



SHIRE OF WYNDHAM | EAST KIMBERLEY

AGENDA ORDINARY COUNCIL

28 JULY 2020

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

A handwritten signature in black ink, appearing to read 'V. E. Lawrence', written in a cursive style.

VERNON LAWRENCE

ACTING 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.**

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**SHIRE OF WYNDHAM EAST KIMBERLEY
ORDINARY COUNCIL MEETING AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON TUESDAY 28 JULY 2020 AT 5:00PM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

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

3. DECLARATION OF INTEREST

- Financial Interest
- Impartiality Interest
- Proximity Interest

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

NIL

5. PUBLIC QUESTION TIME

Question 1 - Karen Krollig, Resident

Is it possible to build a self cleaning public toilet in Kununurra? Like this:

http://www.wcinnovations.com.au/automated_public_toilets

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. PETITIONS

8. CONFIRMATION OF MINUTES

OFFICER'S RECOMMENDATION

<p>That Council confirms the Minutes of the Ordinary Council Meeting held on 23 June 2020</p>

Note: The Minutes of the Ordinary Council Meeting held on 23 June 2020 are provided under separate cover via www.swek.wa.gov.au

That Council confirms the Minutes of the Special Council Meeting held on 02 July 2020

Note: The Minutes of the Ordinary Council Meeting held on 02 July 2020 are provided under separate cover via www.swek.wa.gov.au

That Council confirms the Minutes of the Special Council Meeting held on 09 July 2020

Note: The Minutes of the Ordinary Council Meeting held on 09 July 2020 are provided under separate cover via www.swek.wa.gov.au

9. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

11. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

12. REPORTS

12.1. MATTERS ARISING FROM COMMITTEES OF COUNCIL

NIL

12.2. CHIEF EXECUTIVE OFFICER

12.2.1. Standing Item - Outstanding Actions from Previous Council Resolutions

DATE:	28 July 2020
AUTHOR:	Acting Executive Officer to the CEO
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council notes the report - Outstanding Actions from Previous Council Resolutions.

PURPOSE

To report to the Council on the progress of and provide comment on outstanding actions from Council resolutions.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

At each meeting of Council, resolutions are made which require actions to be taken by officers to implement those resolutions. This monthly update advises the Council as to the status of the implementation of resolutions.

STATUTORY IMPLICATIONS

NIL

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Not applicable as referenced in individual reports presented to the Council.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.2: Good decision making through engagement with the community

Strategy 4.2.2: Ensure community input informs planning and decision making

Goal 4.3: Ensure a strong and progressive organisation delivering customer focused services

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

RISK IMPLICATIONS

NIL

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

An update of actions from the June 2020 Council resolutions are detailed in Attachment 1.

Attachment 2 summarises all other actions that are outstanding from previous Council resolutions.

ATTACHMENTS

Attachment 1 - Council Action Register - June 2020

Attachment 2 - Council Action Register - Outstanding Actions from Previous Council Resolutions

12.2.2. Elected Member Training and Professional Development Register and Policy

DATE:	28 July 2020
AUTHOR:	Senior Governance & Risk Officer
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
FILE NO:	GN.08.2
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council;

- 1. Note the Elected Member Training Register, as contained in attachment 1**
- 2. Adopt Council Policy CP/CNC 3144 Elected Member Continuing Professional Development, as contained in attachment 2**

PURPOSE

Pursuant to Section 5.127 of the *Local Government Act 1995*, a local government must prepare a report for each financial year on the training completed by council members in the financial year. (2) The CEO must publish the report on the local government's official website within 1 month after the end of the financial year to which the report relates.

Pursuant to Section 5.128 of the *Local Government Act 1995* A local government must prepare a policy for continuing professional development.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

On 27 June 2019, changes to the *Local Government Act 1995* were passed by Parliament which required all council members to undertake training within the first 12 months of being elected. The changes have been introduced in recognition of the unique and challenging role that council members have. The training course, Council Member Essentials, has been developed to provide council members with the skills and knowledge to perform their role as leaders in their district. The Council Member Essentials course has five foundational units.

All council members will be required to complete:

- Understanding local government
- Serving on council
- Meeting procedures
- Conflicts of interest
- Understanding of financial reports and budgets

All council members will have to complete the Council Member Essentials course unless, in the previous five years, they have passed the Diploma of Local Government 52756WA (Elected Member) or the course titled LGASS00002 Elected Member Skill Set.

Councillors completed the training, online with the Western Australian Local Government Association, noting that some training has been provided in person, within the 5 year requirement.

Along with these changes, the Local Government Act prescribed the use of a professional development policy to guide Council and the Administration in continued Council professional development of elected members. The content of the policy should be determined by the Council. It should include developmental opportunities for each councillor and a statement of the extent of payment by the local government.

In deciding the content of the policy, Council should consider:

- the strategic direction of the local government,
- skills gaps among the Council as a whole, and
- the needs of individual Councillors.

STATUTORY IMPLICATIONS

Local Government Act 1995

5.126. Training for council members

- 1) *Each council member must complete training in accordance with regulations.*
- 2) *Regulations may —*
 - a) *prescribe a course of training; and*
 - b) *prescribe the period within which training must be completed; and*
 - c) *prescribe circumstances in which a council member is exempt from the requirement in subsection (1); and*
 - d) *provide that contravention of subsection (1) is an offence and prescribe a fine not exceeding \$5 000 for the offence.*

[Section 5.126 inserted: No. 16 of 2019 s. 61.]

5.127. Report on training

- 1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.
- 2) The CEO must publish the report on the local government's official website within 1 month after the end of the financial year to which the report relates.

5.128. Policy for continuing professional development

- 1) A local government must prepare and adopt* a policy in relation to the continuing professional development of council members

* Absolute majority required.

- 2) A local government may amend* the policy.

*Absolute majority required.

- 3) When preparing the policy or an amendment to the policy, the local government must comply with any prescribed requirements relating to the form or content of a policy under this section.

- 4) The CEO must publish an up-to-date version of the policy on the local government's official website.

- 5) A local government —

- a) must review the policy after each ordinary election; and
- b) may review the policy at any other time.

[Section 5.128 inserted: No. 16 of 2019 s. 61.]

POLICY IMPLICATIONS

There are no policy implications associated with his report

FINANCIAL IMPLICATIONS

The units as delivered by WALGA online are valued \$195 per unit, per Councillor. A Councillor who has not previously completed training would be priced at \$975 to complete the training.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

RISK IMPLICATIONS

Risk:

Failure to manage a governance framework which transparently embraces good governance practices.

Failure to develop appropriate, meaningful policies which enable the administration to perform in an effective and efficient way.

Control:

Completion member essentials training.

Review of Council Policies in line with Council Policy Management Policy and legislative requirements.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

Some Councillors have previously completed training covered in the Council Essentials Units through WALGA's in-person training arrangements. For these units previously completed within the designated timeframe, Councillors are only required to complete the assessment component. Previous training is listed in the register, this information was provided by WALGA in the form of a transcript. Councillor Essentials Training, in accordance with the Local Government Act 1995, must be completed by the end of October.

The policy should be reviewed after each election cycle to ensure that it meets the needs of the current Council, be in accordance with any prescribed requirements.

ATTACHMENTS

Attachment 1: Elected Member Training Register

Attachment 2: CP/CNC 3144 Elected Member Continued Professional Development Policy

12.2.3. Melbourne to Kununurra Direct Flight Trials

DATE:	28 July 2020
AUTHOR:	Chief Executive Officer
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
FILE NO:	TT.15.3
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Authorises the CEO and administration to investigate the business case, potential risk exposure and benefits to the Community, SWEK and the East Kimberley Regional Airport in financially supporting a trial of a direct air service between Kununurra and Melbourne for the 2021 tourist season, including:**
 - a) Engaging with stakeholders to produce a financial model that will demonstrate whether a direct flight trial for the 2021 tourist season is viable;**
 - b) Producing a risk assessment of the direct flight trial, addressing the full range of impacts on the business operations of the East Kimberley Regional Airport and other business that may be affected by the direct flight trial;**
 - c) Producing a timeline identifying those critical milestones that need to be achieved to best ensure the success of the project;**
 - d) The CEO reporting back to Council on progress at the next and subsequent Council Briefings.**
- 2. Provides in principle support for the direct flight trial to be extended for a further two years (2022 and 2023) provided that the 2021 direct flight trial commences and that Council resolves after the conclusion of the 2021 direct flight trial that it is a success and that the extension of the direct flight trial meets any conditions set by Council thereafter.**

- 3. Supports the reactivation of the Air Access Coordination Group (AACG) and endorses the Shire President and the CEO to attend meetings of the AACG.**

PURPOSE

The purpose of the report is to update Council on the current developments with regard to the possible resumption of the Melbourne - Kununurra direct flight trial. It is to further provide the CEO the authority to engage with stakeholders and possible partners to establish whether a further trial in 2021 is financially viable for the Shire.

The report is also to inform Council that there is a desire by the participants to extend the flight trial for a further two years should a flight trial be successful in 2021 and provide Council with information that will allow Councillors to consider giving in principle support for a trial in 2022 and 2023 provided certain criteria are met.

Finally the report is to request Council to support the Air Access Coordination Group to recommence meetings in support of the direct flight trial and to endorse the Shire President and the CEO to attend meetings on behalf of the Shire.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Advocator - advocate and support initiatives on behalf of the community and the Kimberley

Facilitator - bring stakeholders together

Funder - provide funds or other resources

Provider - provide physical infrastructure and essential services

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Council has considered this matter on a number of occasions.

At the 28 November 2017 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 28/11/2017-117835

Moved Cr Chafer

Seconded: Cr Pearce

That Council reaffirm its decision of 22 November 2016 and specifically:

- 1. Provide support for a trial of an air service proposed by the East Kimberley Marketing Group between Kununurra and Melbourne for forty (40) return services between May and October 2018 and authorise the CEO to enter into negotiations with the East Kimberley Marketing Group and their partners on the following basis:***

- a. **Consideration of a supporting financial package comprising:**
 - i. **Waiver of Passenger Service Fees for screening, Terminal Passenger Handling Fees and Landing Fees to a maximum value of \$153,000. conditional upon the flights arriving and departing between 10:00 am and 4:00 pm (WA time) when the airport staff are onsite and available.**
 - ii. **Operational subsidy to maximum of \$200,000 (acknowledging an additional contribution from the State Government and/or local community of at least \$200,000).**
 - b. **Further negotiate with the East Kimberley Marketing Group and the Airline regarding the type of aircraft, flight schedules and the implications for connections with Melbourne Airport and services required of EKRA, confirmation of the opportunity for, booking arrangements and seamless ticketing or connectivity to secondary destinations, confirmation of details related to fare structures and ticketing costs, key performance indicators.**
2. **Condition its support and contribution to the trial upon the development and execution of a professional marketing campaign properly funded and resourced by the State Government to promote the commencement and for the duration of the trial service;**
 3. **Refers the cost of the trial for consideration in both the Mid-Year Budget Review 2017-18 and Annual Budget 2018-19; and**
 4. **Refers the replacement of Landing Fees to the Airport Reserve from Municipal funds for consideration in both the Mid-Year Budget Review 2017-18 and Annual Budget 2018-19.**

Carried: 8/0

At the 30 October 2018 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 30/10/2018 - 115867

Moved: Cr D Pearce

Seconded: Cr T Chafer

That Council:

1. **Authorises the CEO and administration to further investigate the business case and potential risk exposure and benefits to the Community, SWEK and the EKRA in**

financially supporting a trial of a direct air service between Kununurra and Melbourne, including:

- a) A benefit-cost analysis and risk assessment of the flights proposal from EKMG, addressing the full range of impacts on the business operations of the East Kimberley Regional Airport.**
- b) Sensitivity analyses of the proposed Melbourne flights, modelling varying proportions of passenger flight substitution over existing routes, and the extent to which this will impact on airport passenger numbers (using historical EKRA passenger numbers as a guide).**
- c) An assessment of broader impacts on the community arising from the proposal, not limited to tourism. This is to include positive impacts as well as risks.**
- d) Provision of a timeline identifying those critical milestones that need to be achieved to best ensure the success of the project.**

2. Requests the CEO to report back to Council on progress towards investigating these matters at the next Council Briefing.

