



## ORDINARY MINUTES

**DATE:** Tuesday, 18 January 2011

**TIME:** 2:45pm

**VENUE:** Council Chambers, Lowood  
Road, Mount Barker WA 6324

Rob Stewart  
CHIEF EXECUTIVE OFFICER

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2:47pm The Presiding Member declared the meeting open.

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

### Members Present:

Cr K Clements	Shire President
Cr M Skinner	Deputy Shire President
Cr B Bell	Councillor
Cr A Budrikis	Councillor
Cr S Etherington	Councillor
Cr S Grylls	Councillor
Cr L Handasyde	Councillor
Cr G Messmer	Councillor
Cr J Moir	Councillor

### In Attendance:

Mr Rob Stewart	Chief Executive Officer
Mr John Fathers	Deputy Chief Executive Officer
Ms Nicole Selesnew	Manager Community Services
Mr Peter Duncan	Manager Development Services
Mr Dominic Le Cerf	Manager Works and Services
Mr Vincent Jenkins	Planning Officer
Mrs Linda Sounness	Executive Secretary

There were two (2) members of the public present.

### Previously Approved Leave of Absence:

Nil

### Emergency Evacuation Procedures/Disclaimer:

Working to Occupational Safety and Health Best Practices, Mr Rob Stewart - Chief Executive Officer, read aloud the emergency evacuation procedures for Councillors, staff and members of the public present in the Council Chambers.

Mr Stewart then read aloud the following disclaimer:

'No responsibility whatsoever is implied or accepted by the Shire of Plantagenet for any act, omission or statement or intimation occurring during Council / Committee meetings or during formal / informal conversations with staff.

The Shire of Plantagenet disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, or statement of intimation occurring during Council / Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation or approval made by a member or officer of the Shire of Plantagenet during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Plantagenet. The Shire of Plantagenet warns that anyone who has an application with the Shire of Plantagenet must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Plantagenet in respect of the application.'

### **3 PUBLIC QUESTION TIME**

#### **3.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

#### **3.2 PUBLIC QUESTION TIME - SECTION 5.24 LOCAL GOVERNMENT ACT 1995**

Nil

### **4 PETITIONS / DEPUTATIONS / PRESENTATIONS**

Nil

### **5 DISCLOSURE OF INTEREST**

Part 5 Division 6 Local Government Act 1995

Cr Jeff Moir disclosed a Voluntary Disclosure Interest - Code of Conduct Disclosure (S5.103 LGA/Reg 34C Local Government Administration Regulations) Perceived interests (clause 2.3 Code of Conduct) – Member of Mount Barker Golf Club - in Item 11.1.4.

Cr Andrus Budrikis disclosed a Proximity (Section 5.60 (B) LGA) Interest – Owner of land near Lot 516 Carbarup Road (Lot 371 Foster Road) and brother of owner of land Lot 373 Carbarup Road - in Item 11.1.7.

Cr Andrus Budrikis disclosed a Financial/Indirect Financial Interest (Section 5.60(A) and Section 5.61 LGA) Interest – Business relationship with Great southern Community Housing Association - in Item 11.4.5.

Cr Michael Skinner disclosed a Financial/Indirect Financial Interest (Section 5.60 (A) and Section 5.61 LGA) – Farming 400 head of cattle - in Item 11.4.1.

Cr Jeff Moir disclosed a Financial/Indirect Financial Interest (Section 5.60 (A) and Section 5.61 LGA) – Cattle Farmer and employee of Landmark - in Item 11.4.1.

### **6 APPLICATIONS FOR LEAVE OF ABSENCE**

Section 5.25 Local Government Act 1995

## **7 CONFIRMATION OF MINUTES**

**Moved Cr S Etherington, seconded Cr B Bell:**

**That the Minutes of the Ordinary Meeting of the Shire of Plantagenet, held on 14 December 2010 as circulated, be taken as read and adopted as a correct record.**

**CARRIED (9/0)**

**NO. 1/11**

## **8 COMMITTEE MINUTES**

**Moved Cr M Skinner, seconded Cr S Grylls:**

**That the Minutes of:**

**Great Southern Regional Cattle Saleyards Advisory Committee Meeting - 14 December 2010**

**be received.**

**CARRIED (9/0)**

**NO. 2/11**

## **9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

- 21 December 2010 – it was announced that the Shire of Plantagenet had been successful in obtaining the grant to pay out the debt on the Saleyards.
- 21 December 2010 – attended the Great Southern Development Commission Christmas Function.
- 11 January 2011 – Along with a number of staff, attended a meeting with members of the Kendenup Community to discuss entry statements at the Corner of Albany Highway and Beverley Road and also the ongoing use of the Kendenup Hall.
- 15 January 2011 – Along with Councillors, partners, Staff and members of the public, attended the dedication naming of the Plantagenet Community Medical Centre Building as the Dr Christopher Bourke Building.
- 16 January 2011 – Along with my wife Roz, attended the Grapes and Gallops Luncheon and Race meeting.

**10 ANNOUNCEMENTS BY COUNCILLORS WITHOUT DISCUSSION**Cr M Skinner

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

Cr S Etherington

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

Cr B Bell

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

Cr S Grylls

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

Cr A Budrikis

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

Cr Messmer

- 15 January 2011 – Attended the Dr Christopher Bourke Building dedication naming.

## 11 REPORTS OF COMMITTEES AND OFFICERS

### 11.1 DEVELOPMENT SERVICES REPORTS

#### 11.1.1 LOT 53 LOWOOD ROAD, MOUNT BARKER - PROPOSED SIGNAGE MOUNT BARKER COMMUNITY RESOURCE CENTRE

<b>File No:</b>	<b>N17219</b>
<b>Attachments:</b>	<a href="#">Location Plan</a> <a href="#">Site Plan</a> <a href="#">Elevation</a> <a href="#">Plantagenet Wines Directional Sign</a>
<b>Responsible Officer:</b>	<b>Peter Duncan</b> <b>Manager Development Services</b>
<b>Author:</b>	<b>Vincent Jenkins</b> <b>Planning Officer</b>
<b>Proposed Meeting Date:</b>	<b>18 January 2011</b>
<b>Applicant:</b>	<b>Mount Barker Community Resource Centre</b>

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#### **PURPOSE**

The purpose of this report is to consider a proposal from Mount Barker Community Resource Centre to erect new signage at Lot 53 Lowood Road, Mount Barker.

#### **BACKGROUND**

The Council at its meeting held on 13 October 2009 resolved at Resolution No. 286/09:

*'That authority be granted to the Shire President and the Chief Executive Officer to affix the Common Seal of the Council to the Deed of Lease between the Shire of Plantagenet and the Mount Barker Community Centre (tenant) and the Baptist Union of Western Australia (sponsor) for the building, including any additions to the building constructed by the Mount Barker Community Centre in accordance with a building licence, and areas outside of the building required for the convenient occupation of the building, at Lot 53 Lowood Road, Mount Barker, for the purpose of Community, Recreation and Public Worship.'*

The proposal involves the erection of a new sign at the entry to the Mount Barker Community Resource Centre.

#### **STATUTORY ENVIRONMENT**

Planning and Development Act 2005

Shire of Plantagenet Town Planning Scheme No. 3 (TPS3) - Clause 5.6.5 and Schedule 10 - detail where consent is not required for advertising signs. In this instance consent is required.

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Local Government (Miscellaneous Provisions) Act 1960 – A building licence is required to be issued by the Principal Building Surveyor under delegated authority.

### **FINANCIAL IMPLICATIONS**

The application fee of \$50.00 has been paid.

### **POLICY IMPLICATIONS**

There are no policy implications for this report.

### **STRATEGIC IMPLICATIONS**

Key Result Area 4 Development Services of the Council's Strategic Plan aims to:

*'Plan a safe and healthy living environment.'*

### **OFFICER COMMENT**

The Mount Barker Community Resource Centre will be fully functional by April 2011, with the formal opening in July 2011. Services to be provided from the Resource Centre include Centrelink, telecentre, office space for visiting agencies and services, after school care, food bank, emergency financial relief, counselling services, training programs and the Mount Barker Public Library.

The proposed sign is similar in design to the Plantagenet Wines' directional sign (copy attached) approved by the Council on 14 April 2009. The Plantagenet Wines directional sign is 4.8m high, 3.37m wide with 4.24m<sup>2</sup> signage area. The proposed Resource Centre sign is 4.5m high, 3.3m wide with 5.88m<sup>2</sup> signage area. The increased signage area will allow room for information on service providers at the Resource Centre. The proposed sign frame will be constructed in steel and finished in a blue-grey colour. The Mount Barker Community Resource Centre logo will be on metal sheeting on white background. The proposed sign will not be illuminated. The proposed sign in this instance is not likely to adversely affect the amenity of the surrounding area or the locality.

To help identify the Resource Centre the proposed sign location is at the entry to the carparking area of the Resource Centre. A 'Dial Before You Dig' query revealed Water Corporation water mains and stormwater infrastructure in close vicinity of the proposed sign location. One street tree is also in close vicinity to the proposed sign location. To allow clear sign visibility the tree will need to be severely trimmed or removed. Given the proximity of Water Corporation infrastructure and vegetation it should be a requirement of the planning consent that the proposed sign location is to be to the satisfaction of the Manager Works and Services. The Manager Works and Services will ensure the location does not obscure driver visibility when exiting the carpark.

The proposal to erect this sign will not affect other discussions relating to carpark layout, trees and ingress/egress configuration.

### **VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr S Etherington, seconded Cr L Handasyde:**

**That planning consent be granted for the proposed signage at Lot 53 Lowood Road, Mount Barker, subject to:**

- 1. Development being in accordance with the plans dated 17 November 2010 and 2 December 2010.**
- 2. Sign location being to the satisfaction of the Manager Works and Services.**
- 3. Building licence application being submitted including full plans and specifications.**

**CARRIED (9/0)**

**NO. 3/11**

**11.1.2 LOT 811 STONEY CREEK ROAD, PORONGURUP - FAMILY DAY CARE PROPOSAL - RECONSIDERATION**

**File No:** N17187

**Attachments:** [Location Plan](#)  
[Site Plan](#)  
[Floor Plan](#)  
[Site Plan](#)  
[Bush Fire Hazard Plan](#)  
[FESA Comments](#)  
[Lot 811 Stoney Creek Porongurup - Site Assessment and Bushfire Protection \(separate attachment\)](#)

**Responsible Officer:** Peter Duncan  
Manager Development Services

**Author:** Vincent Jenkins  
Planning Officer

**Proposed Meeting Date:** 18 January 2011

**Applicant:** Jane Forward

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**PURPOSE**

The purpose of this report is to reconsider a proposal for a family day care at Lot 811 Stoney Creek Road, Porongurup and recommend approval subject to conditions.

**BACKGROUND**

Shire records show the registered owners of Lot 811 Stoney Creek Road, Porongurup are MH and JF Forward.

The proponent originally submitted a planning consent application on 5 January 2010 to develop a family day care for a maximum of seven children within a new building 54m<sup>2</sup> in area. As the application was incomplete, further information was sought and public advertising was undertaken.

The Council at its meeting held on 6 July 2010 resolved at Resolution No. 148/10:

*‘That the proposal for a family day care at Lot 811 Stoney Creek Road, Porongurup be refused on the grounds that:*

- 1. The lot is located in a bush fire prone area with extensive vegetation and such use, where up to seven children could be in attendance, is not appropriate from a safety perspective.*
- 2. The use could lead to increased fire risk to life through an inappropriately located land use.’*

On 26 July 2010 the Council received confirmation the proponent had filed an Application for Review (DR 227/2010) with the State Administrative Tribunal (SAT). The Application for Review submitted by the proponent did not include relevant

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information on fire safety. SAT directions hearings on the Application for Review were adjourned on three occasions to allow the proponent to obtain expert opinion.

The proponent engaged ICS Group to prepare a site assessment and bush fire protection report for Lot 811. Latro Lawyers is acting on behalf of the proponent and on 3 November 2010 forwarded a copy of the report dated 2 November and titled '*Lot 811 Stoney Creek Porongurup – Site Assessment and Bushfire Protection*' to the Council (separate attachment). This report includes a site assessment of Lot 811 in accordance with the Australian Standard for the '*Construction of buildings in bushfire-prone areas (AS3959)*'. The report further reviews bush fire protection measures for the Stoney Creek Road subdivision and surrounding area and puts forward solutions to reduce risk in a fire event at Lot 811 and the proposed family day care facility. A copy of this document was forwarded to the Fire and Emergency Services Authority (FESA) for comment. A submission from FESA has been received (copy attached).

