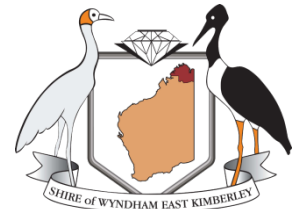


I hereby certify that the Minutes of the Ordinary Council Meeting held are a true and accurate record of the proceedings contained therein.

Shire President

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

MINUTES
ANNUAL GENERAL
MEETING OF ELECTORS

12 December 2019

DISCLAIMER

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

Signed on behalf of Council



CARL ASKEW

CHIEF EXECUTIVE OFFICER

NOTES

- 1. Councillors wishing to make alternate motions to officer recommendations are requested to provide notice of such motions electronically to the minute taker prior to the Council Meeting.**
- 2. Councillors needing clarification on reports to Council are requested to seek this from relevant Officers prior to the Council meetings.**

**SHIRE OF WYNDHAM EAST KIMBERLEY
AGENDA OF THE ANNUAL GENERAL MEETING OF
ELECTORS
KUNUNURRA COUNCIL CHAMBERS
HELD ON THURSDAY, 12 DECEMBER 2019 AT 5:00 PM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

The CEO declared the meeting open at 5.01 pm.

In accordance with Section 5.30(3) of the Local Government Act, the CEO advised that both the Shire President and Deputy Shire President were absent, and called for nominations to preside at the meeting.

Cr Petherick, nominated Cr Pearce (who accepted) and Cr McKittrick seconded the motion.

There being no further nominations the CEO put the matter to a vote.

With no further nominations, the CEO declared Cr Pearce the person presiding the Meeting.

Council Decision

Minute Number: 12/12/2019 - 118152

Moved: Cr A Petherick

Seconded: Cr M McKittrick

That Council nominate Cr Pearce to preside at the Annual Electors Meeting.

Carried: 6/0

Cr Pearce assumed responsibility for presiding over the remainder of the meeting.

2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

ATTENDENCE

Cr D Pearce	Presiding Member
Cr N Brook	Councillor
Cr M Dear	Councillor
Cr J Farquhar	Councillor
Cr M McKittrick	Councillor
Cr A Petherick	Councillor
C Askew	Chief Executive Officer
N Kearns	Director Planning and Community Development
V Lawrence	Director Corporate Services
P Webb	Manager Assets and Engineering
C Cane	Minute Taker
N Lennon	SWEK Employee
F Heading	SWEK Employee
K Guerin	SWEK Employee
N Bray	SWEK Employee
C Askew	Resident
C McDonald	Resident
M McDonald	Resident
M Northover	Resident
A Pearce	Resident
S Rushby	Resident
B Spackman	Resident
B Spackman	Resident
D Spackman	Resident
A Wright	Resident
K Wright	Resident
R Nadge	Reporter, ABC Kimberley
E Van Aken	Reporter, The Kimberley Echo

APOLOGIES

Cr D Menzel	Shire President
Cr T Chafer	Deputy Shire President
Cr G Lodge	Councillor
S Dyson	Director Infrastructure

3. CONFIRMATION OF MINUTES

3.1. CONFIRMATION OF MINUTES OF ANNUAL GENERAL MEETING OF ELECTORS 5 DECEMBER 2018

RECOMMENDATION

That the Minutes of the Annual General Meeting of Electors held on 5 December 2018 be confirmed.

DECISION

Minute Number: 12/12/2019 - 118153

Moved: Cr J Farquhar

Seconded: Cr M McKittrick

That the Minutes of the Annual General Meeting of Electors held on 5 December 2018 be confirmed.

Carried unanimously

4. PRESENTATION OF THE 2018-19 ANNUAL REPORT

4.1. SHIRE PRESIDENT'S REPORT

4.2. CHIEF EXECUTIVE OFFICER'S REPORT

4.3. ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Cr Pearce referred to the 2018-2019 Annual Report being accessible online via the Shire's website.

The CEO addressed the Chief Executive Officer's Report and acknowledged it has been a busy and productive year for the Administration and Council.