3. Authorise, in accordance with section 6.11 (2) of the Local Government Act 1995, the advertising of a change to the Airport Reserve purpose to “The Reserve is to provide support for the Shire’s Airport operations and facilities and to promote an expansion of airport operations and increased passenger numbers through the airport. These include normal operations, asset management, expansion of facilities and operations and projects that support the strategic objectives for the Airport”.

Decision:6/1

Against: Cr A Petherick

At the 10 December 2019 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 10/12/2019 - 118140

Moved: Cr J Farquhar

Seconded: Cr M Dear

That Council:

- 1. Note the formation of the East Kimberley Air Access Coordination Group, with administration and secretariat provided by the Kimberley Development Commission (KDC), and**

- 2. Endorse the attendance at the Group of the Shire President Cr David Menzel and the CEO.**
- 3. Provides amendments to the CEO in relation to the Terms of Reference of the East Kimberley Air Access Coordination Group.**

Carried: 6/0

At the 24 March 2020 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 24/03/2020 - 118196

Moved: Cr T Chafer

Seconded: Cr G Lodge

That Council:

- 1. Note the success in the progress of the Melbourne - Kununurra direct flight trial prior to the impact of the COVID-19 virus on the trial; and**
- 2. Endorse the position that the 2020 Melbourne - Kununurra direct flight trial be deferred to 2021; and**
- 3. Provide the Acting CEO the authority to engage with all stakeholders to assess the implications of current events relating to restrictions on travel on the direct flight trial for the 2020 year including seeking advice from the Shire's legal advisors; and**
- 4. Provide the Acting CEO the authority to negotiate with and seek agreement from the relevant partners in the trial to agree in principle to defer the trial to 2021 on terms and conditions to be agreed upon; and**
- 5. Agree that should the trial be deferred to 2021 and if the direct flight trial is considered to be a success in 2021, then provide conditional and "in principle" support for the continuation of the direct flight trial air service between Kununurra and Melbourne in years two (2022) and three (2023); and**
- 6. Endorse the amended Terms of Reference for the Air Access Coordination Group.**

Carried: 9/0

STATUTORY IMPLICATIONS

Council is subject to a number of provisions under the *Local Government Act 1995* in relation to the allocation of funds.

6.11. Reserve accounts

- 1) *Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.*

- 2) *Subject to subsection (3), before a local government —*
 - a) *changes* the purpose of a reserve account; or*
 - b) *uses* the money in a reserve account for another purpose, it must give one month's local public notice of the proposed change of purpose or proposed use.*
** Absolute majority required.*

- 3) *A local government is not required to give local public notice under subsection (2)*
 - a) *where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or*
 - b) *in such other circumstances as are prescribed.*

- 4) *A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.*

- 5) *Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.*

Council also needs to be mindful of issues related to the National Competition Policy and associated Competition Principles Agreement - an intergovernmental agreement between the Commonwealth and State/Territory governments that sets out how governments will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a policy statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The provisions of Clause 7 require the local government to report annually on their implementation, application and effects of Competition Policy as well as the structural reform of public monopolies and the implementation of Legislative review. Competition Policy does not require contracting out or competitive tendering. It does not preclude local government from continuing to subsidise its business activities from general revenue, nor does it require privatisation of Government functions. Competitive neutrality principles apply to those significant business activities conducted by (or under the control of) one or more local government.

POLICY IMPLICATIONS

There are no specific policy implications that impact on the consideration of this report, however, there is a need to meet good governance principles in assessing the request.

FINANCIAL IMPLICATIONS

Melbourne - Kununurra direct flight trial - Year One (2021)

The financial implications of the trial will be based on a number of assumptions. These assumptions were tested to a limited degree in the 2020 flight trial and will form the basis of the financial modelling for the 2021 trial. The cost of the trial is essentially fixed once we have a schedule. The variables to be considered are the revenue aspects of the trial, and that is where all the risk relating to the project resides.

There is still significant uncertainty that exists in the tourism sector because of COVID-19. This varies from the release of pent up demand for the 2021 tourism season to the inability of the tourism infrastructure to withstand the effects of Covid-19 and be unable to support any demand in 2021. Shire Officers cannot express a firm opinion on this at this stage, but as the State and Federal Governments make announcements, which we expect them to do, the picture will become clearer and a bit more certain.

The 2020 flight trial was based on the fact that a block of 1,000 seats would be taken up by a commercial operator at the average price required to ensure the trial broke even. At a load factor of 70% of the remaining seats not taken up by the commercial tourism operator, the Shire would not have to draw down on the Airport Reserve to underwrite the trial. The trial was for 40 return flights providing a total of 5,840 seats to be sold. The modelling undertaken estimated that should the first year of the trial achieve a 50% load factor of the remaining seats, the Shire would have to underwrite the trial to an estimated value of \$620k. If the first year of the trial were to only achieve a 60% load factor of the remaining seats, the Shire would have to underwrite the trial to an estimated value of \$310k. The Shire estimated that the load factor would come in at between 60% and 70%.

These costs were estimated based on the best information available to the Shire at the time, and any shortfall arising from the trial would be funded from the Shire's Airport Reserve. The Shire expects that the financial model for the 2021 flights alone will be fairly similar to the 2020 flight trial. Updated financial data is being compiled and will be presented to Council for their consideration. The 2020/21 Annual Budget provided for \$200k of Shire support that was carried over from 2019/20. No other financial detail was included in the budget.

The Airport Reserve is estimated to be \$7.26M on 30 June 2020. The effects of Covid-19 on the reserve for the 2020/21 financial year are estimated to reduce the reserve down to \$5,63M as a worst-case scenario. The Reserve is sufficient to consider underwriting the trial at a load factor of between 60% and 70%.

Based on the modelling from 2020 and the actual data gathered, the Shire has the opportunity to implement the learnings from the 2020 trial and has the further opportunity to de-risk the trial more by varying the assumptions based on actual data collected. Provided that the data can show that the probable financial impact will not significantly deplete the Airport Reserve, a flight trial in 2021 should be considered.

Melbourne - Kununurra direct flight trial - Year Two and Three (2022 & 2023)

Should the 2021 trial be a success, then the further learnings will be applied to the financial modelling for a second and a third year of the trial. This would necessitate setting different

basic assumptions for the trial that would set the trial upon a more sustainable basis. Any changes to the basic assumptions will need to demonstrate how the load factors improve, how the Shire better diversifies its risk and how the financial risk is spread, so it is not solely the Shire's risk. The assumptions that change could include:

1. Considering more than one commercial tourism operator to guarantee a number of reservations;
2. Including local business as partners such as accommodation providers, tour operators and travel agents to develop packages that can be marketed;
3. Reducing the flight schedule to eliminate less popular flights (possibly two flights instead of three flights per week);
4. Additional funding options from State and Federal Governments to support the trial;
5. Additional marketing funds being made available for the trial;
6. Airline partners assume some of the risks for the operation of the trial.

The financial model for years two and three of the trial will need to show a reduction in risk to the Shire, smaller underwriting costs and improved outcomes for the establishment of the route, as well as providing positive data for the extension of the East Kimberley Regional Airport (EKRA) runway.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 3: Economic Prosperity

Goal 3.1: To deliver the critical infrastructure that will create the conditions for economic growth across the Shire

Strategy 3.1.1: Improve the Shire's transport infrastructure, including Wyndham Port and East Kimberley Regional Airport through lobbying, project support and funding opportunities

Goal 3.2: To be business friendly and the Shire of choice for inward investment in the Kimberley

Strategy 3.1.2: Improve access and transport links to the East Kimberley (air, road and sea)

Strategy 3.2.1: Market the East Kimberley as the place to live, visit and do business

Strategy 3.2.2: Develop a viable regional centre as a key to retaining services and supporting population growth

Corporate Business Plan

CBP Action: #228 Support the marketing of the East Kimberley for investment and tourism purposes

Annual task: Underwrite and support direct flights to Melbourne

RISK IMPLICATIONS

Risk: Inability to deliver levels of service expected by the community

Control: Develop agreed standards of service and communicate with the community

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Increased accountability to the Audit (Finance and Risk) Committee

COMMUNITY ENGAGEMENT

No formal specific community engagement has been undertaken to date by the Shire for the flight trial other than via communication with the East Kimberley Regional Marketing Group (EKMG) and associated meetings. EKMG has been active in promoting the trial and made a number of presentations to Council as well as having a number of positive articles and reports in the local newspapers. The Shire has had the flights included in its Corporate Business Plan which has in the 2019/20 financial year been out for community consultation. It will also be in the 2020/21 Corporate Business Plan on which comment from the community will be sought.

The establishment of the East Kimberley Air Access Coordination Group (AACG) has added a governance layer to the engagement around the flights. As such, there has been community awareness of the proposal with general positive support.

COMMENTS

The impact of COVID-19 changed the business conditions in which the 2020 flight trial operated, and the flight trial couldn't continue. There is sufficient data to indicate that the trial would have been a success. The last data received prior to the trial being deferred indicated that on the assumption that the commercial operator took up its allocation of 1,000 seats and that there were no cancellations, the flights were 47% sold. This put the direct flight trial in a very good position to achieve the target load factor of between 60% and 70%.

Preliminary discussions have commenced with the original stakeholders to determine their appetite to conduct a flight trial for 2021. Both parties have given positive feedback with the commercial tour operator indicating that they have strong bookings for 2021. Once more, it will be essential that we have a reasonable expectation that a commercial tour operator will take up a portion of the seats at a price that will reduce the risk for the Shire. The Shire should, in addition to this attempt to identify one or more corporate clients who will take up blocks of seats in the trial to ensure that a good passenger load factor is reached.

The previous air service provider has informed the Shire that an aircraft is available at "substantially the same rate" as for the 2020 flight trial. Updated information will be obtained during the financial modelling process.

The flight trial in 2020 was for three flights per week and a total of 40 return flights. In the analysis of the 2020 data, from a purely financial perspective, two flights per week would have significantly less risk attached to them. For 2021 a draft schedule has been prepared which is once more for three flights per week. There is still a lot of work to be undertaken before a workable schedule can be put forward for discussion.

A significant risk for the flight trial remains what the residual financial effects of Covid-19 are likely to be when bookings open and in the lead up to the actual flights. Any agreement reached with partners has to consider this. Indemnity insurance needs to be investigated as it has become a necessity to cover events that are unforeseen which may result in liability for the Shire.