The SAT member at the directions hearing on 15 December 2010 issued Orders for the matter to be considered at a Mediation Hearing on 15 March 2011. This enables time for the Council to reconsider its decision prior to the Mediation Hearing.

## **STATUTORY ENVIRONMENT**

Planning and Development Act 2005

Shire of Plantagenet Town Planning Scheme No. 3 (TPS3) – Rural Residential Zone No. 10.

– Special Provisions include:

*'3.2 The following uses may be permitted subject to special approval of Council:*

- Other incidental or non defined activities considered appropriate by Council which are consistent with the objectives of the zone.'*

Clause 5.2 of TPS3 provides the Council with the ability to vary development standards for development other than residential development. That power may only be exercised by the Council if it is satisfied that:

- (a) approval of the proposed development would be consistent with the orderly and proper planning of the locality and the preservation of the amenities of the locality;*
- (b) the non-compliance will not have any adverse affect upon the occupiers or users of the development or the inhabitants of the locality or upon the likely future development of the locality; and*
- (c) the spirit and purpose of the requirement or standard will not be departed thereby.'*

Child Care Services Act 2007

Child Care Services (Family Day Care) Regulations 2006 - Evacuation procedures to be developed and set down in writing and procedures for the transport of enrolled

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children to be developed and set down in writing especially the kinds of vehicles which may be used to transport enrolled children.

Planning for Bush Fire Protection (Edition2) - Areas that have a Bush Fire Hazard Assessment of between Moderate and High, constitutes a Bush Fire Prone Area.

Building Code of Australia (BCA) - In a Bush Fire Prone Area all habitable buildings must comply with the Australian Standard for Construction of Buildings in Bush Fire Prone Areas (AS 3959).

### **EXTERNAL CONSULTATION**

The proposal was advertised for comment for a 21 day period closing on 15 June 2010. Letters were sent to four adjoining lot owners, notices were placed in the Plantagenet News, Albany Advertiser, Council and Porongurup Shop notice boards and a sign placed on site. At the close of the advertising period no submissions had been received.

On 3 November 2010 as part of the SAT proceedings the Council received the document '*Lot 811 Stoney Creek Porongurup – Site assessment and Bushfire Protection*' prepared by ICS Group. A copy of this document was forwarded to the Fire and Emergency Services Authority (FESA) for comment. A submission from FESA has been received (copy attached).

### **FINANCIAL IMPLICATIONS**

The application fee of \$132.00 and a bond of \$500.00 for advertising costs have been paid.

### **POLICY IMPLICATIONS**

There are no policy implications for this report.

### **STRATEGIC IMPLICATIONS**

The Shire of Plantagenet Strategic Plan 2003 Key Result Area 4 Development Services seeks to:

*'Plan a safe and healthy living environment.'*

*'Encourage new businesses that will create long term sustainable local employment.'*

### **OFFICER COMMENT**

The proponent engaged ICS Group to prepare a site assessment and bush fire protection report for Lot 811. ICS Group specialises in risk and emergency management, wildfire protection and community safety. It provides consultancy services in fire preparedness and response planning, wildfire investigation, wildfire behaviour research and fire impact assessment. Mr Klaus Braun is the principal of the ICS Group.

The ICS Group report includes a site assessment of Lot 811 in accordance with the Australian Standard for the '*Construction of buildings in bushfire-prone areas (AS3959)*'. The report further reviews bush fire protection measures for the Stoney

Creek Road subdivision and surrounding area and provide solutions to reduce risk in a fire event at Lot 811 and the proposed family day care facility.

Possible solutions and recommendations offered by the report are:

- the family day care facility is to be constructed to meet the requirements of AS3959. This solution should be performance based meaning that if the family day care facility is constructed to a Fire Danger Index (FDI) of 80, the facility must stop operating before the FDI reaches 80. If the family day care facility is constructed to a FDI of 100, the facility must stop operating before the FDI reaches 100. Alternatively, if the family day care facility is constructed to a FDI of well over 100, the facility can remain open even when the fire danger forecast is Catastrophic. The family day care facility may then also function as a community safety area;
- the existing house should be upgraded to meet the same level of construction under AS3959 as the proposed family day care facility, or the facility should be constructed at least 6.0m away from the house or a 'fire wall' should be constructed between the house and the proposed facility to meet the requirements of AS3959;
- bush fire fuels around the proposed family day care facility should be managed to reduce the level of bush fire attack on the building and the construction level to Bushfire Attack Level (BAL)-29 or lower. The facility is not to be constructed in an area where it is exposed to a bush fire attack level of BAL-40 and BAL-FZ;
- fire protection measures such as external water spray systems or internal domestic sprinkler systems should be considered to further improve the resilience of the proposed family day care facility and the existing house;
- additional fire protection measures such as fire fighting equipment, back up power and water supply should be considered for active fire fighting defense; and
- a bush fire emergency plan must be developed and implemented to address actions and protective measures at the proposed family day care facility before, during and after a bush fire.

An integrated approach implementing the solutions and recommendations above can help effectively manage bushfire risk to the family day care facility and its occupants.

It is considered the proposal would only be acceptable if conditions based on those above were imposed. These conditions, as they are put forward by the applicant's fire consultant should not give grounds to any objections from the applicant's solicitors. Any additional conditions could lead to them being contested. Provided all of these conditions are satisfied by the applicant, the proposal is acceptable.

## **VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

That in accordance with clauses 5.2 and 6.3.2 of the Shire of Plantagenet Town Planning Scheme No. 3 and notwithstanding the Council's decision on 6 July 2010, that planning consent be granted for the family day care at Lot 811 Stoney Creek Road, Porongurup subject to:

1. The family day care facility being constructed to meet the requirements of AS3959 based on a Fire Danger Index of 80 (extreme).
2. The family day care facility being closed before the Fire Danger Index reaches 80 (extreme).
3. Fire protection measures being provided for the existing house and the family day care facility as follows:
  - i) external water spray system (both buildings);
  - ii) internal domestic sprinkler system (family day care facility only);
  - iii) provision of approved fire fighting equipment (pump and fire hoses etc); and
  - iv) back up power and water supply.
4. An appropriate bush fire emergency management plan being developed and implemented before the family day care facility is occupied and maintained thereafter. That plan shall:
  - i) address actions and protective measures at the family day care facility before, during and after a bush fire;
  - ii) consider when it is appropriate to remain at the family day care facility and when it is appropriate to relocate from the facility;
  - iii) address the issue of parents and/or relatives attempting to reach the children in the event of a bush fire impacting the area;
  - iv) have systems in place where the family day care facility may be closed during significant fire weather events and/or when fires are burning in the area;
  - v) address ongoing maintenance of the family day care facility and surrounding bush fire fuel levels to meet minimum fire protection requirements;
  - vi) include information on minimum training requirements for carers; and
  - vii) include a communications plan for communications with emergency services and parents of children at the family day care facility.
5. The above conditions 1 to 4 being signed off by a suitably qualified person as being completed prior to notification being submitted to the Council and the family day care facility being occupied.

**COUNCIL DECISION**

Moved Cr L Handasyde, seconded Cr G Messmer:

That in accordance with clauses 5.2 and 6.3.2 of the Shire of Plantagenet Town Planning Scheme No. 3 and notwithstanding the Council's decision on 6 July 2010, that planning consent be granted for the family day care at Lot 811 Stoney Creek Road, Porongurup subject to:

1. The family day care facility being constructed to meet the requirements of AS3959 based on a Fire Danger Index of 80 (extreme).
2. The family day care facility be closed once the Fire Danger Index Forecast for the Stirling Inland Subdistrict is 50 or above for any given day.
3. Fire protection measures being provided for the existing house and the family day care facility as follows:
  - i) external water spray system (both buildings);
  - ii) internal domestic sprinkler system (family day care facility only);
  - iii) provision of approved fire fighting equipment (pump and fire hoses etc); and
  - iv) back up power and water supply.
4. An appropriate bush fire emergency management plan being developed and implemented before the family day care facility is occupied and maintained thereafter. That plan shall:
  - i) address actions and protective measures at the family day care facility before, during and after a bush fire;
  - ii) consider when it is appropriate to remain at the family day care facility and when it is appropriate to relocate from the facility;
  - iii) address the issue of parents and/or relatives attempting to reach the children in the event of a bush fire impacting the area;
  - iv) have systems in place where the family day care facility may be closed during significant fire weather events and/or when fires are burning in the area;
  - v) address ongoing maintenance of the family day care facility and surrounding bush fire fuel levels to meet minimum fire protection requirements;
  - vi) include information on minimum training requirements for carers; and
  - vii) include a communications plan for communications with emergency services and parents of children at the family day care facility.
5. The above conditions 1 to 4 being signed off by a suitably qualified person as being completed prior to notification being submitted to the Council and the family day care facility being occupied.



**LOST (2/7)**Reason for Change

1. Whilst the building might be able to handle a day with an FDI of 80 it might actually go over that and it can happen quite quickly.
2. The current wording is 'before the FDI reaches 80.' One asks how much before?
3. The forecast is set at the Bureau (BOM) at 0435 during summer and it would be incumbent on the owners to get that information and cancel the days work if it needed to be done.
4. We close all loading zones (grain etc) in the Shire at an FDI of 50 and consider it too dangerous for these activities to continue. Some consistency probably would be worthwhile.
5. A forecast position given by the Bureau would enable the owners to make the decision early before the day gets hot and potentially dangerous thus alleviating travel problems in an area such as Stoney Creek.
6. We have had conditions with an FDI of over 100 in the last couple of years and these days are pretty rare. Days of over 50 are more common but unlikely to be forecast more than 4 to 5 days over a summer so impact should be minimal. Some of these will be in holiday periods as well.
7. I have spoken to Mr Murray Wills our Chief Bushfire Control officer and he is aware of the issue and thinks that this is a reasonable measure.

**11.1.3 RESERVE 1790 MCDONALD AVENUE, MOUNT BARKER -  
REPLACEMENT OF LEAN-TO STRUCTURE AT FROST PARK**

**File No:** N17155

**Attachments:** [Location Plan](#)  
[Buildings on Frost Park](#)  
[Frost and Sounness Parks - Precinct  
Development Plan \(Extract\)](#)  
[Elevation 1](#)  
[Elevation 2](#)

**Responsible Officer:** Peter Duncan  
Manager Development Services

**Author:** Vincent Jenkins  
Planning Officer

**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to consider a request for approval for the Mount Barker Turf Club to replace an existing lean-to structure at Frost Park on Reserve 1790 McDonald Avenue, Mount Barker.

**BACKGROUND**

The Mount Barker Turf Club requested permission to replace the lean-to structure on the south side of the Taylor-Dennis Centre of the Frost Pavilion. This lean-to structure is normally used to house the vehicle and equipment for the broadcasting of Sky Channel on race days. The existing light framed structure will be replaced with a new heavy duty structure.

**STATUTORY ENVIRONMENT**

Local Government (Miscellaneous Provisions) Act 1960 – A building licence is required to be issued by the Principal Building Surveyor under delegated authority.

**FINANCIAL IMPLICATIONS**

A building licence fee will be required to be paid. The Turf Club will carry out the demolition and construction at no cost to the Council. The Turf Club further requests the Chief Executive Officer to consider a financial contribution of \$1,360.00 for construction materials. No funding has been included in the Council's Annual Budget for 2010-2011 for such works.

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

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**OFFICER COMMENT**

The new structure is a timber lean-to connected to the Taylor-Dennis Centre of the Frost Pavilion and is 6.0m long, 4.5m wide and 2.7m high which is slightly smaller than the existing lean-to. It will have a Colorbond roof with the eastern, southern and western sides being open.

As the building is erected on a Council reserve, the structure is the property of the Council however the Turf Club will be responsible for the ongoing maintenance of the structure. The structure is generally in accordance with the Frost and Sounness Parks - Precinct Development Plan and no objection is seen to the replacement of the lean-to.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr B Bell, seconded Cr S Grylls:**

**That:**

- 1. The proposed lean-to structure on Reserve 1790 McDonald Avenue, Mount Barker be approved subject to:**
  - i) The development being in accordance with the plans dated 12 December 2010.**
  - ii) The Mount Barker Turf Club acknowledging the lean-to structure will become the property of the Council.**
  - iii) The Mount Barker Turf Club retaining all maintenance responsibilities for the lean-to structure.**
  - iv) The Mount Barker Turf Club being responsible for any insurance excess in the event that an insurance claim, relating solely to the lean-to structure, is necessary.**
  - v) The existing structure being removed and disposed of to the satisfaction of the Manager Works and Services.**
- 2. The Mount Barker Turf Club being advised that no funding exists in the Council's Annual Budget for the purchase of the building materials.**

**CARRIED (9/0)**

**NO. 4/11**

**11.1.4 TOWN PLANNING SCHEME NO. 3 - AMENDMENT NO. 57 - PORTION OF LOT 4815 O'NEILL ROAD, MOUNT BARKER - REVISED AMENDMENT – SUBMISSIONS RECEIVED**

A Voluntary Disclosure Interest - Code of Conduct Disclosure (S5.103 LGA/Reg 34C Local Government Administration Regulations) Perceived Interests (Clause 2.3 Code of conduct) was disclosed by Cr Moir. Nature and extent of interest – Member of the Mount Barker Golf Club.