The CEO noted some of the highlights in the report being community safety including CCTV; waste management including free domestic waste and the extension of the Wyndham Landfill by 40 years; town beautification including significant resources at the foreshore and Swim Beach; the development of the East Kimberley Regional Airport masterplan and business plan for the runway extension; a number of youth activities including partnerships in Kununurra and Wyndham; the Community Scorecard which has shown healthy improvements in the majority of areas including significant increases in both leadership and organisational governance; a strong focus on economic development which is significantly focussed on improving value for money for rate payers which includes for the second year running Council resolving to not have a rate increase, and; a financial clean bill of health from the auditors.

The CEO thanked Council and the Administration for a very productive and positive year.

Cr Pearce, on behalf of Council, provided thanks to the CEO for his five years of service and for steering the Council through some turbulent waters during his tenure.

RECOMMENDATION

That the 2018-19 Annual Report, including the Shire President's Report, Chief Executive Officer's Report and Annual Financial Statements and Auditor's Report be received.

DECISION

**Moved: Cr M McKittrick
Seconded: Keith Wright**

That the 2018-19 Annual Report, including the Shire President's Report, Chief Executive Officer's Report and Annual Financial Statements and Auditor's Report be received.

Carried unanimously

5. PUBLIC QUESTION TIME

5.1 Questions from Simone Rushby Po Box 7, Kununurra

1. Given the fact that harassment of residents has been brought to Council's attention from myself and others on numerous occasions, what exactly as a Council have you done with my previous concerns as it is obviously continuing?
2. What has this Council put in place to monitor and protect residents from this type of behaviour?
3. How do you police the way that residents and rate payers are treated by Shire Management?
4. There are local SWEK based policies which exist in this Council to protect this Council and Staff from vexatious complaints and harassment, but what is there to protect the community of vexatious complaints and harassment on a local level?

Questions taken on notice.

Simone Rushby put forward the following motion:

ELECTOR MOTION

Moved: Simone Rushby
Seconded: Keith Wright

That Council creates a local policy which specifically addresses the protection of residents against all forms of harassment and misconduct from Council and Shire staff including mediation and dismissal options.

Carried: 7/0

5.2 Statement from Darren Spackman, Kununurra

There was a motion passed on 18 November 2014 (Minute No. 10663) where Council requested for the establishment of the drain on Ivanhoe Road that goes in through the borrow pits. I don't think that has happened to this date. The background within that report clearly shows the drain is unmaintained and causes localised flooding and no cleaning of the drain has been undertaken since 2014 when it was identified. How do we address this?

Response from Paul Webb, Manager and Assets and Engineering:

This matter was raised earlier this year. The area of investigation is a Class 1 drinking area and the Water Corporation has been reluctant to allow the Shire to work in it. However, they have now agreed to consider the Shire to have a conditional approval to work in that area. It was noted that these matters usually takes a number of years to resolve, however approximately three months ago the process was commenced.

It was also noted that there is only 20 metres of drainage which is within the P1 Area and a permit to work in a P1 area is not required. Mr Webb confirmed in addition, this matter forms part of the five year Cardno Report plan which will set the priorities to repair flooding throughout the town including this particular drain.

Darren Spackman put forward the following motion:

ELECTOR MOTION

Moved: Darren Spackman

Seconded: Cr M Dear

That Council clean and maintain the existing drain (LOT 715, 41812). See Minute No. 10663 for background information.

Carried unanimously : 15/0

5.3 Statement from Darren Spackman, Kununurra

With reference to the East Kimberley College bus parking, on 19 December 2013, Council passed a motion (Minute No. 10287) to 'not support the relocation of the KDHS buses to the proposed area on Coolibah Drive' with Part 3 of the motion stating the CEO is 'to prepare and propose a policy to be brought to Council for consideration on the Shire carrying out work on behalf of a Government department on Council controlled land' and 'including when a project of this nature (relocation of bus area onto Council land) can potentially affect such a large sector of the community, what policies can be put in place to ensure the community has the appropriate input and is kept informed?'