For this project to be pursued, the Shire has to engage once more with the East Kimberley Marketing Group (EKMG). There is a large body of work that they need to take on for the flight trial to have any chance of being a success. We understand that in a post-COVID-19 economy, EKMG members will not have the financial resources to support the trial. However, it is important that EKMG mobilise their members to ensure that the tourism sector has a good product to offer visitors that will come in on those flights. We consider that a lot more work needs to be undertaken to ensure that there are accommodation packages that can be marketed together with the flights.

Before any decision is made by Council to undertake the 2021 trial, a detailed financial model will be produced to show the possible financial effect, draft agreements with key stakeholders to be presented and confirmed financial support for the marketing of the trial. Tourism WA will need to provide at least a similar level of marketing funds for the trial. Furthermore, we will need to investigate whether there will be any grant funding for the trial as the funds the tourism operators would have contributed have been used to ensure their survival.

In Principle Support for Years Two and Three.

The objective of the 2021 trial is to prove that a direct flight between Melbourne and Kununurra is a viable commercial operation with the aim that a carrier will take over the route and continue operating it into the future. In the initial stages of this project undertaking, only one year was envisaged. It is now apparent that in order to prove up the route as a sustainable one, the investment has to be made over a number of years.

With any new commercial venture, the actual data will generally vary from the assumptions. The information the deferred 2020 trial has provided is extremely valuable and will ensure that the 2021 flight trial will have a greater chance of success due to the learnings we have experienced. The Shire does not consider that the trial in year one will produce sufficient data that will ensure an instant take-up by one of the major airlines. A successful trial in year one can apply further learnings to future years to prove the sustainability of the route.

The first point to consider after the conclusion of year one is whether Council is happy that the trial in year one was a sufficient success to warrant a further two years. However to give some indication to the Shire's partners in this trial and to give government agencies an indication for budget allocations in future years, it is prudent that Council considers "in principle" support for the trial in years two and three.

Any decision on whether to support a further two years of the flight trial must be contingent upon a number of factors:

1. Firstly, the ability of the Shire to partner with an airline that will provide a service at a price that is acceptable to the Council. It would be preferable for the partner to take

- on some of the risks of the trial thereby reducing Council's exposure to funding any deficit arising from the trial; and
2. That the current and/or new tourism partners support the new trial in the form of a guarantee that is acceptable to Council. The current guarantee of 1,000 seats can be taken up by one or more tourism partners. This somewhat diversifies the risk of one partner underperforming; and
 3. That Tourism WA agree to provide an amount that is equal to or greater than that provided for the marketing of the flights in the first year of the trial; and
 4. That the State Government provide a contribution towards underwriting the trial as the business community and the Shire cannot be expected to underwrite the trial in successive years. The Shire and the business community will have contributed \$300,000 towards the trial in the first year. It would be good if the State Government could provide a similar contribution in each of the successive years of the trial; and
 5. Council make a contribution to the trial by waiving passenger screening fees, terminal handling fees and landing fees at the East Kimberley Regional Airport; and
 6. An acceptable flight schedule is determined based on the actual data of the first year of the trial. Council may want to consider that the trial should be reduced to two flights per week over the same period, for example.

By providing "in principle," support Council will only commit formally to the trial provided year one is a success, that learnings are implemented to make the trial more sustainable and that other partners contribute in such a manner that the financial risk of the Shire reduces over the trial period.

Air Access Coordination Group (AACG)

Should Council indicate that they are supportive of the trial continuing for 2021 then, a critical part of the overall governance of the trial is the East Kimberley Air Access Coordination Group. The composition and the terms of reference for the group are still relevant. Council should note that the Shire President chairs the Group and the CEO is a member of the committee.

ATTACHMENTS

1. Final Draft Air Access Coordination Group Terms of Reference Council 10 March 2020

12.3. PLANNING AND COMMUNITY DEVELOPMENT

12.3.1. Strategic Community Plan minor Review

DATE:	28 July 2020
AUTHOR:	Senior Projects Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
FILE NO:	CM.10.8
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Adopts the changes proposed to the Strategic Community Plan 2017-2027 resulting from the minor desktop review conducted in accordance with Section 5.56(1) of the *Local Government Act 1995*.**
- 2. Requests that the Chief Executive Officer provide local public notice of the adoption of the reviewed Community Strategic Plan 2017-2027 (Attachment 1) as per Section 19D of the *Local Government (Administration) Regulations 1996*.**

PURPOSE

To present changes resulting from the minor review of the Strategic Community Plan (SCP) for adoption by Council.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

All local governments are required to plan for the future of their district under Section 5.56 (1) of the *Local Government Act 1995 (the Act)*. Regulations under Section 5.56 (2) of the Act outline the minimum requirements to achieve this. The minimum requirement of the plan is the development of a Strategic Community Plan and a Corporate Business Plan (CBP).

The Integrated Planning and Reporting Framework (IPRF), the overarching umbrella which

encompasses both the Strategic Community Plan (SCP) and Corporate Business Plan (CBP), is a set of strategic and operational documents that the Shire is required by legislation to prepare these with the involvement of the community.

The IPRF ensures Council decisions look to the long-term future and consider the community's aspirations to deliver the best results possible with the resources available. The framework is also designed to have a stronger focus on place-shaping and wellbeing while requiring a greater level of community engagement.

The primary aims of the Integrated Planning and Reporting Framework include to:

- articulate the community's vision, outcomes and priorities and desired outcomes
- allocate resources to achieve the vision, striking a considered balance between aspirations and affordability
- monitor and report on progress

The Strategic Community Plan

The Strategic Community Plan (SCP) is the highest level integrated strategic corporate planning document, setting out the long term vision of the community for the next 10 years.

The purpose of the Strategic Community Plan is to:

- identify and acknowledge community aspirations and the vision for the future;
- provide an opportunity for participation by the community in decision-making processes;
- coordinate decision making, including the use of Shire resources and other organisations working with and within the community;
- provide a long term focus for the delivery of facilities and services by the Shire and other organisations working with and within the community, and
- provide a basis for accountability of local government to the community it serves.

The Plan influences how the Shire uses its resources to deliver services to the community, and the Shire will use the Plan in several ways, including:

- Guiding Council in setting priorities and decision making;
- Providing the basis for the design and delivery of Shire services and actions documented in the Corporate Business Plan;
- Providing a rationale to pursue grants and other resources by demonstrating how specific projects align with the aspirations of our community, and within the strategic direction of the Shire;
- Informing decision making with respect to other partners and agencies such as the State Government;
- Informing potential investors and developers of our community's key priorities and the way they can contribute, and
- Providing a basis for monitoring progress against the community's vision and aspirations.

Council adopted its initial Strategic Community Plan 2012-2022 in February 2013 (Minute no: 9986). A desktop review of the Plan was undertaken in 2014 which was endorsed by Council in December 2014 (Minute no: 10433).

A full review of the Strategic Community Plan was undertaken in 2018 and included extensive community engagement. The full review developed new goals and strategies based on community input. The Council adopted its current Strategic Community Plan 2017-2027 in April 2018 (Minute no: 117938). This current desktop review has included this feedback along with the most recent community scorecard survey, in 2019, and was also informed with respect to the impacts associated with the current COVID-19 pandemic and state of emergency - including localised economic impacts and impacts upon community organisations and the community generally.

STATUTORY IMPLICATIONS

Section 1.3 of the *Local Government Act 1995*, requires the Shire in carrying out its functions as a local government to use its best endeavours to meet the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity.

Section 5.56 of the *Local Government Act 1995*, requires the Shire to produce a 'Plan for the Future' of the district. The *Local Government (Administration) Regulations 1996*, state that a Strategic Community Plan and Corporate Business Plan, together form a 'Plan for the Future' of a district".

The requirements for preparation, consideration, consultation and advertising of a Strategic Community Plan is detailed in regulation 19C and 19D of the *Local Government (Administration) Regulations 1996*.

It is a requirement that the Shire's Strategic Community Plan receives a desktop review every two years and a full review every four years. If changes are needed, Council is required under Regulation 19C (9) of the *Local Government (Administration) Regulations 1996*, to engage with its community and (9) - a local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.

POLICY IMPLICATIONS

CP/COM-3100 - Community Engagement Policy

The Community Engagement Policy aims to improve the outcomes and benefits of effective community engagement including:

- Increased awareness of the needs, priorities and diversity of the community, which in turn ensures that service provision and planning functions are aligned appropriately.
- Council and the community working together to address local issues where appropriate.

FINANCIAL IMPLICATIONS

The financial projections contained in the plan are not binding on Council but should be reflected upon when Council determines its Long Term Financial Plan.

The Desktop review has been undertaken in-house by Shire Officers, taking into account information from the latest community satisfaction survey and with regard to impacts associated with the current state of emergency.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.2: Good decision making through engagement with the community

Strategy 4.2.1: Engage and communicate with all sections of the community to better understand needs and priorities

Strategy 4.2.2: Ensure community input informs planning and decision making

Goal: 4.3: Ensure a strong and progressive organisation delivering customer-focused services

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

RISK IMPLICATIONS

Risk: Failure to provide effective advocacy for the Shire and the Region to develop projects, support industry, and provide opportunities for all.

Control: The Strategic Community Plan identifies significant community issues and projects for Council and staff to advocate for.

Risk: Failure to provide community services which meet the needs and expectations of the community to support social cohesion and participation.

Control: The Strategic Community Plan identifies the needs and expectations of the community to support social cohesion and participation.

Risk: Failure to undertake effective community engagement strategies which develop the Shire's understanding of the needs and aspirations of the community, grow community capacity and ensure supportable outcomes are reached with stakeholders.

Control: The Strategic Community Plan, based in extensive community engagement, assist Council and staff understanding of the needs and aspirations of the community.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and included:

- Community Survey - 2019 Community Scorecard. In March 2019, the Shire engaged Catalyse to undertake a Scorecard Survey of Shire residents over the age of 17. 440 residents submitted a response; an approximated participation rate of 20% of households. The Community survey provided the main input into the desktop review to assess the goals and strategies. The results indicated that the Communities priority areas were:
 - Safety and security
 - Services and Facilities for Youth

- Economic Development
- Improved infrastructure
- Value for money from Shire rates
- Wyndham community engagement event. In November the Shire held a community forum in Wyndham to seek input into how residents would like to see Wyndham improve. The main focus was on the Town centre within Wyndham Three Mile although many comments about other aspects of the Wyndham community were also captured which related to broader strategic matters and this information has also informed the desktop review.
- Community input into the annual review of the Corporate Business Plan in 2018 and 2019 also provided input into the desktop review and how to structure strategies and supporting actions.

Additional engagement will take place in accordance with the Shire's Community Engagement Guidelines and will include:

- Local public notice of the adoption of the reviewed Community Strategic Plan 2017-2027

COMMENTS

The community feedback received in the 2019 survey has confirmed that the goals outlined in focus areas 1, 2 and 3 remain consistent with community views. Strategies under these focus areas have been updated; however, to reflect a changed response in light of the current state of emergency, and this has informed some minor changes to the strategies under focus area 2.

Focus Area 1 Healthy Vibrant Active Communities

Minor changes to amend the major projects over the next 10 years following input from Council.

Focus Area 2 Enhancing the Environment

Minor changes to amend the major projects over the next 10 years following input from Council.