**File No:** N17154

**Attachments:** [Summary of Submissions](#)  
[Schedule of Modifications](#)  
[Subdivision Guide Plan](#)

**Responsible Officer:** Rob Stewart  
Chief Executive Officer

**Author:** Peter Duncan  
Manager Development Services

**Proposed Meeting Date:** 18 January 2011

**Applicant:** RPS Environment and Planning Pty Ltd for Alta Group

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**PURPOSE**

The purpose of this report is to consider submissions received on a proposed Amendment (No. 57) to the Shire of Plantagenet Town Planning Scheme No. 3 (TPS3) to rezone the southern portion of Lot 4815 O'Neill Road, Mount Barker from Rural to Rural Residential.

**BACKGROUND**

Council records indicate the owner of Lot 4815 O'Neill Road is the Mt Barker Golf Club Inc.

A Scheme Amendment Request (SAR) for this piece of land at the south end of the golf course land was initially submitted in February 2007. In accordance with Council Policy TP/SDC/6, copies were forwarded to the Department for Planning and Infrastructure (DPI), Department of Water (DOW) and Department of Environment and Conservation (DEC) for comment. All three agencies provided comments on the SAR.

The Council when it initially considered the SAR and the comments received at its meeting held on 8 May 2007 resolved at resolution 170/07:

*'That:*

1. *The Scheme Amendment Request for Lot 4815 Albany Highway/O'Neill Road, Mount Barker be advertised to seek public feedback for a period of twenty-one days.*

2. *At the conclusion of advertising a further report be prepared for the consideration of the Council at a meeting to be held no later than 10 July 2007.'*

It was pointed out in the 8 May 2007 report that the DPI would not support an Amendment based on the SAR as the area was identified for rural retreat type lots and not special residential sized lots. The DPI is now the Department of Planning (DOP).

The SAR was advertised for 21 days closing on 8 June 2007 and 11 submissions were received – two petitions in support (both organised by Alta Property Group – but submitted at different times), three letters of support, three letters of objection and three letters providing comments.

Main Roads WA provided comment about the bandicoot population, an issue from the 1999 Highway realignment but it did not mention traffic impacts on Albany Highway.

The Council at its meeting held on 24 July 2007 when considering the submissions on the SAR resolved at resolution 265/07:

*'That the submissions received on the Scheme Amendment Request for Lot 4815 Albany Highway/O'Neill Road be noted and the proponent be advised the Council will be prepared to consider a formal Amendment to the Shire of Plantagenet Town Planning Scheme No. 3 subject to the various matters raised in the submissions including vegetation protection, Bandicoot population, variance from the Mount Barker Rural Strategy, land capability, drainage, fire safety, any potential road works at Albany Highway etc, being addressed.'*

The planning consultants at that time (Ayton Taylor Burrell) subsequently submitted formal Amendment documents which included a Land Capability Assessment and a Flora and Vegetation Study. The Council considered the Amendment at its meeting held on 14 October 2008 and resolved at resolution 201/08:

*'That:*

1. *Amendment No. 45 to Town Planning Scheme No. 3 be initiated subject to the document being modified in accordance with the Schedule of Modifications.*
2. *Once modified the Amendment be referred to the Environmental Protection Authority in accordance with legislative requirements.*
3. *Once authorised by the Environmental Protection Authority, the Amendment be advertised for a period of forty-two (42) days to enable comment to be made.*
4. *After advertising, a further report be prepared for the Council to be presented no later than its meeting to be held on 10 March 2009.'*

The consultants at that time modified the Amendment as requested by the Council and the Amendment was then referred to the Environmental Protection Authority (EPA) on 5 November 2008. The EPA in a letter dated 2 January 2009 requested additional information and changes to the subdivision guide plan and fire

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management plan before it would provide its formal advice. In a memorandum to Councillors dated 21 April 2010 the Manager Development Services advised:

*'The EPA requested additional work be carried out in relation to the vegetation on site. The developer terminated the services of the planning consultants who prepared the Amendment and have engaged Koltasz Smith (RPS Group) as their planning consultants. The new consultants are carrying out more work on a possible revised Amendment. If the revisions are a substantial departure from that initiated by the Council in October 2008, a further report will be placed before the Council. Otherwise, if the EPA authorisation is forthcoming, the 42 day advertising will be commenced.*

*It is anticipated that a report will be placed before the Council by 14 December 2010 on either, submissions received from the advertising or, on a revised Amendment proposal for re-initiation.'*

The new consultants then submitted a revised Amendment document No. 57 where the design layout had been significantly changed from the 2008 version. The consultants had discussed the proposed design layout with EPA officers who had advised it will be supported upon presentation by the Council.

A full copy of the revised Amendment No. 57 document was included with the 17 August 2010 agenda for each Councillor.

The Council at its meeting held on 17 August 2010 resolved at Resolution 200/10:

*'That:*

- 1. Notwithstanding resolution 201/08 of 14 October 2008, Amendment No. 45 to Town Planning Scheme No. 3 be not proceeded with due to the need to substantially alter that Amendment to address requirements of the Environmental Protection Authority.*
- 2. Amendment No. 57 to Town Planning Scheme No. 3 be initiated and referred to the Environmental Protection Authority in accordance with legislative requirements.*
- 3. Once authorised by the Environmental Protection Authority, the Amendment be advertised for a period of 42 days to enable comment to be made.*
- 4. After advertising, a further report be prepared for the Council to be presented no later than its meeting to be held on 14 December 2010.'*

The Amendment was referred to the EPA on 23 August 2010 and the EPA authorised the Amendment to proceed to advertising in a letter received on 27 October 2010. The EPA also provided advice and recommendations regarding environmental issues.

The 42 day advertising period closed on 17 December 2010 and a total of 11 submissions was received (see Summary of Submissions).

**STATUTORY ENVIRONMENT**

Planning and Development Act 2005

Town Planning Regulations 1967 – these have set procedures for amending a Town Planning Scheme including, once initiated by the Council, referral to the EPA for 28 days. Once cleared by the EPA a 42 day advertising period applies. The Council must consider any submissions lodged within 42 days of the close of formal advertising and refer its recommendation to the Western Australian Planning Commission (WAPC) and the Minister within 28 days.

Shire of Plantagenet Town Planning Scheme No. 3 (TPS3) – zoned Rural.

**EXTERNAL CONSULTATION**

The Amendment was advertised for 42 days by way of newspaper notices, letters to neighbours and Government agencies, a notice on the Council's notice board and signs onsite.

**FINANCIAL IMPLICATIONS**

The fee of \$3,300.00 was paid in 2008.

**POLICY IMPLICATIONS**

Council Policy No. TP/SDC/6 – Scheme Amendment Requests – the SAR was considered in accordance with this policy in 2007.

The proposal is in accordance with the Council's Town Planning Scheme Policy No. 18 (Planning Vision).

**STRATEGIC IMPLICATIONS**

This land is within Precinct 6 of the Council's Planning Vision (TPS Policy No. 18) and the 1997 Mount Barker Local Rural Strategy. That Vision proposes lots clustered in the cleared part of the site. The current proposal is suggesting lots of between 3,010m<sup>2</sup> and 5,988m<sup>2</sup> and the average exceeds the 4,000m<sup>2</sup> lot size in the Planning Vision.

The Council's Strategic Plan at Key Result Area 4 includes initiatives to:

*'Ensure a mix of housing types taking account of changing demographics and environmental conditions; and*

*Provide for a range of lot sizes, residential opportunities and adaptable housing.'*

**OFFICER COMMENT**

This revised Amendment involves a substantial change in the Subdivision Guide Plan put forward in 2008. The documentation wording has been strengthened and a 2010 Flora and Vegetation Assessment has been added to the document.

The major changes to the Subdivision Guide Plan focus on removing lots from the vegetated south-east portion of the site. The earlier 2008 Subdivision Guide Plan

proposed some nine lots in this well-vegetated area and fire safety requirements would have had serious impacts on the vegetation.

The current Subdivision Guide Plan in this Amendment No. 57 involves locating eight lots in the vicinity of a cleared fairway of the golf course and the reconfiguring of the golf course accordingly. As these changes and the additional detail provided were quite a change from the earlier proposal initiated by the Council on 14 October 2008, the Council agreed the most appropriate course of action was not to proceed with the earlier Amendment No. 45 and initiate this new Amendment No. 57 to avoid any potential confusion between the two documents with the earlier one having been initiated in 2008.

The 11 public submissions received are detailed in the attached Summary of Submissions and some modifications are required to the Amendment documents. These are detailed in the Schedule of Modifications attached.

The main thrust of the modifications is to:

1. Delete lot 16 due to its impact on the better remnant vegetation;
2. Adjust the Fire Management Plan to require higher standard of fire proof construction of houses on lots 21 to 28;
3. Prohibit direct vehicular access from lots to Albany Highway;
4. Recognise the continuing farming activities on lot 3 to the east; and
5. To require the construction of a 1.8m high stock/dog proof fence on the eastern side of the subject land.

With these modifications the amendment is considered acceptable. The Amendment now needs to be referred to the WAPC for its consideration.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr S Etherington, seconded Cr L Handasyde:**

**That:**

1. **The submissions lodged on Amendment No. 57 to Town Planning Scheme No. 3 be noted.**
2. **Amendment No. 57 to Town Planning Scheme No. 3 be adopted with the modifications as detailed in the Schedule of Modifications and be forwarded to the Western Australian Planning Commission for the final approval of the Minister for Planning.**



3. Authority be granted to the Shire President and the Chief Executive Officer to affix the Common Seal of the Council to Amendment No. 57 once approved by the Honourable Minister.

**CARRIED (9/0)**

**NO. 5/11**

**11.1.5 TOWN PLANNING SCHEME POLICY NO. 16.1 - OUTBUILDINGS - SUBMISSIONS**

**File No:** N17097  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** Peter Duncan  
Manager Development Services  
**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to consider the result of the public advertising of proposed alterations to existing Town Planning Scheme Policy No. 16 – Outbuildings, to include reference to the newly created Enterprise Zone.

**BACKGROUND**

At its meeting held on 9 November 2010 the Council resolved at Resolution 272/10:

*‘That:*

1. *Draft Town Planning Scheme Policy No. 16.1 – Outbuildings as follows:*

*‘Town Planning Scheme No. 3*

*Town Planning Scheme Policy No. 16.1.*

**OUTBUILDINGS***Definition*

*An outbuilding is defined in the Residential Design Codes as a structure that is required to meet the standards of the Building Code of Australia and is detached from any dwelling.*

*Cumulative floor area means the total area of all outbuildings on a lot.*

*Objectives*

1. *To protect the amenity of the locality in which the outbuilding is proposed.*
2. *To set standards in respect to size (height and cumulative area), boundary setbacks and use of the outbuilding.*

*In considering any application for approval for an outbuilding, the criteria below will be considered.*

*Policy Criteria:*

- 1) *This policy applies to the whole municipal district of the Shire of Plantagenet excluding Crown Reserves. It applies to all land zoned Rural, Residential, Enterprise, Rural Residential, Landscape Protection and Rural Smallholding.*
- 2) *For outbuildings proposed on Residential and Enterprise zoned land, the required rear setback shall be determined in accordance with side setback calculations detailed within the Residential Design Codes.*
- 3) *On Residential and Enterprise zoned land an outbuilding shall not be sited on a lot nearer to the frontage of the lot than the setback of the building to which it is appurtenant, or less than half the front setback from any other street boundary of the lot, other than in accordance with the minimum standards as stated in the Residential Design Codes and Building Code of Australia.*
- 4) *An outbuilding may be built on a boundary of a lot following receipt by the Council of written approval from the adjoining landowner stating no objections to the construction of an outbuilding on the boundary with the proviso that no openings are located in the wall on the boundary and Building Code of Australia standards are met.*
- 5) *The Council will consider the visual amenity of residential areas and the safety of pedestrians when determining approvals for outbuildings to be located on a lot boundary.*
- 6) *Outbuildings proposed for Residential and Enterprise zones are limited to being single storey with a maximum wall height of 3m and a maximum cumulative total floor area of 80m<sup>2</sup>.*
- 7) *Outbuildings proposed for Rural Residential and Landscape Protection zones are limited to have a maximum wall height of 3.5m and a maximum cumulative total floor area of 150m<sup>2</sup>.*
- 8) *Outbuilding proposed for Rural Smallholding zones are limited to have a maximum wall height of 3.5m and a maximum cumulative floor area of 200m<sup>2</sup>.*
- 9) *Outbuildings proposed for Rural zones are not limited in respect to wall height or cumulative floor area.*
- 10) *In respect to outbuildings proposed for vacant Residential, Rural Residential, Landscape Protection or Rural Smallholding lots, the Council will not allow their use for residential, commercial or industrial purposes. Written confirmation in the form of a Statutory Declaration or similar to this effect may be required of the property owner in making such an application.*
- 11) *A building licence will be required for outbuildings in all zones.*

*This Town Planning Scheme Policy No. 16.1 supersedes Town Planning Scheme Policy No. 16.'*

*be advertised for public comment for a period of 21 days.*

2. *After advertising, a further report be prepared for the Council to be presented no later than its meeting to be held on 18 January 2011.'*

Amendment No. 50 to Town Planning Scheme No. 3 (TPS3) created the new Enterprise Zone and zoned various lots in the Kendenup village as Enterprise Zone. That Amendment was finalised and published in the Government Gazette on 19 October 2010. Amendment No. 53 shows land in the Rocky Gully village as Enterprise Zone also. That Amendment is about to be granted final approval by the Minister for Planning.