I understand the buses have now been relocated to the other side of the school on Mangaloo Street, but there was no community consultation.

As per minute number 10287 Council passed a motion that these matters should come to Council but that did not happen. Has there been a budget for the work that was done on Mangaloo Street and was it paid for by the Shire? The Community were not informed, it was not part of our capital works and a motion was not passed to Council.

Response from Carl Askew, CEO:

The CEO advised the works were budgeted and paid for by the Shire and that the matter did come to Council at the 29 October 2019 Ordinary Council Meeting (minute number 118117) where the works were approved.

Consultation was held with the East Kimberley College, the PNC of the school, and all of the contractors who currently drive those buses and deliver those services. Advertising at the Library and throughout the school including the school newsletter was undertaken. The whole school community was engaged in consultation, the Agenda and meeting of Council was public as was the resolution of Council.

5.4 Statement from Darren Spackman, Kununurra

Darren Spackman put forward the following motion:

ELECTOR MOTION

Moved: Darren Spackman
Seconded: Mark Northover

That Council considers privatising gardening and slashing maintenance within the Shire.

Carried unanimously: 15/0

5.4 Statement from Darren Spackman, Kununurra

Darren Spackman put forward the following motion:

ELECTOR MOTION

Moved: Darren Spackman
Seconded: Keith Wright

That Council sticker all Shire vehicles with non-removable decal stickers and that they are uniform.

Carried unanimously: 15/0

5.5 Question from Mark Northover, Kununurra

What is Council doing to rectify the situation with regards to the Operating Surplus ratio?

Response from Vernon Lawrence, Director Corporate Services:

The Operating Surplus Ratio is a mechanical ratio based on the disclosed items without taking into account any of the underlying information. It is a product of the Australian Accounting Standards and the Local Government Act together with the Regulations. The Auditor General has instructed that the ratio needs to be calculated based on the amounts disclosed in the financial statements. The Operating Surplus Ratio is income less expenditure, and includes capital losses but no capital revenue. It does not take into account any timing differences arising out of advance payments of grant income which create losses and surpluses depending purely on the timing of the payments. Any revaluation surpluses attaching to assets written off are also excluded.

A practical example of this is that an amount of \$1.3 million loss on write off of the bridge replaced on Weaber Plain Road was included in the calculation of the Operating Surplus Ratio. The Shire never paid for the construction of the asset as it was allocated to us. We are obliged to recognise it in the financial records of the Shire and did so by creating a revaluation reserve for the bridge. The loss on write off should have been reduced by the amount of revaluation reserve for that asset in calculating the operating surplus ratio as that would reflect the impact of that transaction on the ratepayer.

In addition, the Shire has prepared a submission to the Department of Local Government to request a review of this ratio because it is supplying information out to the public that does not have any basis in reality. Ultimately, it does not have any effect on our underlying cash position.

Cr McKittrick added that as a member of the Audit (Finance & Risk) Committee, a teleconference was held with Moore & Stephens the Shire's Auditors in which the Operating Surplus Ratio was raised as a concern. Moore & Stephens confirmed there were many other Shires in the same position and that it is currently being reviewed as some of those ratios are providing false readings. The common consensus through the whole of Western Australia is that this ratio is very misunderstood and it is not a true and transparent reality as to how our Shire is operating.

5.6 Question from Mark Northover, Kununurra

With reference to Page 56 of the 2018-19 Annual Report, the Shire have had a windfall on operating activity from grants and subsidies to the value of \$3.2 million, over and above what was presented in this year's budget, that's some \$465,000 dollars on the previous years actuals as well as on fees and charges to the value of \$852,000. Does that mean we get more services and less rates?

Response from Vernon Lawrence, Director Corporate Services:

With regards to the fees and charges, a significant component of that was airport revenue. Because airport revenue gets quarantined in a reserve it does not relate to any of the other services that the Shire provides.

With regards to the grants and subsidies the question was taken on notice.