Focus Area 3 Economic Prosperity

Shire Officers assisting with the review of strategies from a strategic and operational viewpoint identified opportunities to simplify the strategies contained within the Plan. Officers with an economic focus highlighted some actions within the CBP linked to Goal 3.1 addressed multiple strategies linked to the goal. These officers suggested that the number of strategies could be reduced while still capturing the outcomes of these strategies and the goal. The need to promote greater support to local business as a response to the emergency declarations and reduced business activity as a result of the COVID-19 pandemic was also considered in the review.

Focus Area 4 Civic Leadership

Community feedback indicated that residents see improvements in the Shire performance as an organisation in governance, advocacy and lobbying, transparency, consultation and

communication, however, the feedback shows there is further improvement required in these areas.

The research report - *The Changing Landscape for Local Government (2017)* suggests the government needs to adapt and provide:

1. Paperless processes
2. Collection of personal data from all interactions
3. Secure resident portals with individual profiles for Council interactions
4. App versions of core services, i.e. more accessible and mobile online access
5. Community portals for info on government services
6. Multi-communication such as Twitter, Facebook, email, phone and live chat.

The review of Focus Area 4 has considered these suggestions and the strategies updated to direct the Shire towards these suggestions while also considering the community feedback to continue to improve performance.

The main changes to the Strategic Community Plan as a result of the minor review are tabled below.

Page	Section	Change Made
4	Shire President's Foreword	Update to include reference to minor review.
6	Our resources to deliver the plan	Update summary of the Shire's current and forecast resource profile
12	About our Shire	Update Snapshot data with most recent values
16	Healthy vibrant active communities	Update Major Projects over the Next ten years: New text: <i>Upgrade the Recreation and Leisure Centre within Wyndham</i>
18	Enhancing the environment	Update Major Projects over the Next ten years: Remove: <i>Creation of new marine and national parks</i> New text: <i>Improved management of Shire conservation and recreation reserves</i>
20	Economic Prosperity	Grammatical corrections
21	Strategy 3.1.3 and 3.1.4	Merge actions in to one action as both actions are interlinked and relate to supporting business infrastructure needs Remove:

		<p><i>3.1.3 Advocate for infrastructure that supports business</i></p> <p><i>3.1.4 Plan for current and future business and infrastructure land use needs</i></p> <p>New text: <i>3.1.3 Plan and advocate for infrastructure that supports business.</i></p>
22	Civic Leadership strategies	<p>Updated wording for focus area introduction</p> <p>New text: <i>The Shire seeks to deliver high quality corporate governance and demonstrate accountability to its community. All decisions are informed by community engagement, leading to the effective allocation of the Shire's resources to deliver optimum benefits to the community.</i></p>
22	Strategy 4.1.1 and 4.1.2	<p>Remove:</p> <ol style="list-style-type: none"> <i>1. Lobby all levels of government and industry for greater regional investment, both social and economic.</i> <i>2. Actively represent the community and provide input to decision making at the regional, state and federal levels that impact the Shire.</i> <p>New Text: <i>Advocate and lobby effectively on behalf of the community.</i></p>
22	Strategy 4.1.3	<p>Remove: <i>Identify and contribute to collaborative and partnership initiatives that benefit the community</i></p> <p>New text: <i>Foster relationships and partnerships with key stakeholders to achieve community outcomes.</i></p>
	Strategy 4.2.3	<p>Remove: <i>Ensure community awareness of issues, activities and decisions affecting the Shire</i></p> <p>New Text: <i>Provide clear on and off-line pathways for the community to access information.</i> <i>Or</i> <i>Improve access to information though modern</i></p>

		<i>design, clear language and easy navigation.</i>
23	Strategy 4.3.1	Remove: <i>Be adaptive, responsive with a strong customer focus</i> New Text: <i>Develop a customer focused corporate structure that reflects and meets the needs of the community.</i>
23	Strategy 4.3.2	Remove: <i>Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity</i> New Text: <i>Improve organisational systems with a focus on innovative solutions to improve efficiency, effectiveness and productivity.</i>
23	New/additional Strategy	New Text: <i>Integrate all planning, resources and reporting in accordance with best practice and statutory requirements.</i>

The updated (reviewed) document is recommended for adoption.

ATTACHMENTS

Attachment 1 - Strategic Community Plan 2017-2027 (Desktop review)

12.3.2. Community Grant Program

DATE:	28 July 2020
AUTHOR:	Senior Projects Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
FILE NO:	GS.05.3
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Adopts the updated CP/COM-3582 Community Grant Program at Attachment 1 and the Community Grant Program Guidelines at Attachment 2.**
- 2. Delegates to the Chief Executive Officer the authority to award, approve and distribute funds as detailed in the Community Grant Program and in line with the Community Grant Program Guidelines.**

PURPOSE

For Council to adopt the amended Council Policy CP-COM-3582 – Community Grant Program and associated guidelines.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Funder - provide funds or other resources

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Shire traditionally supports a range of not-for-profit, community-based, sporting, cultural, environmental, service groups and associations. This support is to foster high-quality programs, community events, facilities and services that provide benefit to the community in alignment with the Council's Strategic Community Plan, and which would otherwise fall to the responsibility of the municipality. The Shire's support is also in recognition that many of these organisations have limited resources available due to the remote location, low member base and limited income opportunities. This has recently been exacerbated by the state of emergency with respect to the COVID-19 pandemic.

Council adopted the current Community Grants Scheme (Policy) at the August 2015 Ordinary Council Meeting (Minute No. 11072). The main changes made to the policy in 2015 were to:

- Include Quick Grants under the policy
- Integrate Events Sponsorship into the Annual Grants
- create change the Grants Assessment Panel, that previously consisted of two Councillors and one Shire Officer, to consist of three Shire Officers, with the Grants Assessment Panel recommendations being endorsed by Council.

The direction from Council to undertake a review of the Community Grant Policy was outlined in the 2019/20 Corporate Business Plan. This was to largely separate funding for events, programs and improvements to Shire owned or managed buildings and land and also to tighten policy parameters and guidelines which were overly cumbersome. It was, as well, to better align the grants process with the Shire's Strategic Community Plan.

With the outbreak of the COVID-19 pandemic and resultant restrictions, it was proposed by Council that a grant be created to support and sustain community groups throughout the response and recovery phase of the COVID-19 pandemic and this was incorporated into the review.

The reviewed policy sets out the high-level criteria and process for the Shire's Community Grant Program and is designed to provide the framework relevant to specific criteria for each approved funding category in line with previous decisions. The updated policy more explicitly describes the broad range of funding types and now includes the opportunity for Council to approve funding for more than one year - up to three - with an agreement . The Policy is complemented by a new set of guidelines as well as process (approval) diagrams. The Policy has also been retitled from a 'Scheme' to a 'Program' as it is felt this best represents the intent of the funding and is more in line with similar regional municipalities.

The categories within the updated program and policy include:

- Quick Grant
 - Small-scale, time-sensitive or unforeseen projects and events that have a positive impact on the community. *This funding category is unchanged.*
- Community Programs
 - Annual program support for the delivery of community development programs and services.
- Facilities Grant - Building and Property
 - To support community groups and clubs with the costs associated with upgrading and extending publicly accessible community land (mainly Shire leased and owned) that will benefit the community.
- Facilities Grant - Rates Assistance

- To support not for profit community groups, associations and clubs occupying rateable land, managed by the Shire as a reserve or freehold, to apply for funding for the payment of their annual rates.
- Events Grant
 - To assist with the delivery of events that deliver significant benefits to the community, including for what has been described as 'signature events'.
- Community Support Grant
 - Help support community organisations during state of emergencies and times of crisis. *This category was included in light of the current COVID-19 state of emergency but can be applied to future circumstances/emergency events.*

A copy of the updated draft Policy CP/COM-3582 is at Attachment 1.

A new set of guidelines to complement the Policy is at Attachment 2. These set out the specific criteria for each approved funding category and are designed to assist applicants and Shire Officers to assess applications in an equitable, consistent process to support community programs, projects and events. These new categories are:

Community Programs

The purpose of funding community programs is in recognition of the important role a number of community based organisations play in delivering a range of community services that are (often) uniquely focused or targeted and which may otherwise fall to the responsibility of the municipality. Examples include programs with respect to early years, seniors, youth and people with disability. The grant funding therefore is to overtly support these organisations in the delivery of these important services - to best utilise their resources including to use volunteers.

In some circumstances, these services may be able to be provided, and therefore funded, beyond a single calendar year and the funding stream allows that with agreement.

Facilities Grant - Buildings and Property

The Facilities Grant - Buildings and Property - aims to assist community groups within the Shire to upgrade, extend community facilities that will benefit the community. The fund provides an opportunity to partly fund an infrastructure project with strong community benefits with priority offered to facilities on public land, which, with some limited exception, is land either owned or managed by the Shire.

Facilities Grant - Rates Assistance

The updated policy enables the Council to approve rates assistance for up to 3 years, followed by an annual review and approval under delegation to the CEO. It is hoped this will simplify the process for both the organisations affected and for the Shire.

Event Grant

The largest funding component of the Community Grants Scheme has typically been with respect to funding events. This includes a number of larger events that could be classed as 'signature events' such as the Ord Valley Muster and Kununurra Agricultural Show. These events are typically approved for funding every year by Council. They are also typically funding dependent, including from external sources ie State Government funding. For this reason, the policy and guidelines now enable Council under the Events Grant to approve and fund 'signature' events for up to three years, which will be in line with external funding agreements.

Community Support Grant

The Community Support Grant was developed in response to the Coronavirus (COVID-19) pandemic and aims to support and sustain community groups throughout the response and recovery phase of an emergency. The grant aims to provide a one-off 'quick response' financial assistance when a state of emergency is in place to eligible community organisations that are either experiencing financial hardship as a result of related service disruptions; seeking to establish alternative service delivery models for business continuity, or seeking to provide support services to vulnerable residents, and is applicable to future declared emergency events.

The inclusion of the Community Support Grant category supports Council's decision at the March 2020 Ordinary Meeting, to fund initiatives related to the COVID-19 state of emergency. It has also been agreed by the Shire's internal emergency management team (COVID-19 Response team), which recommended that the organisation provide emergency financial support to community-based organisations, including sporting clubs. In essence, the funding stream operates similarly to a Quick Grant but exceeds the maximum cap of \$500 but with a maximum expenditure of \$3,000, which would be approved by the Chief Executive Officer. It was also drafted in response to initial engagement with community-based organisations that have indicated a range of financial hardships as a result of not being able to operate and which may jeopardise their continuance. These organisations also lost their fundraising capabilities and their ability to source suitable professional development.

The updated policy is supported by newly developed guidelines, which are at Attachment 2.

STATUTORY IMPLICATIONS

There are no statutory implications associated with this report.

POLICY IMPLICATIONS

The updated policy will replace CP/COM-3582 Community Grant Scheme, and new guidelines will also be adopted.

FINANCIAL IMPLICATIONS

The budget for the Community Grant Program is funded in the current 2020/2021 Annual Budget.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 1: Healthy vibrant active communities

Goal 1.1: Bring community together and promote our rich culture and heritage

Strategy 1.1.2: Support and promote an increase in the number of events and activities that encourage a sense of identity, belonging and promote cultural diversity

Goal 1.2: Increase participation in sporting, recreation and leisure activities

Strategy 1.2.2: Develop partnerships to support and maximise participation in a range of activities and promote the benefits of healthy lifestyles

Strategy 1.2.3: Support and build capacity of community groups and clubs through community grants programs, advice and management of Shire reserves and facilities

Goal 1.3: Promote quality education, health, childcare, aged care and youth services

Strategy 1.3.2: Support and assist community organisations to positively impact social wellbeing

Corporate Business Plan

CBP Action: #372 Deliver a Community Grant Program

CBP Tasks: 2. Review Community Grant Policy

RISK IMPLICATIONS

Risk:

Failure to facilitate community development initiatives which support positive social outcomes for community members, including; health, aged care, youth services and Indigenous services.