The draft TPS Policy No. 16.1 now includes reference to the new Enterprise Zone and was advertised pursuant to the Council resolution. At the close of the advertising period on 14 December 2010 no submissions had been received.

## **STATUTORY ENVIRONMENT**

Planning and Development Act 2005

TPS3 – Clause 7.6 'Power to Make Policies' reads as follows:

### **7.6 POWER TO MAKE POLICIES**

7.6.1 *In order to achieve the objectives of the Scheme, the Council may make Town Planning Scheme policies relating to parts or all of the Scheme area and relating to one or more of the aspects of the control of development.*

7.6.2 *A Town Planning Scheme Policy shall become operative only after the following procedures have been completed:*

(a) *the Council, having prepared and having resolved to adopt a Draft Town Planning Scheme Policy, shall advertise a summary of the draft policy once a week for two consecutive weeks in a newspaper circulating in the area giving details of where the draft policy may be inspected and where, in what form, and during what period (being not less than 21 days) representations may be made to the Council;*

(b) *the Council shall review its Draft Town Planning Scheme Policy in the light of any representations made and shall then decide to finally adopt the Draft Policy with or without amendment, or not proceed with the Draft Policy;*

(c) *following final adoption of a Town Planning Scheme Policy, details thereof shall be advertised publicly and a copy kept with the scheme documents for inspection during normal office hours.*

7.6.3 *A town Planning Scheme Policy may only be altered or rescinded by:*

(a) *preparation and final adoption of a new policy pursuant to this clause, specifically worded to supercede an existing policy;*

(b) *publication of a formal notice of rescission by the Council twice in a newspaper circulating in the area.*

7.6.4 *A Town Planning Scheme Policy shall not bind the Council in respect of any application for planning consent but the Council shall take into account the provisions of the Policy and objectives which the Policy was designed to achieve before making its decision.'*

To alter a policy, clause 7.6.3(a) is relevant as is the procedure involving advertising set by clause 7.6.2.

### **EXTERNAL CONSULTATION**

In accordance with TPS3 Clause 7.6.2, the Council is required to advertise a draft policy once a week for two consecutive weeks within a newspaper circulating within the area. The advertisement is to contain details of where the draft policy may be inspected and in what form submissions can be made during a period of not less than 21 days.

At the close of advertising no submissions had been received.

### **FINANCIAL IMPLICATIONS**

The cost of advertising was met from the Town Planning Advertising Budget.

### **POLICY IMPLICATIONS**

This is an alteration to a Town Planning Scheme Policy adopted by the Council in December 2006.

### **STRATEGIC IMPLICATIONS**

Shire of Plantagenet Strategic Plan 2003, Key Results area 4 indicated that the Council will '*Develop and Review Town Planning Policies*'.

### **OFFICER COMMENT**

Town Planning Scheme Policy No. 16 was originally prepared to provide guidance and direction when considering proposals to erect outbuildings (sheds).

There may be instances where the Council considers a departure or variance from the policy is justified and this can be considered by the Council.

As stated above, Amendment No. 50 to TPS3 has now been finalised and TPS3 includes the new Enterprise Zone. It is appropriate that original Town Planning Scheme Policy No. 16 be altered to include reference to the new zone in appropriate areas. The alterations to the policy include the Enterprise Zone in policy criteria 1), 2), 3) and 6). The inclusion will mean there will be floor area (80m<sup>2</sup>) and height controls (3m) for outbuildings in this new zone. These controls are the same as applied to the Residential Zone.

As the policy is to be altered it has been re-numbered from 16 to become 16.1 and also to include a statement at the end that this policy 16.1 supersedes policy No. 16.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr G Messmer, seconded Cr S Etherington:

That Town Planning Scheme Policy No. 16.1 – Outbuildings as follows:

‘Town Planning Scheme No. 3

Town Planning Scheme Policy No. 16.1.

**OUTBUILDINGS****Definition**

An outbuilding is defined in the Residential Design Codes as a structure that is required to meet the standards of the Building Code of Australia and is detached from any dwelling.

Cumulative floor area means the total area of all outbuildings on a lot.

**Objectives**

1. To protect the amenity of the locality in which the outbuilding is proposed.
2. To set standards in respect to size (height and cumulative area), boundary setbacks and use of the outbuilding.

In considering any application for approval for an outbuilding, the criteria below will be considered.

**Policy Criteria:**

- 1) This policy applies to the whole municipal district of the Shire of Plantagenet excluding Crown Reserves. It applies to all land zoned Rural, Residential, Enterprise, Rural Residential, Landscape Protection and Rural Smallholding.
- 2) For outbuildings proposed on Residential and Enterprise Zoned land, the required rear setback shall be determined in accordance with side setback calculations detailed within the Residential Design Codes.
- 3) On Residential and Enterprise Zoned land an outbuilding shall not be sited on a lot nearer to the frontage of the lot than the setback of the building to which it is appurtenant, or less than half the front setback from any other street boundary of the lot, other than in accordance with the minimum standards as stated in the Residential Design Codes and Building Code of Australia.
- 4) An outbuilding may be built on a boundary of a lot following receipt by the Council of written approval from the adjoining landowner stating no objections to the construction of an outbuilding on the boundary with the

proviso that no openings are located in the wall on the boundary and Building Code of Australia standards are met.

- 5) The Council will consider the visual amenity of residential areas and the safety of pedestrians when determining approvals for outbuildings to be located on a lot boundary.
- 6) Outbuildings proposed for Residential and Enterprise Zones are limited to being single storey with a maximum wall height of 3m and a maximum cumulative total floor area of 80m<sup>2</sup>.
- 7) Outbuildings proposed for Rural Residential and Landscape Protection Zones are limited to have a maximum wall height of 3.5m and a maximum cumulative total floor area of 150m<sup>2</sup>.
- 8) Outbuilding proposed for Rural Smallholding Zones are limited to have a maximum wall height of 3.5m and a maximum cumulative floor area of 200m<sup>2</sup>.
- 9) Outbuildings proposed for Rural Zones are not limited in respect to wall height or cumulative floor area.
- 10) In respect to outbuildings proposed for vacant Residential, Rural Residential, Landscape Protection or Rural Smallholding lots, the Council will not allow their use for residential, commercial or industrial purposes. Written confirmation in the form of a Statutory Declaration or similar to this effect may be required of the property owner in making such an application.
- 11) A building licence will be required for outbuildings in all zones.

This Town Planning Scheme Policy No. 16.1 supersedes Town Planning Scheme Policy No. 16.'

be adopted in accordance with Clause 7.6 of the Shire of Plantagenet Town Planning Scheme No. 3.

CARRIED (9/0)

NO. 6/11

**11.1.6 TOWN PLANNING SCHEME POLICY NO. 17.1 - SEA CONTAINERS - SUBMISSIONS**

**File No:** N17106  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** Peter Duncan  
Manager Development Services  
**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to consider the result of the public advertising of proposed alterations to existing Town Planning Scheme Policy No. 17 – Sea Containers, to include reference to the newly created Enterprise Zone.

**BACKGROUND**

At its meeting held on 9 November 2010 the Council resolved at Resolution 273/10:

*‘That:*

1. *Draft Town Planning Scheme Policy No. 17.1 – Sea Containers as follows:*

*‘Town Planning Scheme No. 3*

*Town Planning Scheme Policy No. 17.1*

**SEA CONTAINERS***Objective*

*To regulate the use of sea containers to ensure they do not detract from the visual amenity of the locality.*

*In considering any application for approval to place a sea container(s) on a lot, the criteria below will be considered.*

*Policy Criteria:*

- (1) *This policy applies to the whole district of the Shire of Plantagenet excluding Crown Reserves. It applies to all zoned land.*
- (2) *Applications for planning consent and a building licence are required to be lodged prior to siting a sea container on a property. That application will include:*
  - a. *A completed application for planning consent and a building licence and the appropriate fees;*



- 
- b. A scaled site plan showing the proposed location of the sea container and detailing setbacks to boundaries. The site plan shall also include other buildings, accessways, watercourses and vegetation on the property;*
  - c. The proposed size and use of the sea container;*
  - d. Evidence that the sea container will be adequately screened from view and shall not be easily seen from nearby roads, other public places, or adjoining properties; and*
  - e. If a sea container can be seen from nearby roads, other public places, or adjoining properties, then details of any upgrading and/or colour to be painted shall be provided.*
- (3) Sea containers may be approved in the Commercial, Service Industrial, Industrial, Special Industrial and Rural (outside Townsites) zones, subject to them not being located within the front boundary setback area or in areas designated for car parking or landscaping. Sea containers must be stored in neat rows (not stacked) and shall be screened by landscaping, fencing or other means acceptable to the Council.*
- (4) In all zones, a sea container may be temporarily placed on a property to store building materials while construction of a house, commercial or industrial building is being carried out on the property, without requiring town planning approval or a building licence. A sea container must not be placed on the property prior to the issue of a building licence for the proposed permanent building and must be removed upon completion of construction or expiry of the building licence.*
- (5) A sea container shall be deemed to be an outbuilding and is subject to Town Planning Scheme Policy 16 – Outbuildings.*
- (6) Sea containers are not permitted on any land zoned Residential, Enterprise, Rural Residential, Rural Smallholding and Landscape Protection other than as detailed at (4) above in a temporary situation during construction of an approved building.*
- (7) Sea containers are not to be used for habitable purposes.*
- (8) Sea containers cannot be located within front boundary setbacks as required by Town Planning Scheme No. 3.*
- (9) Sea containers must be in good repair with no visible rust marks, a uniform colour to compliment the building to which it is ancillary and be appropriately screened where considered necessary.*
- (10) The Council may require the exterior of the sea container to be upgraded to blend with the surrounding development or landscape in terms of colour, finish and appearance.*
-

*(11) Where a sea container is to be placed on site permanently in accordance with (3) above, the application required by (2) above shall include certification from a professional engineer as to the method of providing structural tie down.*

*This Town Planning Scheme Policy No. 17.1 supersedes Town Planning Scheme Policy No. 17.'*

*be advertised for public comment for a period of 21 days.*

2. *After advertising, a further report be prepared for the Council to be presented no later than its meeting to be held on 18 January 2011.*

Amendment No. 50 to Town Planning Scheme No. 3 (TPS3) created the new Enterprise Zone and zoned various lots in the Kendenup village as Enterprise Zone. That Amendment was finalised and published in the Government Gazette on 19 October 2010. Amendment No. 53 zones land in the Rocky Gully village as Enterprise zone also. That Amendment is about to be granted final approval by the Minister for Planning.

The draft TPS Policy No. 17.1 now includes reference to the new Enterprise Zone and was advertised pursuant to the Council resolution. At the close of the advertising period on 14 December 2010 no submissions had been received.