5.7 Question from Mark Northover, Kununurra

Referring to page 38 of the Annual Report, there is a chart showing a 40 per cent increase in the number of Directors. Is there any explanation for that?

Response form Carl Askew, CEO:

The CEO advised the Shire has not had an increase in Directors as the number remains at 3. He noted that perhaps there is an accounting issue where one Director arrives and another leaves but ultimately the establishment for Directors has not changed.

The Shire is required to report on all staff who earn a yearly salary of \$100,000 or more, and this does not necessarily have to be a Director.

It was noted that the increase in numbers is for the categories between \$100,000 and \$140,000. There was an increase from 12 to 17 on the numbers to be disclosed of salaries over \$100,000 as staff became eligible in 2018/19 to be disclosed because of Enterprise Agreement increases or promotions.

Director Corporate Services to take Mr Northover's questions on notice and provide a statement to the next Council meeting to address the concerns raised by Mr Northover.

5.8 Question from Mark Northover, Kununurra

There are quite a few Shire assets in which their values don't appear to be changing, such as the old Shire Administration Building. Is this a result of adverse accounting?

Response from Vernon Lawrence, Director Corporate Services:

Shire assets need to be reflected at fair value according to both state legislation and the Australian Accounting Standards. The Shire revalue its assets on a periodic basis, which currently the legislation says need to be done every 3-5 years. Approximately two years ago an independent property evaluator looked at those assets and presented them at fair value.

In the short term, asset values can fluctuate but over the long term property-type assets, as long as they are being maintained, increase in value over time.

The old Shire Administration Building is an exception to that because the building on its own has some challenges and is not being utilised. The property is also on free-hold land which is reasonably valuable and over a long period of time it is expected that free-hold land will likely increase in value. At this point of time, the Shire does not see the need to spend Council resources on a building that is not providing any services.

5.9 Question from Mark Northover, Kununurra

On page 56 on the operational statement of the Annual Report you mention the GST figure and budgeted figure next year and there is a significant difference we are talking \$1million (title of statement = statement of cash flows). Why are you so far out on your budget?

Response from Vernon Lawrence, Director Corporate Services

We budgeted to receive \$2,5million worth of GST and we only received \$1.9 million. The budgeting process is not an exact science, we don't know the mix of services. We have transactions that are subject to GST and transactions that are not subject to GST. At the budget time what we do is generally assumed that all transactions, incoming revenue, is subject to GST to rather be more conservative than the other side because we have a liability to pay that GST across to the tax office. So while it reflects that it looks like a poor performance, all that really means is that we have paid across less GST to the tax office.

5.10 Question from Mark Northover, Kununurra

There is a significant amount of money here. I understand you are increasing the employment level and staffing levels. We are going backwards 1.2million dollars in your statement for the year - Trying to understand as, I'm a bit confused on what direction Council is taking us.

Response from Vernon Lawrence, Director Corporate Services

In addressing the staffing issue, the staffing levels on FTEs has basically remained static for the past three years. The first year was 104FTE at first budget, of which two positions were temporary, and at the moment I think the staff compliment is 100.5 on FTEs.

The cash flow statement is not the best place to compare staff costs for a number of reasons. Firstly, it ignores the accrual concept and only deals with cash flows. The current

year includes a cash payment for wages that is in the main in respect of the prior year. Secondly, the current year also includes transfers from provisions and reserves for the payment of long service leave and annual leave entitlements that are significantly bigger than the prior year. Finally, the cash flow statement does not include amounts provided for placed in the provisions for staff entitlements.

The statement you should be looking at is the statement of comprehensive income, which includes all employee costs. In 2018 employee costs were \$11.19million and in 2019 was \$11.015million, showing employee costs actually reduced by \$100,000.

We are not \$1.2 million behind. If you look at comprehensive statement of income you will see in 2018 we had an operating deficit of almost \$2M and that improved to \$1.1M in the current year.

6. CLOSURE

Cr Pearce thanked the CEO, and thanked Directors and staff for their tireless work this year, before closing the meeting at 6.05pm.