Control:

Community Grant Program aims to support community lead community development initiatives through financial assistance.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and included:

- The draft Policy and guidelines were shared with community groups that have previously accessed funding through the Shire's Community Grants Scheme.
- The draft Policy and guidelines were shared with sporting clubs through the Kununurra Leisure Centre sporting contacts.
- Feedback from community groups has been considered as part of the policy review process.

Additional engagement (following adoption) will take place in accordance with the Shire's Community Engagement Guidelines and will include:

- Following the adoption of the new policy Shire Officers will advertise the new community grants program.
- Community groups will be contacted and individually and provided assistance with accessing the new grants.

COMMENTS

It is considered that the changes presented adequately reflect the intention of Council for the purpose of making the community grant funding clearer for applicants, with the added benefit of enabling long-term funding arrangements for some community programs and for 'signature events' in the Shire. The addition of the Community Support Grant stream should, furthermore, serve to assist those community-based organisations that have been adversely affected by the current state of emergency and those that follow.

The new grant program will operate once suitable public notice has been given, and all relevant organisations have been notified, following which a report will be presented to Council to approve grant funding with respect to the following streams:

- Community Programs Grant
- Facilities Grant - Building and Property
- Facilities Grant - Rates Assistance
- Events Grant

The updated policy CP/COM-3582 Community Grant Program at Attachment 1 and the Community Grant Program Guidelines at Attachment 2 are recommended for adoption, along with approval for the CEO to make delegated approval decisions as those are referenced in each document.

ATTACHMENTS

Attachment 1 - Reviewed Council Policy CP/COM-3582 – Community Grant Program
Attachment 2 - Community Grant Program Guidelines

12.3.5. Corporate Business Plan 2020-2023

DATE:	28 July 2020
AUTHOR:	Senior Projects Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
FILE NO:	CM.10.13
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1) Adopts the Corporate Business Plan (2020/21 - 2023/24) as contained in Attachment 1.**
- 2) Directs the Chief Executive Officer to give local public notice that the Corporate Business Plan (2020/21 - 2023/24) has been adopted.**

PURPOSE

This report presents to Council the Corporate Business Plan 2020/21 - 2023/24 for adoption.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Advocator - advocate and support initiatives on behalf of the community

Facilitator - bring stakeholders together

Funder - provide funds or other resources

Leader - plan and provide direction through policy and practices

Provider - provide physical infrastructure and essential services

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

All Local Governments are required to produce a plan for the future under s5.56(1) of the *Local Government Act 1995*. The minimum requirement to meet the intent of the plan for the future is the development of a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP).

The CBP is an integrated business plan that summarises all of the services and projects included in business unit plans for the delivery of outcomes and objectives in the SCP. It is

developed within the Shire's financial, workforce and asset management capability, and in turn, informs resourcing across these areas.

The previous CBP 2019/20 - 2022/23 was adopted by Council at the July 2019 Ordinary Council Meeting. To reflect changes following the outbreak of the COVID-19 (Coronavirus) pandemic and the declared state of emergency in WA, the CBP 2019/20 - 2022/23 was amended at the March 2020 OCM. This included an additional service area for business continuity within Governance and Risk. The 2020-2023 version, which is largely based on the previously adopted document, has been reviewed to:

- Reflect the financial impacts of Coronavirus
- Integrate the Risk Management Framework and links actions to strategic risks
- Link Actions and projects to the Asset Management Plans and Capital Works Programs

In addition, a number of actions have been updated to better reflect the key priorities identified by the community in the WA local government Community Resilience Scorecard, Community Group Coronavirus Welfare and Capacity Check and 2019 Community Scorecard (Satisfaction Survey), particularly around:

- Supporting local community groups during and in recovery from the Coronavirus pandemic
- Safety and security, focusing primarily on anti-social behaviour, particularly around main commercial areas.
- Services and facilities for youth to help alleviate concerns with boredom and antisocial behaviour.
- Economic development, including attracting investment, supporting local business, improving airport services, growing tourism and improving the overall appearance of Kununurra and Wyndham town centres.
- Improved infrastructure, including fixing damaged road surfaces, better drainage, improved lighting and streetscapes, and more footpaths, cycleways and trails for better connectivity.
- Value for money from Shire rates. Ratepayers request rate reductions or limits to rate increases.

As a result, the Shire has been able to maintain key community focused actions in the Plan and therefore provide a more 'focussed' approach for responsible Officers.

A copy of the updated 2020-2023 Corporate Business Plan is provided at Attachment 1.

STATUTORY IMPLICATIONS

Section 5.56 of the *Local Government Act 1995* requires a local government to plan for the future of its district. One of these components is through the development of the CBP. Regulation 19DA of *Local Government (Administration) Regulations 1996* determines the standards with which a CBP must comply, including that the Chief Executive Officer give local notice of its approval.

POLICY IMPLICATIONS

CP/COM-3100 - Community Engagement Policy

The Community Engagement Policy aims to improve the outcomes and benefits of effective community engagement, including:

- Increased community awareness about services, planning and program delivery.
- Increased awareness of the needs, priorities and diversity of the community, which in turn, ensures that service provision and planning functions are aligned appropriately.
- Council and the community working together to address local issues where appropriate.

FINANCIAL IMPLICATIONS

The CBP is set within the financial constraints of the Long Term Financial Plan and is integrated with the Annual Budget 2020/21.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.2: Good decision making through engagement with the community

Strategy 4.2.1: Engage and communicate with all sections of the community to better understand needs and priorities

Strategy 4.2.2: Ensure community input informs planning and decision making

Strategy 4.2.3: Ensure community awareness of issues, activities and decisions affecting the Shire

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services

Strategy 4.3.1: Be adaptive, responsive with a strong customer focus

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.3: Adequately plan for and fund asset maintenance and renewal to deliver planned services

RISK IMPLICATIONS

Risk: Non-compliance with the *Local Government (Administration) Regulations 1996* for Integrated Planning and Reporting

Control: Complete annual review and engagement and develop an appropriately costed Corporate Business Plan.

COMMUNITY ENGAGEMENT

Restrictions due to Coronavirus have limited the methods and level of community engagement undertaken in the preparation of the 2020-2023 Corporate Business Plan. The CBP open house sessions that would normally be held in Wyndham and Kununurra have not been possible under the restrictions and engagement has been limited to survey data and online engagement.

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and included:

- Website
 - Dedicated central hub for all of an organisation's engagement activities, with a specific page on the organisation's website for the specific project.
- Social Media and other online mediums
 - Posts on facebook, an article in the Shire's E-Newsletter and emails sent to Shire's Community Contact list.
- Survey
 - The 2019 Community Perceptions Scorecard Survey - (440 responses)
 - WA local government MARKYT® Community Resilience Scorecard - (over 100 responses)
 - Community Group Coronavirus Welfare and Capacity Check - (16 responses)

COMMENTS

The Corporate Business Plan has been prepared to achieve compliance with relevant legislative requirements. It is informed by a range of strategic documents including the Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy, and more particularly captures the key actions and initiatives to meet with the community's goals as articulated in the Shire's Strategic Community Plan.

The updated Corporate Business Plan is more focussed and more accurately describes those actions required to be undertaken in order to meet the community's goals in the adopted Strategic Community Plan and to better address the highest priorities identified in the more recent Community Scorecard (Community Satisfaction) Survey. Additional input by community members, Councillors and Officers have also resulted in a more succinct list of actions that can better be achieved and reported against.

It is recommended that Council adopts, pursuant to the provisions of section 5.56 of the *Local Government Act 1995* and Regulation 19DA of the *Local Government (Administration) Regulations 1996*, the 2020-2023 Corporate Business Plan as contained in Attachment 1, which:

1. Reflects the 2020/21 Annual Budget funding allocation in the key programs and projects to be undertaken in the 2020/21 financial year; and
2. Incorporates Council's consideration of priority projects and impacts of the Coronavirus pandemic.

ATTACHMENTS

Attachment 1 - 2020 Corporate Business Plan (2020-2023)

12.3.6. High Quality Agricultural Land Study

DATE:	28 July 2020
AUTHOR:	Manager Planning and Regulatory Services
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
ASSESSMENT NO:	N/a
FILE NO:	LP.02.68
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council notes the document 'Planning for the protection of high quality agricultural land in the Shire of Wyndham East Kimberley' as a reference document.

PURPOSE

For Council to note the document 'Planning for the protection of high quality agricultural land in the Shire of Wyndham East Kimberley' as a reference document.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Shire was awarded \$72,000 in funding from the Kimberley Development Commission under the Royalties for Regions Kimberley Regional Grants Scheme in 2017 to undertake a project to identify and map Priority Agricultural Land within the Shire. The aim was to produce a technical report and map set, consistent with relevant State objectives, policy measures and regional planning guidelines which could provide advice to the Shire to consider for planning purposes to protect the agricultural potential of the region. A copy of the document is at Attachment 1.

GHD were appointed as consultants to research and prepare a report and the map set. A project steering group was established early in the project which included local stakeholders and farmers and a technical project group oversaw the project, which was made up of Shire Officers and a representative from the Department of Primary Industries and Regional Development (DPIRD) and from the Department of Planning, Lands and Heritage (DPLH).

Due to the availability of existing data and mapping information, the project area was refined to the Ord Valley area, including:

- Ord Irrigation Area Stage 1.
- Ord Irrigation Area Stage 1 infill areas (Packsaddle Plain, Ord East and West Banks).
- Areas of Stage 2 expansion known as Cockatoo Sands located south of Carlton Hill Station and on either side of the Victoria Highway to the east of the Kununurra town site.

Prior to the reporting and mapping components of the project, GHD undertook a literary review of the available data to provide background and context to the project. Due to time constraints and funding limitations, the project did not allow for any new studies or surveys to be undertaken.

A major limiting factor with regards to the available data is the scale and level of detail of the various mapping, provided by DPIRD, which is varied and it is acknowledged that further detailed assessment and surveys would be a requirement to justify or support a Planning Scheme amendment or similar.

The final report is not a land capability assessment of the agricultural soils in the region, but brings together a range of factors that influence the viability and production potential of agricultural land within the Shire.

STATUTORY IMPLICATIONS

Shire of Wyndham East Kimberley Local Planning Strategy

The Local Planning Strategy (the Strategy), endorsed August 2019, highlights that the protection of priority agricultural land is a challenge for the growth of agriculture and food in the Kimberley; in particular, from demand for rural living development around the Kununurra townsite. The Strategy identifies that high quality agricultural land is not mapped or well defined within the Shire which could result in inappropriate subdivision and development of rural land, at the detriment of the area of high quality agricultural land available to be protected for use for agricultural production. The Strategy notes that one of the key purposes for land within the Kununurra Surrounds area is to support agricultural production of state significance on priority agricultural land. The key recommendations of the Strategy relevant to the preparation of this study include:

- Investigation and mapping of the distribution of high quality agricultural land within the Ord Irrigation Area.
- Amending the local planning scheme to designate a 'Priority Agriculture' zone derived from the high quality agricultural land data, with associated development controls aimed at protecting high quality agricultural land and preventing the introduction of sensitive land uses which may compromise existing, future and potential agricultural production.
- Application of appropriate development controls for land considered suitable for intensive agricultural purposes as shown on the strategic land use plan, to mitigate potential negative impacts between intensive agriculture and sensitive land uses and environments.