## **STATUTORY ENVIRONMENT**

Planning and Development Act 2005

TPS3 – Clause 7.6 'Power to Make Policies' reads as follows:

### **'7.6 POWER TO MAKE POLICIES**

*7.6.1 In order to achieve the objectives of the Scheme, the Council may make Town Planning Scheme policies relating to parts or all of the Scheme area and relating to one or more of the aspects of the control of development.*

*7.6.2 A Town Planning Scheme Policy shall become operative only after the following procedures have been completed:*

*(d) the Council, having prepared and having resolved to adopt a Draft Town Planning Scheme Policy, shall advertise a summary of the draft policy once a week for two consecutive weeks in a newspaper circulating in the area giving details of where the draft policy may be inspected and where, in what form, and during what period (being not less than 21 days) representations may be made to the Council;*

*(e) the Council shall review its Draft Town Planning Scheme Policy in the light of any representations made and shall then decide to finally adopt the Draft Policy with or without amendment, or not proceed with the Draft Policy;*

- (f) *following final adoption of a Town Planning Scheme Policy, details thereof shall be advertised publicly and a copy kept with the scheme documents for inspection during normal office hours.*

7.6.3 *A town Planning Scheme Policy may only be altered or rescinded by:*

- (c) *preparation and final adoption of a new policy pursuant to this clause, specifically worded to supercede an existing policy;*
- (d) *publication of a formal notice of rescission by the Council twice in a newspaper circulating in the area.*

7.6.4 *A Town Planning Scheme Policy shall not bind the Council in respect of any application for planning consent but the Council shall take into account the provisions of the Policy and objectives which the Policy was designed to achieve before making its decision.'*

To alter a policy, clause 7.6.3(a) is relevant as is the procedure involving advertising set by clause 7.6.2.

#### **EXTERNAL CONSULTATION**

In accordance with TPS3 Clause 7.6.2, the Council is required to advertise a draft policy once a week for two consecutive weeks within a newspaper circulating within the area. The advertisement is to contain details of where the draft policy may be inspected and in what form submissions can be made during a period of not less than 21 days.

At the close of advertising no submissions had been received.

#### **FINANCIAL IMPLICATIONS**

The cost of advertising was met from the Town Planning Advertising Budget.

#### **POLICY IMPLICATIONS**

This is an alteration to a Town Planning Scheme Policy adopted by the Council in February 2008.

#### **STRATEGIC IMPLICATIONS**

Shire of Plantagenet Strategic Plan 2003, Key Results area 4 indicated that the Council will '*Develop and Review Town Planning Policies*'.

#### **OFFICER COMMENT**

Town Planning Scheme Policy No. 17 was originally prepared to provide guidance and direction when considering proposals to erect sea containers in particular zones.

There may be instances where the Council considers a departure or variance from the policy is justified and this can be considered by the Council.

As stated above, Amendment No. 50 to TPS3 has now been finalised and TPS3 includes the new Enterprise Zone. It is appropriate that the original Town Planning

Scheme Policy No. 17 be altered to include reference to the new zone. The alteration to the policy is to include the Enterprise Zone in policy criteria 6). The inclusion will mean sea containers are not permitted in the Enterprise Zone as well as the others specifically listed in that policy criteria. This is due to the need to maintain residential amenity in the villages of Kendenup and Rocky Gully.

As the policy is to be altered it has been re-numbered from 17 to become 17.1 and also to include a statement at the end that this policy 17.1 supersedes policy No. 17.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr B Bell, seconded Cr G Messmer:

That Town Planning Scheme Policy No. 17.1 – Sea Containers as follows:

‘Town Planning Scheme No. 3

Town Planning Scheme Policy No. 17.1

### **SEA CONTAINERS**

#### **Objective**

To regulate the use of sea containers to ensure they do not detract from the visual amenity of the locality.

In considering any application for approval to place a sea container(s) on a lot, the criteria below will be considered.

#### **Policy Criteria:**

- 1) This policy applies to the whole district of the Shire of Plantagenet excluding Crown Reserves. It applies to all zoned land.
- 2) Applications for planning consent and a building licence are required to be lodged prior to siting a sea container on a property. That application will include:
  - a. A completed application for planning consent and a building licence and the appropriate fees;
  - b. A scaled site plan showing the proposed location of the sea container and detailing setbacks to boundaries. The site plan shall also include other buildings, accessways, watercourses and vegetation on the property;
  - c. The proposed size and use of the sea container;
  - d. Evidence that the sea container will be adequately screened from view and shall not be easily seen from nearby roads, other public places, or adjoining properties; and

- e. If a sea container can be seen from nearby roads, other public places, or adjoining properties, then details of any upgrading and/or colour to be painted shall be provided.
- 3) Sea containers may be approved in the Commercial, Service Industrial, Industrial, Special Industrial and Rural (outside Townsites) Zones, subject to them not being located within the front boundary setback area or in areas designated for car parking or landscaping. Sea containers must be stored in neat rows (not stacked) and shall be screened by landscaping, fencing or other means acceptable to the Council.
  - 4) In all zones, a sea container may be temporarily placed on a property to store building materials while construction of a house, commercial or industrial building is being carried out on the property, without requiring town planning approval or a building licence. A sea container must not be placed on the property prior to the issue of a building licence for the proposed permanent building and must be removed upon completion of construction or expiry of the building licence.
  - 5) A sea container shall be deemed to be an outbuilding and is subject to Town Planning Scheme Policy 16 – Outbuildings.
  - 6) Sea containers are not permitted on any land zoned Residential, Enterprise, Rural Residential, Rural Smallholding and Landscape Protection other than as detailed at (4) above in a temporary situation during construction of an approved building.
  - 7) Sea containers are not to be used for habitable purposes.
  - 8) Sea containers cannot be located within front boundary setbacks as required by Town Planning Scheme No. 3.
  - 9) Sea containers must be in good repair with no visible rust marks, a uniform colour to compliment the building to which it is ancillary and be appropriately screened where considered necessary.
  - 10) The Council may require the exterior of the sea container to be upgraded to blend with the surrounding development or landscape in terms of colour, finish and appearance.
  - 11) Where a sea container is to be placed on site permanently in accordance with (3) above, the application required by (2) above shall include certification from a professional engineer as to the method of providing structural tie down.

This Town Planning Scheme Policy No. 17.1 supersedes Town Planning Scheme Policy No. 17.'

be adopted in accordance with Clause 7.6 of the Shire of Plantagenet Town Planning Scheme No. 3.

**CARRIED (9/0)**

**NO. 7/11**

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**11.1.7 LOT 126 FIRST AVENUE AND LOT 2019 CARBARUP ROAD, KENDENUP  
- APPLICATION TO CAMP**

A Proximity Interest (Section 5.60 (B) LGA) was disclosed by Cr Budrikis. Nature and extent of Interest – Owner of land near Lot 516 Carbarup Road (Lot 371 Foster Road) and brother of owner of land Lot 373 Carbarup Road.

3:22pm Cr A Budrikis withdrew from the meeting.

**File No:** N17200  
**Attachments:** [Location Plan - Lot 126 First Avenue](#)  
[Location Plan - Lot 2019 Carbarup Road](#)  
**Responsible Officer:** Peter Duncan  
Manager Development Services  
**Author:** Eric Howard  
Environmental Health Officer  
**Proposed Meeting Date:** 18 January 2011  
**Applicant:** G Gmeinder

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**PURPOSE**

The purpose of this report is to consider an application to camp (temporary occupancy) on Lot 126 First Avenue and Lot 2019 Carbarup Road, Kendenup. Both lots are owned by the applicant.

**BACKGROUND**

The owner of Lot 126 First Avenue and Lot 2019 Carbarup Road, Kendenup is seeking the Council's approval to camp on the above mentioned lots for periods of up to two weeks' duration, several times per year. The applicant wishes to camp on the properties for recreational purposes when visiting from Perth. Dependant upon vehicle availability, the applicant proposes to occupy either a caravan, motor home, motor vehicle or tent whilst temporarily camping at each site.

Sanitary and ablutionary facilities are not present on either lot and therefore the applicant proposes to utilise the public toilets located at the Kendenup Hall. The applicant has not detailed how or where laundry and ablution facilities will be accessed.

An outbuilding is located on Lot 126 First Avenue, however Lot 2019 Carbarup Road is vacant rural land located approximately 3.5km from the Kendenup Townsite and nearest public toilet facilities.

Councillors held a workshop on the issue of unauthorised occupation of sheds and/or caravans in the Kendenup area on 15 June 2010.

**STATUTORY ENVIRONMENT**

Caravan Parks and Camping Ground Act 1995

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## Caravan Parks and Camping Ground Regulations 1997 (the Regulations)

The Regulations specify where a person may camp, the length of time a camp can be occupied and the conditions upon which approval can be granted.

Regulation 11(1)(a) states that *'a person may camp for up to 3 nights in any period of 28 consecutive days on land which he or she owns or has legal right to occupy and may camp for longer than 3 nights on such land if he or she has written approval under sub-regulation (2) and is complying with that approval'*.

Sub-regulation (2) states that *'written approval may be given for a person to camp on land referred to in sub-regulation (11)(1)(a) for a period specified in the approval which is longer than 3 nights-*

*(a) by the Local Government of the district where the land is situated, if such approval will not result in the land being camped on for longer than 3 months in any period of 12 months'*.

The Regulations further state that before giving approval to camp, a Local Government is to be satisfied that the land is a suitable place for camping especially with respect to safety and health matters and access to services.

### **EXTERNAL CONSULTATION**

Consultation has taken place with the applicant.

### **FINANCIAL IMPLICATIONS**

The necessary application fee of \$100.00 for each property has been paid.

### **POLICY IMPLICATIONS**

There are no policy implications for this report.

### **STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

### **OFFICER COMMENT**

The primary function and intent of the Regulations is to control and regulate the standard and operation of licensed caravan parks and camping ground facilities and not to accommodate or facilitate casual temporary camping arrangements on private land to the exclusion of accessible licensed facilities such as caravan parks.

The Regulations allow transient travellers to occupy either roadside parking for up to 24 hours or recreational camp sites for up to three nights during their travels. Extended camping approval can be issued for periods up to 12 months to enable the construction of class 1a dwellings. The Regulations further enable Local Governments to prevent unlawful camping within its district.

Council approval to temporarily camp on private land should only be granted for exceptional circumstances and only where suitable alternative accommodation is not reasonably accessible and available.

The outbuilding at Lot 126 First Avenue was identified as a potential non-habitable building possibly being used for unauthorised occupation during a survey of the Kendenup Townsite conducted by the Shire in July 2010. In response to the Shire's enquiries, the owner (the current applicant) advised that she did not and would not use the outbuilding for habitable purposes and only used the outbuilding for basic comfort purposes when visiting the property to undertake care and maintenance activities.

The applicant now seeks the Council's approval to camp on either lot in accordance with the provisions of Regulation 11(2). This application is not supported due to the lack of provision of adequate justification and the lack of sanitary facilities.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr S Etherington, seconded Cr M Skinner:**

**That the application submitted by G Gmeinder, to camp on Lot 126 First Avenue and Lot 2019 Carbarup Road Kendenup be refused on the grounds that:**

- 1. No sanitary facilities have been provided; and**
- 2. It is contrary to the intent of the Caravan Parks and Camping Grounds Regulations 1997.**

**CARRIED (8/0)**

**NO. 8/11**

3:24pm Cr Budrikis returned to the meeting.



**11.1.8 LOT 156 WILSON ROAD, MOUNT BARKER - APPLICATION FOR  
TEMPORARY ACCOMMODATION**

**File No:** N17215  
**Attachments:** [Location Plan](#)  
[Site Plan](#)  
**Responsible Officer:** Peter Duncan  
Manager Development Services  
**Author:** Eric Howard  
Environmental Health Officer  
**Proposed Meeting Date:** 18 January 2011  
**Applicant:** M and S Bruce

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**PURPOSE**

The purpose of this report is to consider an application for temporary accommodation at Lot 156 Wilson Road, Mount Barker.

**BACKGROUND**

An application has been received from the owner of Lot 156 Wilson Road, Mount Barker seeking approval to occupy a caravan located on the lot for a period of 12 months during the construction of a Class 1a dwelling on the lot.

**STATUTORY ENVIRONMENT**

Caravan Parks and Camping Ground Regulations 1997 Section (11)(2) states as follows:

- (2) *Written approval may be given for a person to camp on land referred to in sub regulation (1)(a) for a period specified in the approval which is longer than 3 nights —*
- (a) *by the local government of the district where the land is situated, if such approval will not result in the land being camped on for longer than 3 months in any period of 12 months;*
  - (b) *by the Minister, if such approval will result in the land being camped on for longer than 3 months in any period of 12 months; or*
  - (c) *despite paragraph (b), by the local government of the district where the land is situated —*
    - (i) *if such approval will not result in the land being camped on for longer than 12 consecutive months; and*
    - (ii) *if the person owns or has a legal right to occupy the land and is to camp in a caravan on the land while a building licence issued to that person in respect of the land is in force.'*
-

**EXTERNAL CONSULTATION**

Consultation has taken place between the Council's Environmental Health Officer and the applicant.

