BUSINESS OF AN URGENT NATURE
  - 14.1. Members
  - 14.2. CEO
  
15. CONFIDENTIAL BUSINESS
  
16. CLOSURE OF MEETING