The study achieves the first recommendation of the Local Planning Strategy and will be a technical reference document for the purpose of recommending future amendments to the Local Planning Scheme (rezoning) and for the preparation and implementation of complementary land use controls.

Local Planning Scheme No. 9

LPS 9 currently includes the following “rural/agricultural zones”: Rural, Agriculture - State or Regional Significance and Local Horticulture. Each allows, to varying degrees, the flexibility for land to be used for rural and farming/agricultural purposes. Currently, these zones do allow the development of a dwelling; however, in line with the model Scheme text, most non-agricultural land uses have been removed.

As identified in the Local Planning Strategy, in order to facilitate the introduction of a ‘Priority Agriculture’ zone and subsequent other zoning changes, a formal amendment process would still need to be undertaken.

POLICY IMPLICATIONS

State Planning Policy 2.5 - Rural Planning

As the overarching State policy for rural planning, SPP2.5 has the intent of protecting and preserving Western Australia’s rural land assets due to the importance of their economic, natural resource, food production, environmental and landscape values.

One of the primary objectives of SPP2.5 is supporting existing, expanded and future primary production through the protection of rural land, particularly priority agricultural land and land required for animal premises and/or the production of food, by informing and amending the scheme to rezone areas to a ‘priority agriculture’ zone in order to;

- Identify land of State, regional or local significance for food production purposes.
- To retain priority agricultural land for agricultural purposes.
- To limit the introduction of sensitive land uses which may compromise existing, future and potential agricultural production.

Section 5.1 of SPP2.5 outlines how the WAPC will seek to protect rural land as a State resource – (b) notes retaining land identified as priority agricultural land in a planning strategy or scheme.

LPS 9 identifies large areas of land as either ‘local horticulture’ or ‘Agriculture – State and Regional Significance’. The initial rationale for these zones was that they reflected the regional need to protect certain land areas for agricultural and food production which couldn’t be adequately dealt with under the zones provided under the Regulations at that time, as the ‘Priority Agriculture zone’ did not exist. The areas of the zones were largely based on the Ord River (irrigation) Stage areas.

The ‘Local Horticulture’ and ‘Agriculture - State or Regional Significance’ zones are mostly analogous with priority agricultural land described in SPP 2.5 as: *“Land of State, regional or*

local significance for agricultural and food production purposes due to its comparative advantage in terms of soils, climate, water (rain or irrigation) and access to services."

The methodology used in undertaking this study was also required to be consistent with the process outlined in the State Planning Policy 2.5 (SPP2.5) guidelines to determine the extent of high quality agricultural land.

FINANCIAL IMPLICATIONS

The project was partially funded by a \$72,000 grant from the Kimberley Development Commission. The Shire contributed \$20,000 along with \$20,200 in-kind support.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal: 4.3: Ensure a strong and progressive organisation delivering customer-focused services

Strategy 4.3.1: Be adaptive, responsive with a strong customer focus

RISK IMPLICATIONS

Risk: Failure to manage developments and projects in line with regulatory planning, building and health requirements, leading to a poorly developed region and environmental degradation.

Control: Ensure appropriately 'informed' land-use planning strategies.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

This document is not a land capability assessment of the agricultural soils in the region, but, rather, brings together a range of factors that influence the viability and production potential of agricultural land within the Shire - in that it applies this information. It is a technical, evidence-based report which has been prepared in accordance with the requirements and criteria of State Planning Policy 2.5 (SPP 2.5), with its limitations being the availability of relevant data provided by DPIRD.

It was identified early on in the project that the available data and mapping have been prepared at varying levels of detail and scale, meaning it is not necessarily consistent and easily comparable. As such, it is intended that the document will be used solely as an informing and reference document to assist in the assessment of future planning proposals, but will not be the main deciding factor in determining proposals as these are likely to be influenced by an individual's intentions and a range of other factors.

The project did not allow for further research or studies to be undertaken, and therefore it is acknowledged that this document will be used as a reference document, and cannot solely be used to justify or support a Planning Scheme Amendment. Further detailed assessment and surveys would likely be required to determine land capability if an amendment to the Planning Scheme is sought, and this would also include consultation with relevant agencies and the community to ensure a consistent approach.

As expected there are significant areas of land throughout the project area that are highly suitable for a range of agricultural land uses, and that a significant portion of that land is already protected under the Agriculture-State or Regional Significance zone under LPS 9.

ATTACHMENTS

Attachment 1 - Planning for the protection of high quality agricultural land in the Shire of Wyndham East Kimberley

12.4. CORPORATE SERVICES

12.4.1. List of Accounts Paid From Municipal Fund and Trust Fund

DATE:	28 July 2020
AUTHOR:	Creditors Officer
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.09.25
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receive the list of accounts paid from the Municipal and Trust funds for June 2020, being:	
Municipal EFT 137881 - 138060 (03/06/2020-26/06/2020)	\$ 3,187,377.24
Municipal Cheques 51994 -51995 (09/06/2020-26/06/2020)	\$ 122.80
Trust Cheques 1252 (26/06/2020)	\$ 250.00
Trust EFT 502004 - 502022 (02/06/2020 - 30/06/2020)	\$ 9,500.10
Payroll (03/06/2020 - 17/06/2020)	\$ 519,107.71
Direct Bank Debits (01/06/2020-30/06/2020)	\$ 109,155.77
Total	\$ 3,825,513.62

PURPOSE

To present the list of accounts paid from the Municipal Fund and Trust Fund in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - Responsible for the enforcement of statutory requirements.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

In accordance with Council's Delegations Register 2019/20 which was adopted by Council on 27 August 2019, the Council has delegated to the CEO the exercise of its power under Regulations 12 and 13 of the *Local Government (Financial Management) Regulations 1996* to make payments from Municipal Fund and Trust Fund.

STATUTORY IMPLICATIONS

Local Government Act 1995 – Section 5.42

Local Government (Financial Management) Regulations 1996 – Regulations 5, 11, 12, 12(1)(a) and 13.

POLICY IMPLICATIONS

Sub-delegation 12 "Payments from the Municipal Fund and Trust Fund" applies subject to compliance with *Council Policy CP/FIN-3204 Purchasing*.

FINANCIAL IMPLICATIONS

There are no financial implications arising out of the preparation of this report. The financial implications arising from the payments made from the Municipal and Trust funds have been provided for in the 2019/20 Adopted Budget and any subsequent amendments thereto. This report provides for the ongoing management of the Shire's funds by providing the Council with sufficient information to monitor and review those payments made.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027.

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4: Apply best practice financial management to ensure long term sustainability.

RISK IMPLICATIONS

Risk: Failure to manage the disbursement of funds to meet the needs of the Shires forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

Controls: Monthly Financial Report and List of Accounts Paid reported to Council on a monthly basis as required by Legislation and Regulations.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

In accordance with statutory requirements, each payment from the Municipal Fund or the Trust Fund is to be noted on a list compiled each month showing: the payee's name; amount of payment; date of payment, and sufficient information to identify the transaction. The list is to be presented to the Council at the next Ordinary meeting of the Council following the preparation of the list and is to be recorded in the minutes of the meeting at which it is presented.

ATTACHMENTS

Attachment 1 - List of Accounts Paid June 2020

12.4.2. Interim Monthly Financial Report June 2020

DATE:	28 July 2020
AUTHOR:	Acting Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.09.25
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receive the Interim Monthly Financial Report for the period ended 30 June 2020.

PURPOSE

For Council to receive the Interim Monthly Financial Report for the period ended 30 June 2020.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Council is to prepare monthly financial reports as required by section 34 of the *Local Government (Financial Management Regulations) 1996*.

At the 25 June 2019 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 25/06/2019-118046

Moved: Cr G Lodge

Seconded: Cr J Farquhar

That Council, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, approves the materiality level for monthly reporting to be set at +/- 10% and +/- \$20,000 at account level and +/- 10% and +/- \$100,000 at financial statement level.

Carried 9/0

These materiality levels have been applied in the preparation of this report.

STATUTORY IMPLICATIONS

Local Government Act 1995, Section 6.4.

Local Government (Financial Management) Regulations 1996, Regulation 34.

POLICY IMPLICATIONS

CP/FIN-3201 Significant Accounting Policies has been applied in the preparation of the report.

FINANCIAL IMPLICATIONS

There are no additional costs associated with the preparation of this report. Monthly financial reporting is a primary financial management and control process. This report provides Council with the ability to oversee the Shire's financial performance against budgeted targets.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

RISK IMPLICATIONS

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Annual audit performed.

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's *CP/GOV-3100 Community Engagement Policy* has been considered in relation to this item.

No community engagement is required.

COMMENTS

Comments in relation to budget to actual variances are included as notes in the Interim Financial Report attached.

The Covid-19 pandemic has had an impact on the financial position of the Shire as at 30 June 2020. Revenue and debt collections have reduced sharply with this being off-set by operational savings and the receipt of 2020/21 Federal Assistance Grants in advance. The full financial implications of Covid-19 are unknown at this stage, however estimates of the longer term impact have been considered in the preparation of the 2020/21 budget. Shire

Officers and the Executive Management Team continue to closely monitor the cash flow of the Shire and have modified internal processes to assist in this regard.

It should be noted that the Interim Monthly Financial Report for June 2020 does not include final figures and end of year adjustments for the year ended 30 June 2020. The final position for the 2019/20 financial year will be reported in the 2019/20 Annual Financial Statements.

ATTACHMENTS

Attachment 1 - Interim Monthly Financial Report - June 2020

12.4.3. Local Government Short Term Lending Facility - COVID-19

DATE:	28 July 2020
AUTHOR:	Acting Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.04.29
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Authorise the CEO to apply for funding up to an amount of \$2,000,000 under the Western Australian Treasury Corporation's Local Government COVID-19 Short Term Lending Facility; and**
- 2. Endorse the Cash Flow forecast for the period from July 2020 to June 2021 provided at Attachment 1.**

PURPOSE

To request that Council authorise the CEO to apply for funding available under the Western Australian Treasury Corporation Local Government Covid-19 Short Term Lending Facility, and for Council to endorse the Cash Flow forecast for the 2020/21 financial year required to support the application.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Funder - provide funds or other resources

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Covid-19 pandemic has had a major financial impact on the Shire's operations and that of its stakeholders and ratepayers. Both the Western Australian and the local economy have been severely impacted by the pandemic. This has resulted in a decline in income and increase in unemployment. Similarly, there have been significant impacts on the business sector and consumer confidence, both of which have fallen to their weakest levels on record.

The impact on regional Australia and particularly the East Kimberley cannot be underestimated. It is estimated that regional Australia has either lost or put into hibernation 32% of regional jobs. Tourism impacts in WA are expected to result in 25,000 fewer jobs.

On 23 June 2020 Council adopted the 2020/21 budget based on an estimated reduction in cash flows of \$4.8 million. In order to fund this, budgeted operating expenditure has been reduced by approximately \$1.5 million, capital works funded by municipal funds reduced by \$1.5 million, and employee costs reduced by \$1.2 million. However, as has been stated in the past forecasting in these economic conditions is difficult and in order to ensure that there is absolute certainty for the continuation of operations, it is prudent to make provision for additional funding should the need arise. Looking at low cost bridging finance is a method of achieving this.