**FINANCIAL IMPLICATIONS**

The \$100.00 application fee has been paid.

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**OFFICER COMMENT**

The applicant wishes to reside on site during the construction of the dwelling to maintain site security and to expedite the building project. It is expected that the dwelling will be constructed to a habitable standard within 12 months and therefore temporary accommodation will be required for a period of up to 12 months.

The applicant intends to construct and install ablution facilities within a small shed located adjacent to the caravan and the proposed dwelling site. Wastewater from the ablution facility will be connected to a septic system approved and installed for use of the dwelling.

The Council may revoke the temporary accommodation approval at any time during this approval period.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr B Bell, seconded Cr J Moir:**

**That the application for temporary accommodation at Lot 156 Wilson Road, Mount Barker be approved for a period of 12 months from 18 January 2011 subject to:**

- 1. The installation and connection of an approved on-site effluent disposal system serving the temporary toilet and ablution facilities.**
- 2. Inspection and certification by the Council's Environmental Health Officer that the temporary accommodation facility meets all relevant health and safety standards.**

3. Satisfactory progress being achieved with the construction of the Class 1a dwelling.

**ADVICE NOTE:**

- i) The approval to occupy temporary accommodation may be revoked at any time within the 12 month approval period.

**CARRIED (9/0)**

**NO. 9/11**

**11.2 WORKS AND SERVICES REPORTS**

Nil

**11.3 COMMUNITY SERVICES REPORTS**

Nil

## **11.4 CORPORATE SERVICES REPORTS**

### **11.4.1 BUDGET REVIEW – DECEMBER 2010**

A Financial/Indirect Financial Interest (Section 5.60(A) and Section 5.61 LGA) was disclosed by Cr Skinner. Nature and extent of Interest – Farming 400 head of cattle.

A Financial/Indirect Financial Interest (Section 5.60(A) and Section 5.61 LGA) was disclosed by Cr Moir. Nature and extent of Interest – Cattle Farmer and employee of Landmark.

3:26pm Cr M Skinner and Cr J Moir withdrew from the meeting.

**File No:** N17075  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Brendan Webb  
Accountant/Office Manager  
**Proposed Meeting Date:** 18 January 2011

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### **PURPOSE**

The purpose of this report is to review and where appropriate, adjust the adopted 2010/2011 Annual Budget to recognise variations in actual income and expenditure. This is necessary to facilitate appropriate financial control and ensure that the Council's financial resources are allocated in the most effective manner.

### **BACKGROUND**

The 2010/2011 annual budget was adopted by the Council at its meeting on 6 July 2010. This is the second quarterly review of the 2010/2011 Annual Budget. At its meeting held 9 November 2010, the budget was reviewed as part of the Council's ongoing monitoring and review program of our financial process.

### **STATUTORY ENVIRONMENT**

There is no specific section of the Local Government Act 1995 that deals with the re-allocation of funds however Section 6.2(1) of the Local Government Act 1995 governs budget requirements for local governments.

Section 33A of the Local Government (Financial Management) Regulations 1996 requires a Local Government to conduct a mandatory budget review between 1 January and 31 March each year.

### **FINANCIAL IMPLICATIONS**

The purpose of a budget review is to ensure that the income and expenditure for the current year is monitored in line with the adopted budget and, where exceptions to the adopted budget occur, make amendments to the budget or work scope as necessary. The overall recommended effect on the budget is a surplus of \$447,561.00 (See notes on saleyards income in Officer Comment).

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**POLICY IMPLICATIONS**

There are no policy implications for this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**OFFICER COMMENT**

This is the main budget review of the year and in view of the legal requirements, a more detailed analysis of the overall budget has been undertaken. In particular a detailed cash flow analysis has been investigated from 31 January 2010 to 30 June 2011. This indicates that the Council will have sufficient municipal funds on hand through to the end of the financial year, assuming projects continue in line with budget allocations. If the Council falls short of funds before 2011/2012 rates income starts coming in, the \$500,000.00 overdraft facility is in place and the budget also allows for a temporary transfer of reserve funds.

In terms of operating result, operating income is currently 1% over (year to date) budget and operating expenditure is 6% below (year to date) budget which is a good result. The capital works program is currently 30.2% under (year to date) budget, although some of this relates to the community centre project, which is not being controlled by the Shire. Disregarding this, the capital works program would be 16.4% under (year to date) budget. There will also be some 'catch up' on the program over the coming months.

A number of issues are worthy of a budget amendment and the following action is recommended:

- Various fees and charges accounts have been adjusted upwards in line with current balances.
- The WA Department of Agriculture and Food has offered a sum of \$20,000.00 to the Council for the provision of community events to assist with the financial, social and psychological implications of the current severe dry season. Income and expenditure accounts have been adjusted and this therefore has a nil dollar impact.
- Interest on municipal investments is likely to be lower than anticipated due to significant funds being retained in the plant replacement reserve. The reserve fund interest will be higher than budgeted when the interest is recognised at maturity.
- Depreciation on fire brigade vehicles is more than budgeted due to the audit requirement that all such vehicles should be subject to depreciation. This is a non cash item.
- The building maintenance account for the Scout / Guide Hall was not allocated any funds in the budget in error as the budget line description related to the Booth Street Pre-school, which has been transferred to the RSL. This re-named account requires a sum of \$2,000.00 for building operating costs.
- A review of the asset register revealed that the Booth Street Pre-school and assets at the Child Care Centre had not been disposed of. This action resulted in a 'loss on sale of assets' within those sub-programs. These are non cash items.

- 
- Some savings have been made in administration insurances, however the insurance for the saleyards was somewhat higher than the amount budgeted.
  - The adopted budget included a sum of \$4,200.00 for a software management system for the recreation centre and the same of the swimming pool. A sum of \$1,500.00 was also provided for a computer upgrade at the recreation centre. Further investigations into the software package proposed has revealed some deficiencies in terms of what the package is to be used for and that the quotation did not include all the necessary hardware. An alternative custom designed system has been discussed with the Council's IT service providers, Pre-Emptive Strike. The following system is proposed for the recreation centre:
    - Small rack-mounted server with Windows Server 2008 Foundation, 4GB memory, and 2 x 160GB hard disk drives in RAID1 (mirror) formation - \$2,250.00.
    - Cash drawer with facility to operate without receipt printer - \$220.00.
    - Acer Z5710 Computer with integrated 23" touch screen, Intel 3.20GHz Core i5-650 processor, 4GB DDR3 memory, 640MB hard disk drive, DVD+/-RW drive, Microsoft Windows 7 Home Premium, and 12 months RTB warranty - \$1,750.00.
    - Cyberoam 15i Unified Threat Management device with virtual private network support and 12 month anti-(virus+malware+spam+intrusion) protection - \$553.00.
    - Motorola LS-2208 Barcode Scanner - \$220.00.
    - Plexus2 Site Licence - \$2,750.00.
    - Customised software package, installation and training - \$2,000.00.

This would require a transfer of the funds allocated to the swimming pool. It is more important that this system be provided at the recreation centre than the pool. It will provide efficiencies in customer processing and enable centre staff to generate personalised follow up letters to customers to encourage increased patronage.

- The Mount Barker Library salaries account has been overspent by \$42,500.00 due to an unbudgeted redundancy payment to the former Library Services Co-ordinator.
- The abandoned vehicles account has been overspent by approximately \$1,500.00, although this will be partially offset by additional reimbursable income.
- As a result of successful RLCIP grant applications for the Forest Hill Hall re-roof project and the installation of a historic crane in Lowood Road, new income and expenditure accounts are required. This has a nil dollar impact.
- The Government recently announced that it will deliver on a major election commitment and invest \$21.5 million towards developing and modernising three key regional saleyards. The State will provide \$2.3 million to the Shire to clear debt from its saleyards and provide a solid business basis for the yard's future. As a result of this, several amendments to budget items are proposed, in order to recognise the income from the State Government and that loans 83, 84 and 89 will be paid off.

The result of these transactions is that the Council will have surplus funds of \$447,561.00 for the current financial year. It is considered that the excess of \$2.3 million over the saleyards' loan component (currently \$2,135,216.00) being \$164,784.00 should be deposited into the Saleyards Reserve Fund in line with the State's decision. The remaining \$282,777.00 is a matter for Council consideration, although as windfall money it should be placed in a reserve until a decision is made as to its use. It is arguable that this component should be put to municipal (non saleyards) purposes as the saleyards has been subsidised by general revenue in current and previous budgets. No recommendation has been made in this regard. A motion to amend the recommendation below would be in order.

- The Saleyards Capital Improvements line item relates to the excess funds from the expenditure of loan 89. In the 2010/2011 budget, this amount was calculated assuming that money had been spent on the internal sale of a skid steer loader from the Works and Services Department to the Saleyards for \$30,000.00. As a result of the auditor's advice that this is not permitted under Accounting Standard AASB 116, the relevant internal transactions and revaluations were reversed for the 2009/2010 annual financial report. The effect of this is that the unspent loan funds and therefore the Saleyards Capital Improvements budget should have an additional \$30,000.00 allocated to them.
- The Water Supply (Standpipes) budget item will be overspent by around \$5,000.00, although a corresponding increase in income is also expected. This therefore has a nil dollar impact.
- The Works Vehicles/Minor Plant Replacement Program requires an additional \$10,000.00 for a hydraulic lifter for the skid steer trailer. This will be accommodated from savings within the Trade-in Works Vehicles/Minor Plant budget item.
- An additional \$5,950.00 was required for the works depot fence as it was extended further than anticipated. This can be made up from savings in the depot water cooler / ice machine and office improvements.
- The Cemetery Land Design/Development project has exceeded the budget and it is suggested that surplus funds of \$8,419 be transferred from another Royalties for regions project, namely Road Maintenance - Excavator Work TIRES Roads, subject to the approval of the Department of Regional Development and Lands.

## **VOTING REQUIREMENTS**

Absolute Majority



**MOTION TO PROCEED BEHIND CLOSED DOORS**

Moved Cr B Bell, seconded Cr L Handasyde:

3:28pm That the Council move into Confidential Session to discuss items under the terms of the Local government Act 1995 as follows:

(1) Section 5.23 (2) (a): A matter affecting an employee or employees.

**CARRIED (7/0)**

**NO. 10/11**

**MOTION TO PROCEED IN PUBLIC**

Moved Cr B Bell, seconded Cr L Handasyde:

3:35pm That the meeting proceed in public.