On 7 May 2020 the Western Australian State Government announced the creation of a \$100 million Short Term Lending Facility (STLF) to support local governments and universities impacted by reduced revenue due to the Covid-19 pandemic. The lending facility enables local governments to access short-term loans to support the liquidity of their operations. The cost of this finance is considerably cheaper than the commercial rates that are the alternative.

The Shire has an existing overdraft facility of \$2.5 million which was approved by Council at the 13 August 2014 Special Council Meeting as follows:

DECISION

Minute No. 10503

Moved: Cr K Wright

Seconded: Cr R Dessert

That as a result of unbudgeted liability associated with the delay in reimbursement of monies expended as a result of the flood event in February 2014 that Council:

- 1. advertise for one month, via local public notice the intention to take out a \$2.5 million bank overdraft to cover the expenditure associated with the flood event in February;***
- 2. notes that the bank overdraft will be an ongoing facility and incorporated into the annual budget for adoption;***
- 3. requires the status of the overdraft facility to be a standing item on the Audit (Finance and Risk) Committee Agenda.***

VOTING REQUIREMENT: ABSOLUTE MAJORITY

Carried 8/1

**For: Cr K Wright, Cr R Dessert, Cr J Moulden, Cr D Learbuch, Cr B Robinson,
Cr S Cooke, Cr G Taylor, Cr G King**

Against: Cr D Spackman

STATUTORY IMPLICATIONS

Local Government Act 1996

6.20. Power to borrow

- (1) Subject to this Act, a local government may —
- (a) borrow or re-borrow money; or
 - (b) obtain credit; or
 - (c) arrange for financial accommodation to be extended to the local government in ways additional to or other than borrowing money or obtaining credit,

to enable the local government to perform the functions and exercise the powers conferred on it under this Act or any other written law.

- (2) Where, in any financial year, a local government proposes to exercise a power under subsection (1) (power to borrow) and details of that proposal have not been included in the annual budget for that financial year —
- (a) unless the proposal is of a prescribed kind, the local government must give one month's local public notice of the proposal; and
 - (b) the resolution to exercise that power is to be by absolute majority.
- (3) Where a local government has exercised a power to borrow and —
- (a) it does not wish to proceed with the performance of the function or the exercise of the power for which the power to borrow was exercised; or
 - (b) after having completed the performance of the function or the exercise of the power for which the power to borrow was exercised, any part of the money borrowed, credit obtained or financial accommodation arranged has not been expended or utilized,

the local government may resolve* to expend the money or utilize the credit or financial accommodation for another purpose if one month's local public notice is given of the proposed change of purpose.

** Absolute majority required.*

- (4) A local government is not required to give local public notice under subsection (3) —
- (a) where the change of purpose has been disclosed in the annual budget of the local government for the relevant financial year; or
 - (b) in such other circumstances as are prescribed.
- (5) A change of purpose referred to in subsection (3) is to be disclosed in the annual financial report for the year in which the change occurs.

6.21. Restrictions on borrowing

- (1) Where, under section 6.20(1), a regional local government borrows money, obtains credit or arranges for financial accommodation to be extended to the regional local government that money, credit or financial accommodation is to be secured only —
- (a) by the regional local government giving security over the financial contributions of the participants to the regional local government's funds as

- set out or provided for in the establishment agreement for the regional local government; or
- (b) by the regional local government giving security over Government grants which were not given to the regional local government for a specific purpose; or
 - (c) by a participant giving security over its general funds to the extent agreed by the participant.
- (1a) Despite subsection (1)(a) and (c), security cannot be given over —
- (a) the financial contributions of a particular participant to the regional local government's funds; or
 - (b) the general funds of a particular participant,
- if the participant is not a party to the activity or transaction for which the money is to be borrowed by, the credit is to be obtained for, or the financial accommodation is to be extended to, the regional local government.
- (2) Where, under section 6.20(1), a local government borrows money, obtains credit or arranges for financial accommodation to be extended to the local government that money, credit or financial accommodation is only to be secured by giving security over the general funds of the local government.
 - (3) The Treasurer or a person authorised in that behalf by the Treasurer may give a direction in writing to a local government with respect to the exercise of its power under section 6.20(1) either generally or in relation to a particular proposed borrowing and the local government is to give effect to any such direction.
 - (4) In this section and in section 6.23 —
 - general funds** means the revenue or income from —
 - (a) general rates; and
 - (b) Government grants which were not given to the local government for a specific purpose; and
 - (c) such other sources as are prescribed.

[Section 6.21 amended: No. 49 of 2004 s. 59.]

Local Government (Financial Management) regulations 1996

20. When local public notice not required for exercise of power to borrow (Act s. 6.20(2)(a))

- (1) In this regulation —
 - major variation** means a variation in the terms of a loan or other financial accommodation which is —
 - (a) a capitalisation of interest accruals; or
 - (b) an increase in the term of the loan or other financial accommodation;

re-finance, in relation to a loan or other financial accommodation (the **existing loan**), means to borrow an amount (the **new loan**) which is, at the date of the new loan —

- (a) equal to the principal amount owing on the existing loan; or
- (b) not more than \$5 000 more or less than the principal amount owing on the existing loan,

for the principal purpose of paying out the existing loan or preserving the credit originally provided by the existing loan.

- (2) A local government is not required to give local public notice of a proposal to exercise a power to borrow where —
 - (a) the power is to be exercised to re-finance a loan or to continue other financial accommodation (whether with the same or another bank or financial institution); and
 - (b) the re-financing or continuation is not a major variation.
- (3) A local government is not required to give local public notice of a proposal to exercise a power to borrow where each of the following conditions is satisfied —
 - (a) a decision to exercise the power is made while there is in force a state of emergency declaration applying to the district, or part of the district, of the local government;
 - (b) the local government considers that the borrowing is required to address a need arising from the hazard, or from the impact or consequences of the hazard, to which the state of emergency declaration relates;
 - (c) the decision and the reasons for it are recorded in the minutes of the meeting at which the decision is made.

[Regulation 20 inserted: SL 2020/35 r. 6.]

POLICY IMPLICATIONS

CP/FIN-3201 Significant Accounting Policies

FINANCIAL IMPLICATIONS

If funds to support cash flow are accessed through the Western Australian Treasury Corporation Short Term Lending Facility (STLF) the financial implications would be the cost of funding based on the variable interest rate charged on the outstanding balance calculated daily and charged monthly. Based on the current variable interest rate of 0.5% if funds were accessed in line with the projections in the attached Cash Flow forecast the interest expense for the STLF loan for the 2020/21 financial year would be \$2,077.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

Corporate Business Plan

CBP Action: #167 Implementation of LTFP and Annual Budget

RISK IMPLICATIONS

Risk:

Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

Controls:

Annual Budget, Long Term Financial Plan.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

On 23 June 2020 Council adopted the 2020/21 budget based on an estimated reduction in cash flows of \$4.8 million. In order to fund this budgeted operating expenditure has been reduced by approximately \$1.5 million, capital works funded by municipal funds reduced by \$1.5 million and employee costs reduced by \$1.2 million. While a balanced budget has been prepared to ensure that there is sufficient cash flow to meet operational and capital asset commitments, there is still a level of uncertainty regarding the likely amount of rates and other revenue that will be collected, and it is therefore considered prudent that additional funding be accessed where available to ensure that any fluctuations in cash flow can be managed.

Options available to manage any shortfall in cash flow include utilising the Shire's existing overdraft facility or applying for funding through the Western Australian Treasury Corporation (WATC) Covid-19 Short Term Lending Facility.

The Shire has a current overdraft facility of \$2.5 million which was endorsed by Council and approved in 2014 to assist with cash flow management relating to the timing of payments for major disaster recovery works and the recouping of grant funds for these works. This overdraft facility has been maintained as a source of short term cash flow funding to be utilised if required. The overdraft facility has not been used to date. The current variable overdraft interest rate is 4.57%.

The WATC Covid-19 Short Term Lending Facility (STLF) has been made available to support local governments impacted by reduced revenue due to the Covid-19 pandemic. The lending facility enables local governments to access short term loans to support the liquidity of their operations. This funding is available as either a deferral of existing debt repayments (principal and/or interest) or short term loan funding. The interest rate charged on short term loan funding is the WATC's cost of funding and is the market variable interest rate calculated daily and charged monthly. The current variable interest rate is 0.5% inclusive of the WATC's

administration margin. In addition to this, the STLF provides flexible repayment and redraw options, and the Government Guarantee Fee of 0.7% usually charged on WATC loans is not charged on STLF funds borrowed. Any funds outstanding under the STLF as at 30 June 2023 will be required to be restructured into a different loan format to facilitate repayment.

Applications for funding are open from 1 June 2020 to 30 June 2021 and will be assessed by the WATC based on cash requirements. The WATC has indicated that they will look to utilise debt deferment in the first instance, which may include principal and/or interest. If debt deferral is insufficient to provide the necessary cash flow support, then additional funding through the STLF would be made available.

An application for funding through the WATC Covid-19 Short Term Lending Facility requires the following approvals from Council:

1. A Council Resolution supporting access to the Short Term Lending Facility.
2. A 12 month cash flow forecast which Council has approved.

Applications and processes must also be compliant with the requirements of the Local Government Act and Regulations relating to borrowings.

Given the cost of funds available under the existing overdraft facility (currently 4.57%) compared to that available under the STLF (0.5%), officers consider that it would be appropriate to make an application for funding under the STLF for \$2 million as this would provide access to sufficient funds to cover the maximum anticipated shortfall in cash flow during the 2020/21 financial year.

The Shire's current loan balance with WATC at 30 June 2020 is \$2,598,843 with annual repayments budgeted for 2020/21 of \$687,426 in principal and \$87,721 in interest. If the WATC deemed that loan deferrals were the preferred option for part or all of any funding to be provided, this would reduce the STLF borrowings required by \$775,147.

The cash flow forecast provided in Attachment 1 has been prepared to incorporate the expected timing of budgeted revenue and expenditure for the 2020/21 financial year using what officers consider to be a 'worst-case' scenario in which the collection of rates is reduced by 20 percent compared to an average year and where a two month delay in rates collections may occur. In the preparation of the cash flow forecast without including the STLF loan, the balance of unrestricted cash would become negative from April 2021. Officers have therefore incorporated the drawdown of \$2 million in funds from the STLF commencing from March 2021.

While the cash flow forecast has been prepared based on what is considered a worst-case scenario, Officers consider that given the uncertainty surrounding the quantum and timing of rates collections for the 2020/21 financial year that it is appropriate to apply for funding under the WATC Short Term Lending Facility. Officers are therefore recommending that Council authorise the progressing of an application for funding of \$2 million and that Council endorses the attached cash flow forecast for 2020/21 to support the application.