**CARRIED (7/0)**

**NO. 11/11**

**OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr S Etherington, seconded Cr L Handasyde:

That the adopted 2010/2011 Annual Budget be amended as follows:

Account	Description	Original / Amended Budget	New Budget	Net Cash Amount
10004.0062	Rates Penalties & Fees - Installment Admin Fee	\$9,000	\$11,500	\$2,500
10004.0069	Rates Penalties & Fees - Legal Costs Reimbursed	\$50,000	\$55,500	\$5,500
20033.0312	Other Expenses - Other Operating Costs	(\$2,000)	(\$22,000)	(\$20,000)
10017.0200	Governance - Other Contributions	\$0	\$20,000	\$20,000
20049.0064	Administration - Insurances	(\$37,500)	(\$34,500)	\$3,000
10009.0067	Interest on Municipal Investments	\$90,000	\$84,592	(\$5,408)
20076.0036	Fire Control - Depreciation - Plant	(\$14,000)	(\$116,000)	\$0
20131.0011	Building Maintenance - Scout/Guide Hall	\$0	(\$2,000)	(\$2,000)
20130.0078	Booth Street Pre-School - Loss on Sale of Assets	\$0	(\$3,530)	\$0
20141.0078	Child Care Centre - Loss on Sale of Assets	\$0	(\$1,010)	\$0
51445.0006	Software Management System For Recreation Centre	(\$4,200)	(\$8,400)	(\$4,200)
51442.0006	Software Management System For Swimming Pool	(\$4,200)	\$0	\$4,200
20213.0130	Mount Barker Library - Salaries	(\$71,300)	(\$113,800)	(\$42,500)
21015.0288	Abandoned Vehicles	(\$1,500)	(\$3,000)	(\$1,500)
10094.0406	Other Revenue - Sale of Surplus Scrap	\$5,000	\$20,000	\$15,000
10103.0229	Reimbursements - Other (Advertising)	\$1,000	\$2,100	\$1,100
10105.0234	Other Revenue - Rezoning Fees	\$7,000	\$10,000	\$3,000
20190.0283	Other Expenses - Contribution to Forest Hill Hall Re-Roof	\$0	(\$15,000)	(\$15,000)
10108.0488	RLCIP Grant - Forest Hill Hall	\$0	\$15,000	\$15,000
51150.0252	Public Art - Crane in Lowood Road	\$0	(\$15,000)	(\$15,000)
41147.0488	RLCIP Grant - Public Art - Crane in Lowood Road	\$0	\$15,000	\$15,000
10118.0229	Frost Park - Reimbursements Other	\$0	\$2,000	\$2,000
10134.0197	Contributions - Roadworks	\$0	\$2,400	\$2,400

10135.0137	Other Income - Directional Signage	\$0	\$500	\$ 500
51321.0253	Saleyards Capital Improvements	(\$23,135)	(\$53,135)	\$0
21322.0064	Saleyards - Insurances	(\$27,000)	(\$31,492)	(\$4,492)
New	Contribution - State Saleyards Strategy	\$0	\$2,300,000	\$2,300,000
51326.0326	Principal Repayments - Loan No. 83 - Saleyards	(\$26,699)	(\$121,977)	(\$95,278)
51326.0327	Principal Repayments - Loan No. 84 - Saleyards	(\$70,262)	(\$873,825)	(\$803,563)
51326.0330	Principal Repayments - Loan No. 89 - Saleyards	(\$41,289)	(\$964,233)	(\$922,944)
21327.0326	Financial Expenses- Loan No. 83 - Saleyards	(\$8,510)	(\$4,303)	\$4,207
21327.0327	Financial Expenses- Loan No. 84 - Saleyards	(\$62,020)	(\$48,011)	\$14,009
21327.0330	Financial Expenses- Loan No. 89 - Saleyards	(\$61,316)	(\$3,286)	\$58,030
50705.0330	Principal Repayments - Loan No. 89 - Part Medical Centre	(\$5,103)	(\$119,175)	(\$114,072)
20127.0330	Financial Expenses- Loan No. 89 - Part Medical Centre	(\$7,578)	(\$406)	\$7,172
11316.0435	Other Income - Stock Removal	\$3,000	\$23,000	\$20,000
21328.0319	Water Supply (Standpipes)	(\$20,000)	(\$25,000)	(\$5,000)
11320.0400	Other Income - Sale of Water	\$10,000	\$15,000	\$5,000
51447.0254	Depot - Remove Wall, Expand & Gyprock	(\$12,500)	(\$7,100)	\$5,400
51449.0254	Depot - Construct Fence Across Front of Depot	(\$4,000)	(\$9,950)	(\$5,950)
51450.0006	Depot - Water Cooler & Ice Machine	(\$4,000)	(\$3,800)	\$ 200
51412.0006	Works Vehicles/Minor Plant Replacement Program	(\$276,350)	(\$286,350)	(\$10,000)
41412.0105	Trade In Works Vehicles/Minor Plant	\$115,950	\$125,950	\$10,000
11420.0406	Other Income - Sale of Surplus Materials	\$0	\$1,250	\$1,250
20225.0395	Road Maintenance - Excavator Work TIRES Rds (R for R)	(\$8,419)	\$0	\$8,419
51020.0252	Cemetery Land Design/Development (R for R)	(\$183,274)	(\$191,693)	(\$8,419)

**CARRIED (7/0)**

**NO. 12/11**

**Absolute Majority**

3:42pm Cr Skinner and Cr Moir returned to the meeting.

**11.4.2 FINANCIAL STATEMENTS - DECEMBER 2010**

<b>File No:</b>	<b>N17102</b>
<b>Attachment:</b>	<b>Financial Statement (separate attachment)</b>
<b>Responsible Officer:</b>	<b>Rob Stewart Chief Executive Officer</b>
<b>Author:</b>	<b>John Fathers Deputy Chief Executive Officer</b>
<b>Proposed Meeting Date:</b>	<b>18 January 2011</b>

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**PURPOSE**

The purpose of this report is to present the financial position of the Shire of Plantagenet for the period ending December 2010.

**STATUTORY ENVIRONMENT**

Regulation 34 of the Financial Management Regulations 1996 requires a Statement of Financial Activity to be prepared each month which is to contain the following details:

- a) annual budget estimates;
- b) budget estimates to the end of the month;
- c) actual amount of expenditure and revenue;
- d) material variances between comparable amounts in b) and c) above; and
- e) the net current assets at the end of the month to which the statement relates ie: surplus/deficit position.

The Statement is to be accompanied by:

- a) explanation of the composition of net current assets, less committed assets and restricted assets;
- b) explanation of the material variances; and
- c) such other information considered relevant by the local government.

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**FINANCIAL IMPLICATIONS**

There are no financial implications for this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

**Moved Cr L Handasyde, seconded Cr G Messmer:**

**That the Financial Statements for the period ending December 2010 be received.**

**CARRIED (9/0)**

**NO. 13/11**

**11.4.3 POLICY REVIEW - SIGNIFICANT ACCOUNTING POLICIES - BUDGETS**

**File No:** N16203  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Donna Jo McDonald  
Senior Administration/Human Resources  
Officer  
**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to review Council Policy No. F/FM/9 – Significant Accounting Policies – Budgets.

**BACKGROUND**

At its meeting held on 28 October 2008, the Council resolved to adopt a new Council Policy F/FM/8 - Significant Accounting Policies - Budgets.

**STATUTORY ENVIRONMENT**

Budgets are prepared in accordance with applicable Australian Accounting Standards, Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

**FINANCIAL IMPLICATIONS**

There are no financial implications for this report.

**POLICY IMPLICATIONS**

This policy is presented to the Council as part of its ongoing policy review cycle.

**STRATEGIC IMPLICATIONS**

The Council's Strategic Plan Key Results Area 1, New Initiative 1.4 provides the following:

*'1.4 Ensure the administrative systems and framework of the organisation efficiently and effectively permit the functions of the organisations to be undertaken.'*

*To achieve this we will:*

- *Revise all policies, procedures and delegations to ensure internal consistency and convergence; and*
- *Promote and provide access to policies, standards and legislation.'*

**OFFICER COMMENT**

Accounting firm UHY Haines Norton provides model significant accounting policies for local government, which are updated on an annual basis. In the past, the Council has adopted their model (with minor grammatical adjustments). Some amendments have been recommended in the UHY Haines Norton guidelines for preparation of

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budgets, as a result of ongoing updates to accounting conventions. It is recommended that the Haines Norton guidelines be adopted.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr B Bell, seconded Cr G Messmer:

That updated Council Policy No. F/FM/9 - Significant Accounting Policies - Budgets, as follows:

**'OBJECTIVE:** To provide direction for the preparation of financial transactions and budgeting.

**POLICY:** The significant accounting policies used in the preparation of budgets are as follows:

**a. Basis of Accounting**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

**b. The Local Government Reporting Entity**

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All moneys held in the trust fund are excluded from the financial statements, but a separate statement of those moneys appears at Note [Insert Note] to this budget document.

**c. [Insert Year] Actual Figures**

Balances shown in this budget as [Insert Year] Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**d. Rounding Off Figures**

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

**e. Rates, Grants, Donations and Other Contributions**

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

**f. Goods and Services Tax (GST)**

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

**g. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**h. Trade and Other Receivables**

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

**i. Inventories**

**General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

**j. Fixed Assets**

***Initial Recognition***

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal

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consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

#### *Revaluation*

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

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

#### *Land Under Roads*

Land under roads is excluded from infrastructure in accordance with the transitional arrangements available under AASB 1045 and in accordance with legislative requirements.

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

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

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

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

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

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

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.



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

Buildings	30 to 50 Years
Furniture and Fittings	4 to 10 Years
Plant and Equipment	5 to 15 Years
Sealed Roads and Streets	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
Original Surfacing and Major Re-Surfacing	
- Bituminous Seals	20 Years
- Asphalt Surfaces	25 Years
Gravel Roads	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
- Gravel Sheet	12 Years
Formed Roads (Unsealed)	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
Footpaths - Slab	40 Years
Sewerage Piping	100 Years
Water Supply Piping and Drainage Systems	75 Years

#### I. Investments and Other Financial Assets

##### Classification

The Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

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

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's

management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

**Recognition and Derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

**m. Estimation of Fair Value**

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

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

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

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

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

n. **Impairment**

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

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

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

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

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

o. **Trade and Other Payables**

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

p. **Employee Benefits**

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

*(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-Term Benefits)*

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit

method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**q. Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

**Borrowing Costs**

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

**r. Provisions**

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**s. Superannuation**

The Shire of Plantagenet contributes the 9% superannuation guarantee to each employee's chosen fund as per the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan.

All funds that the Shire contributes to are defined contribution schemes.

**t. Current and Non-Current Classification**

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

be endorsed.

**CARRIED (9/0)**

**NO. 14/11**

#### **11.4.4 POLICY REVIEW - SIGNIFICANT ACCOUNTING POLICIES - FINANCIAL STATEMENTS**

**File No:** N16201  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Donna Jo McDonald  
Senior Administration/Human Resources  
Officer  
**Proposed Meeting Date:** 18 January 2011

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#### **PURPOSE**

The purpose of this report is to review Council Policy No.F/FM/8 – Significant Accounting Policies – Financial Statements.

#### **BACKGROUND**

At its meeting held on 28 October 2008, the Council resolved to adopt a new Council Policy F/FM/8 - Significant Accounting Policies - Financial Statements.

#### **STATUTORY ENVIRONMENT**

Financial reports are prepared in accordance with applicable Australian Accounting Standards, Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications for this report.

#### **POLICY IMPLICATIONS**

This policy is presented to the Council as part of its ongoing policy review cycle.

#### **STRATEGIC IMPLICATIONS**

The Council's Strategic Plan Key Results Area 1, New Initiative 1.4 provides the following:

*'1.4 Ensure the administrative systems and framework of the organisation efficiently and effectively permit the functions of the organisations to be undertaken.*

*To achieve this we will:*

- *Revise all policies, procedures and delegations to ensure internal consistency and convergence; and*
- *Promote and provide access to policies, standards and legislation.'*

#### **OFFICER COMMENT**

Accounting firm UHY Haines Norton provides model significant accounting policies for local government, which are updated on an annual basis. In the past, the Council has adopted their model (with minor grammatical adjustments). Some amendments have been recommended in the UHY Haines Norton guidelines for preparation of

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financial statements, as a result of ongoing updates to accounting conventions. It is recommended that the Haines Norton guidelines be adopted.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr L Handasyde, seconded Cr S Etherington:

That amended Council Policy No. F/FM/8 - Significant Accounting Policies - Financial Statements, as follows:

**'OBJECTIVE:** To provide direction for the preparation of financial transactions and financial reporting.

**POLICY:** The significant accounting policies used in the preparation of financial statements are as follows:

a. **Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

*Critical Accounting Estimates*

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

b. **The Local Government Reporting Entity**

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All moneys held in the Trust Fund are excluded from the financial statements, but a separate statement of those moneys appears at Note 19 to this financial report.

**c. Goods and Services Tax (GST)**

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

**d. Cash and Cash Equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

**e. Trade and Other Receivables**

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

**f. Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held from trading are classified as current even if not expected to be realised in the next twelve months.

***Land Held for Resale***

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Statement of Comprehensive Income as at the time of signing a binding contract of sale.



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

**g. Fixed Assets**

*Initial Recognition*

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

*Revaluation*

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

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

*Land under Roads*

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

Effective as at 1 July 2008, the Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact that Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

**h. Depreciation of Non-Current Assets**

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

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

Buildings	50 to 100 Years
Furniture and Fittings	10 Years
Plant and Equipment	5 to 15 Years
Sealed Roads and Streets	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
Original Surfacing and Major Re-Surfacing	
- Bituminous Seals	20 Years
Gravel Roads	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
- Gravel Sheet	12 Years
Formed Roads (Unsealed)	
- Clearing and Earthworks	Not Depreciated
- Construction/Road Base	50 Years
Footpaths - Slab	40 Years

i. Investments and Other Financial Assets

*Classification*

The Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance date.

(i) *Financial Assets at Fair Value Through Profit and Loss*

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

(ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) *Held-To-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and

reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than twelve months from the balance date, which are classified as current assets.

*(iv) Available-For-Sale Financial Assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

*Recognition and Derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

*Subsequent Measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Statement of Comprehensive Income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

*Impairment*

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its

cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through the Statement of Comprehensive Income.