ATTACHMENTS

Attachment 1 - Cash Flow Forecast July 2020 to June 2021

12.4.4. Request for Waiver of Fees

DATE:	28 July 2020
AUTHOR:	Acting Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	GN.10.6, TT.05.1, TT.15.3
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council, pursuant to Section 6.12(1)(b) of the *Local Government Act 1995*, waive Aircraft Landing Fees at the East Kimberley Regional Airport for a period of three months from 1 July 2020 to 30 September 2020 for the following aircraft operators:

- **Kimberley Air Tours**
- **Shoal Air Pty Ltd**
- **Aviair Pty Ltd**
- **HeliSpirit**

PURPOSE

To request that Council consider the waiving of Aircraft Landing Fees at the East Kimberley Regional Airport for four local aircraft operators for a period of three months from 1 July 2020 to 30 September 2020.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Funder - provide funds or other resources

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Covid-19 Pandemic has had a major financial impact on the East Kimberley tourism sector. The impact on local tour operators has been particularly severe with travel restrictions and the closure of State and Regional borders preventing tourists from visiting the Kimberley generally and the East Kimberley in particular. The full impact on the local tourism industry is

unknown however some operators have reported a greater than 90% reduction in revenue for the 2020 tourist season compared to 2019 and the likely impact on the 2021 season is still unknown.

The Shire has received requests from local aircraft operators to waive Aircraft Landing Fees at the East Kimberley Regional Airport to support their ongoing operations and viability.

Aircraft Landing Fees are set on an annual basis as part of the budget process and are incorporated in the Fees and Charges Schedule. They are invoiced to aircraft operators by Avdata Australia (Avdata) on behalf of the Shire on a monthly basis. The revenue is recognised in the Shire's financial reports based on monthly statements provided by Avdata. Invoices for the period up until 30 June 2020 have been raised and will be recorded in the financial statements for the period ended June 2020.

STATUTORY IMPLICATIONS

6.12. Power to defer, grant discounts, waive or write off debts

- (1) Subject to subsection (2) and any other written law, a local government may
-
- (a) when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money; or
 - (b) waive or grant concessions in relation to any amount of money; or
 - (c) write off any amount of money, which is owed to the local government.
- * Absolute majority required.*
- (2) Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.
- (3) The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.
- (4) Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.

[Section 6.12 amended: No. 64 of 1998 s. 39.]

POLICY IMPLICATIONS

CP FIN-3211 Fees and Charges Pricing

CP FIN-3214 Sundry Debt Collection

CP FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors

CP GOV-3114 Coronavirus (COVID-19) Emergency Response and Recovery Policy

FINANCIAL IMPLICATIONS

The estimated value of Aircraft Landing Fees for the four local tour operators for the period from 1 July 2020 to 30 September 2020 is approximately \$23,000 (see confidential attachment 2). This is based on the average number and type of aircraft landings for the three months from 1 April 2020 to 30 June 2020. It is anticipated that landings for the period 1 July 2020 to

30 September 2020 will be similar to or less than \$23,000. The budget for Airport Landing fees has already been reduced for the 2020/21 financial year from \$1.5 million to \$1.0 million. The waivers have therefore already been anticipated for in this reduction of revenue.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

Corporate Business Plan

CBP Action: #167 Implementation of LTFP and Annual Budget

RISK IMPLICATIONS

Risk: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives

Controls: Implementation of LTFP and Annual Budget.

Policies updated in accordance with schedule and operational requirements.

Policies implemented to allow for appropriate financial support to the community while ensuring that the Shire's service delivery requirements and strategic objectives continue to be met.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and included:

Direct communication and correspondence with the parties requesting waivers.

COMMENTS

There are a number of policy options available to Council to provide financial relief to the local community during the Covid-19 Pandemic. These include response and recovery actions available under policy CP GOV-3114 Coronavirus (COVID-19) Emergency Response and Recovery, and financial assistance under policy CP FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors (financial hardship policy) and policy CP COM-3582 Community Grants Scheme.

Ratepayers and sundry debtors of the Shire are able to apply for financial hardship under the Financial Hardship Policy. If assessed as eligible this enables ratepayers and debtors to set up extended payment arrangement terms for existing debts at 28 April 2020 and debts incurred after that date with no penalty interest or payment arrangement fees applicable up until 20 June 2021. The financial hardship policy and application form are available on the Shire's website.

Rates have been adopted as part of the 2020/21 budget and rates notices were issued on 17 July 2020. Ratepayers have been advised of the financial hardship policy and will be encouraged to apply if they believe they meet the financial hardship criteria. Sundry debtors are being advised of the option to apply for financial hardship if and when their accounts fall into arrears.

In addition to the above policy responses, Council has the option to waive fees and charges in accordance with Section 6.12 of the *Local Government Act 1995*. The waiving of fees and charges can be approved in advance and may be considered by Council as an additional or alternative means of assistance where other policy options are not deemed to provide the desired level of financial support for individual businesses or community organisations, or in specific circumstances where Council determines additional financial support is appropriate.

With regards to the request for a suspension of hangar rates (see confidential attachment 1), officers consider that the appropriate response to provide financial relief is through the financial assistance policy as outlined above.

With regards to the request for a waiver of Aircraft Landing Fees (see confidential attachment 1), officers consider that local tour operators are vital to the local tourism industry and the East Kimberley economy and that additional financial support is warranted. Whilst a formal request for the waiving of landing fees has only been received by the owners of two local tour operators, officers consider it equitable, and therefore appropriate, to recommend the waiving of Landing Fees for four local tour operators. If these businesses were to cease operating it would have a flow on effect that would impact the post Covid-19 recovery of the tourism industry in the East Kimberley in general. It is therefore the officer's recommendation that Aircraft Landing Fees be waived for the four operators for a period of three months from 1 July 2020 to 30 September. Officers would then undertake a review at the end of that period to determine whether it is appropriate to request Council to approve a further waiver of Landing Fees for an additional period.

ATTACHMENTS

Confidential Attachment 1 - Request for Waiver of Landing Fees and Suspension of Airport Hangar Rates.

Confidential Attachment 2 - Landing fees - April to June 2020

12.5. INFRASTRUCTURE

12.5.1. Addendum to "EKRA Business Case and Cost-Benefit Analysis Final Report 2018"

DATE:	28 July 2020
AUTHOR:	Senior Economic Development Officer
RESPONSIBLE OFFICER:	Stuart Dyson, Director Infrastructure
FILE NO:	ED.08.15
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council adopts the "East Kimberley Regional Airport Air Freight Economic Evaluation" report as an Addendum to the "EKRA Business Case and Cost-Benefit Analysis Final Report 2018".

PURPOSE

The purpose of the report is for Council to adopt the "East Kimberley Regional Airport Air Freight Economic Evaluation" report as an Addendum to the "EKRA Business Case and Cost-Benefit Analysis Final Report 2018".

NATURE OF COUNCIL'S ROLE IN THE MATTER

Advocator - advocate and support initiatives on behalf of the community and the Kimberley

Facilitator - bring stakeholders together

Funder - provide funds or other resources

Leader - plan and provide direction through policy and practices

Provider - provide physical infrastructure and essential services

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

At its 26 February 2019 OCM, Council decided:

Council Decision

Minute Number: 26/02/2019 - 115936

Moved: Cr D Pearce Seconded: Cr J Farquhar

That Council:

1. Endorses the final document “EKRA Business Case and Cost Benefit Analysis Final Report 2018” and the recommendations of the Business Case.

2. Instructs Officers to continue work on the delivery model for the proposed runway extension project and to commence work on other growth opportunities for the East Kimberley Regional Airport.

Carried: 8/0

The “EKRA Business Case and Cost Benefit Analysis Final Report 2018” took into account only the passenger movements at the EKRA in the preparation of the business case and cost benefit analysis for the extension of the runway at the EKRA. Air freight considerations were not factored into the Business Case.

STATUTORY IMPLICATIONS

Nil

POLICY IMPLICATIONS

Adopting this report does not impact on any Shire Policies.

FINANCIAL IMPLICATIONS

There are no financial implications arising out of the adoption of this report. As the report is designed to support the case for the extension of the runway at EKRA, this extension will cost in the region of \$35M which will be funded from grants from both State and Federal Governments, loan finance and the Airport Reserve.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 3: Economic Prosperity

Goal 3.1: To deliver the critical infrastructure that will create the conditions for economic growth across the Shire

Strategy 3.1.1: Improve the Shire’s transport infrastructure, including Wyndham Port and East Kimberley Regional Airport through lobbying, project support and funding opportunities

Strategy 3.1.2: Improve access and transport links to the East Kimberley (air, road and sea)

Strategy 3.1.3: Advocate for infrastructure that supports business

Goal 3.2: To be business-friendly and the Shire of choice for inward investment in the Kimberley

Strategy 3.2.1: Market the East Kimberley as the place to live, visit and do business

Corporate Business Plan

CBP Action: #237: EKRA - Extend the length of the runway to accommodate larger aircraft.

RISK IMPLICATIONS

Risk:

Failure to plan and resource a suitable airport facility which meets the long term strategic goals and the region's economic development initiatives.

Control:

The Addendum ensures that when potential freight outcomes are added to the operation of the airport, the benefit cost ratio increases significantly in all three scenarios. This gives the Shire greater leverage in advocating for grant funding to undertake the project, thereby improving the economic outcomes for the region.

COMMUNITY ENGAGEMENT

No community engagement is required at this stage.

COMMENTS

In February 2020, URBIS Pty Ltd was engaged to prepare the "East Kimberley Regional Airport Air Freight Evaluation" report, with a view to this report being incorporated as an Addendum to the "EKRA Business Case and Cost-Benefit Analysis Final Report 2018" for the upgrade of the runway extension. Shire Officers were of the view that the potential of freight traffic through EKRA was a significant factor that needed to be included in the overall business case. It is also important for the agricultural sector in the Shire to see the potential for freight arising from the runway extension.

Consistent with the 2018 Report, three scenarios were explored in the "East Kimberley Regional Airport Air Freight Evaluation" report (i.e. Low, Medium (Base Case) and High). Furthermore, freight uplift of 10%, 30% and 50% were also modelled, as outlined in the table below. The benefit-cost ratios under each scenario increased significantly - from 1.8 to 3.9 (low), 2.5 to 5.5 (medium or base case) and 3.3 to 9.4 (high).

Revised Cost Benefit Assessment Results (\$ millions)			
Scenario	Low	Medium (base case)	High
Total Economic Costs	\$77.2	\$79.1	\$80.8
Passenger Service Benefits	\$138.6	\$195.8	\$267.6
Freight Service Benefits	\$159.6	\$239.0	\$495.9
Total Economic Benefits	\$298.2	\$434.8	\$763.5
Benefit Cost Ratio	3.9	5.5	9.4

Source: Urbis

* Costs and benefits are presented in net present values

Air Freight Impact Results (\$ millions)			
Scenario / Uplift Factor	Low	Base Case	High
10%	\$53.2	\$79.7	\$165.3
30%	\$159.6	\$239.0	\$495.9
50%	\$266.0	\$398.4	\$826.5

Source: Urbis

* Costs and benefits are presented in net present values

The Addendum also outlines the employment effect for the base case freight scenario for the agricultural sector as increasing direct net employment by 63.8 and indirect net employment by 41.4 by 2045 (i.e. a total net employment increase of 105.2 by 2045 in the agricultural sector).

The Addendum provides greater scope for the Shire to advocate for funding from the Western Australian and Federal governments to undertake the runway upgrade project at the EKRA.

It is recommended Council adopt the “East Kimberley Regional Airport Air Freight Evaluation” report as an Addendum to the “EKRA Business Case and Cost-Benefit Analysis Final Report 2018”.

ATTACHMENTS

East Kimberley Regional Airport Air Freight Economic Evaluation

13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

14. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

**15. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY
DECISION**

16. MATTERS BEHIND CLOSED DOORS

17. CLOSURE