**j. Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date.

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

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

**k. Impairment**

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with Australian Accounting Standards Board (AASB) 136 'Impairment of Assets' and appropriate adjustments made.

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

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

**l. Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the local government becomes obliged to make future payments in respect of the

purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**m. Employee Benefits**

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

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

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

**(ii) Long Service Leave (Long-term Benefits)**

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

**n. Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

***Borrowing Costs***

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

**o. Provisions**

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**p. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**q. Joint Venture**

The local government's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 16.

**r. Rates, Grants, Donations and Other Contributions**

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**s. Superannuation**

The Shire of Plantagenet contributes the 9% superannuation guarantee to each employee's chosen fund as per the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan.

All funds that the Shire contributes to are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**t. Current and Non-Current Classification**

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

**u. Rounding Off Figures**

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

**v. Comparative Figures**

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

**w. Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**x. New Accounting Standards and Interpretations for Application in Future Periods**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June yyyy.

The Council's assessment of these new standards and interpretations is set out below:

No.	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii)	AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2011	Nil – The revisions are part of the AASB’s annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv)	AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.
(v)	AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 July 2010	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).



(vii)	AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	
	AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	
	Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
	AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

**Note:**

(\*) - Applicable to reporting periods commencing on or after the given date.

**y. Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

**Disclosure Impact**

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as

owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

**Statement of comprehensive income –** The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

**Other Comprehensive Income –** The revised version of AASB 101 introduces the concept of ‘other comprehensive income’ which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.’

be adopted.

CARRIED (9/0)

NO. 15/11

### 11.4.5 RATES EXEMPTION REQUEST - GREAT SOUTHERN COMMUNITY HOUSING ASSOCIATION

A Financial/Indirect Financial Interest (Section 5.60(A) and Section 5.61 LGA) was disclosed by Cr Budrikis. Nature and extent of Interest – Business relationship with Great Southern Community Housing Association.

3:53pm Cr A Budrikis withdrew from the meeting.

**File No:** N17196  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Vanessa Ward  
Rates Officer  
**Proposed Meeting Date:** 18 January 2011

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#### PURPOSE

The purpose of this report is to consider an application from Great Southern Community Housing Association Inc (GSCHA) for a rates exemption for the duplex properties located at 31A and 31B Mondurup Street Mount Barker.

#### BACKGROUND

The two properties are currently owned by the Department of Housing and have been transferred under lease to the GSCHA to be included under its Community Housing Program.

This program provides housing for people on low to moderate incomes and this is the basis of their application for rates exemption.

The GSCHA 2008/2009 Annual Report indicates that *'The Public Housing Leasing Program (PHLP) is a government initiative whereby significant numbers of stock are transferred from public to community housing over a four year period. Initially GSCHA was given an allocation of 20 a year which after some discussions with the department was increased to 40. All properties will come over on long term leases with the possibility of asset transfers in the future. The properties will include a mix of vacant and tenanted stock with a small amount in Denmark and Mt Barker. The aim is to capacity build GSCHA to enable leverage against the property income for the purposes of contributing financially to new projects.'*

At its meeting held on 8 March 2005, the Council resolved that *'The Council will, with relation to declarations pursuant to Section 6.26 (2)(g) of the Local Government Act 1995 generally refrain from granting non rateable status where discretion is available to the Council but will give consideration annually during the budget process to granting donations to the subject organisation as part of the normal donation scheme, subject to the Council's policies from time to time.'*

At its meeting held on 27 July 2010, the Council resolved:

- '1. The application from the Great Southern Community Housing Association Inc for a rating exemption for properties located at 26B Narpund Road and Unit 1, 18 Webster Street, Mount Barker be declined under the provisions of Section*

6.26(g) of the Local Government Act 1995 on the basis that exclusive charitable use has not been demonstrated.

2. *The Great Southern Community Housing Association Inc be advised of the opportunity for a similar payment as part of the Council's annual Financial Assistance Grants program for the 2011/2012 financial year and thereafter.'*

## **STATUTORY ENVIRONMENT**

Section 6.26(2)(g) of the Local Government Act 1995 states that 'Land used exclusively for charitable purposes' is not rateable land. The matter of the definition of 'charitable' has been raised with the Western Australian Local Government Association.

Although it is acknowledged that the section of the Act is open to interpretation, it is generally considered that the interpretation has been defined through Case Law, notably the Shire of Ashburton vs Bindi Bindi Community Aboriginal Corporation and the Shire of Derby-West Kimberley vs Yungngora Association Inc cases.

## **FINANCIAL IMPLICATIONS**

In the 2010/2011 financial year, rates of \$1,100.00 were levied on the properties in question. Should this application be approved, rates income would be reduced by this amount.

The Department of Housing paid the rates in full for the 2010/2011 financial year.

## **POLICY IMPLICATIONS**

There are no policy implications for this report.

## **STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

## **OFFICER COMMENT**

A range of documents has previously been obtained from the GSCHA for review.

1. GSCHA Constitution

The objectives of the GSCHA Constitution are:

- (a) To assist in the alleviation of poverty through the provision of affordable housing;
- (b) To provide and manage reasonable quality, secure, affordable housing for those people on low to moderate incomes;
- (c) To pursue a broad based approach to housing provision;
- (d) To provide opportunities for tenant participation in the development, design and management of the housing provided;
- (e) To develop and promote awareness of the housing issues and in particular to community housing;
- (f) To canvass existing community housing agencies in the region into joining the Association.

Tenants in the two properties will be charged rent albeit at a reduced rate.

## 2. Copies of Relevant Lease Agreements

A review of the lease agreement between the Department of Housing and GSCHA in 14.2 (d) has shown that the GSCHA is responsible for local authority rates.

## 3. GSCHA Financial Report for the 2008/2009 Year

The audited 2008/09 financial statements for the GSCHA were reviewed and show a net income of \$137,215.00 from total receipts of \$777,465.00. The majority of this revenue was from the rental activities of the association.

## 4. Other Information Provided by GSCHA

GSCHA has provided a notice of endorsement for charity tax concessions from the Australian Tax Office and is registered as a Deductible Gift Recipient.

The section of the Act regarding 'land used exclusively for charitable purposes' is open to broad interpretation. The Local Government Act does not provide any definition of 'charitable'. In the absence of any clearly defined definition of the word 'charitable' in the Local Government Act, case law becomes the next best interpretation.

In the application before the Council, the objects of the GSCHA are benevolent and the organisation is considered not-for-profit. In addition, the fact that GSCHS is receiving income does not necessarily preclude its claim.

Regardless of that, the Council should determine the matter based on the use of the land. The exclusive use of the land will be for housing for people on low to moderate incomes and rent income will payable. Given the case law, it is the view of the administration that this does not constitute an exclusively 'charitable' use, as it does not differ to any other domestic residence.

It is considered that GSCHA has failed to demonstrate that the properties in question at 31A and 31B Mondurup Street Mount Barker are to be used exclusively for charitable purposes and as such the application for rates exemption should be declined.

## VOTING REQUIREMENTS

Simple Majority

## OFFICER RECOMMENDATION/COUNCIL DECISION

**Moved Cr B Bell, seconded Cr G Messmer:**

**That the application from the Great Southern Community Housing Association Inc for a rating exemption for properties located at 31A and 31B Mondurup Street, Mount Barker be declined under the provisions of Section 6.26(g) of the Local Government Act 1995 on the basis that exclusive charitable use has not been demonstrated.**

**CARRIED (8/0)**

**NO. 16/11**

3:54pm Cr Budrikis returned to the meeting.

**11.4.6 WRITE OFF OF OUTSTANDING DEBTS**

**File No:** N17074  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Emma Gardner  
Accounts Officer  
**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to write off bad debts that have been outstanding for an excessive period of time and are considered unrecoverable.

**BACKGROUND**

A schedule of sundry debts proposed to be written off is detailed below.

1. Assist Sheds - \$332.00

Outstanding since March 2009. This debt relates to a building licence issued for a shed. The owner of the property paid the building licence directly to the builder. The builder has since gone bankrupt and all attempts to recover the fee have been unsuccessful.

2. Jarrod Colbung - \$1,130.25

Outstanding debt carried over from Logis (former accounting system) and entered into Civica (present accounting system) as of 1 July 2007. The debt relates to a court order for reimbursement of damage caused from a deliberately lit fire. Advice was sought from Austral Mercantile Debt Collection Agency, who advised the success rate in these claims is low and the fees involved may make legal action unviable as fees and commissions are payable regardless of the outcome.

3. David Shorter - \$1,130.25

Outstanding debt carried over from Logis (former accounting system) and entered into Civica (present accounting system) as of 1 July 2007. The debt relates to a court order for reimbursement of damage caused from a deliberately lit fire. Advice was sought from Austral Mercantile Debt Collection Agency, who advised the success rate in these claims is low and the fees involved may make legal action unviable as fees and commissions are payable regardless of the outcome.

**STATUTORY ENVIRONMENT**

Section 6.12(1) (c) of the Local Government Act states:

*'(1) Subject to subsection (2) and any other written law, a local government may...*

*(c) Write off any amount of money, which is owed to the local government.'*

**FINANCIAL IMPLICATIONS**

A provision for doubtful debts of \$9,045.65 was allocated for the 2011/2010 financial year. It is suggested that a total of \$2,592.50 be written off in the 2010/2011 year to provide an accurate reflection of the Council's receivables.

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**OFFICER COMMENT**

Significant attempts have been made to recover all of these outstanding debts. Such attempts include contact both written and verbal and use of debt collection agencies. Despite these repeated attempts, there has been no success and as such, they are considered unrecoverable and if not written off, they will misrepresent the true financial position of the Council.

**VOTING REQUIREMENTS**

Absolute Majority

**OFFICER RECOMMENDATION**

That the following sundry debtors totalling \$2,592.50 be written off:

- |                   |            |
|-------------------|------------|
| 1. Assist Sheds   | \$332.00   |
| 2. Jarrod Colbung | \$1,130.25 |
| 3. David Shorter  | \$1,130.25 |

**COUNCIL DECISION**

**Moved Cr J Moir, seconded Cr B Bell:**

**That the sundry debtor Assist Sheds totalling \$332.00 be written off.**

**CARRIED (9/0)**

**NO. 17/11**

**Absolute Majority**

Reason for Change

Councillors wanted to discuss issues relating to the ability for the Council to recover sums that are the result of a court order.

**FURTHER MOTION/COUNCIL DECISION**

**Moved Cr A Budrikis, seconded Cr L Handasyde:**

**That the following sundry debtors totalling \$2,260.50 be written off:**

- |                   |            |
|-------------------|------------|
| 1. Jarrod Colbung | \$1,130.25 |
| 2. David Shorter  | \$1,130.25 |

**LOST (5/4)**

**11.5 EXECUTIVE SERVICES REPORTS**

Nil

**12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY  
DECISION OF THE MEETING**

Nil



**14 CONFIDENTIAL****14.1 WORKS AND SERVICES REPORTS****14.1.1 LOT 66 WEBSTER STREET, MOUNT BARKER – LAND ACQUISITION**

**File No:** N17222  
**Responsible Officer:** Dominic Le Cerf  
Manager Works and Services  
**Author:** Sharon Lynch  
Senior Administration/Project Officer (Works  
and Services)  
**Proposed Meeting Date:** 18 January 2011

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**PURPOSE**

The purpose of this report is to consider the acquisition of Lot 66 Webster Street, Mount Barker to be utilised for townsite drainage improvements.

**MOTION TO PROCEED BEHIND CLOSED DOORS**

Moved Cr B Bell, seconded Cr L Handasyde:

4:05pm That the Council move into a Confidential Session to discuss items under the terms of the Local Government Act 1995 as follows:  
(e) (ii) information that has a commercial value to a person.

CARRIED (9/0)

NO. 18/11

**MOTION TO PROCEED IN PUBLIC**

Moved Cr L Handasyde, seconded Cr B Bell:

4:08pm That the meeting proceed in public.

CARRIED (9/0)

NO. 19/11

**OFFICER RECOMMENDATION/COUNCIL DECISION**

Moved Cr S Etherington, seconded Cr B Bell:

That the Chief Executive Officer be authorised to negotiate purchase of Lot 66 Webster Street Mount Barker to be utilised for townsite drainage improvements, to a maximum value of that shown in the sworn valuation dated 14 December 2010.

CARRIED (9/0)

NO. 20/11

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**15 CLOSURE OF MEETING**

4:11pm The Presiding Member declared the meeting closed.

**CONFIRMED: CHAIRPERSON** \_\_\_\_\_ **DATE:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_