

SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

AGENDA

Ordinary Council Meeting

To be held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 21 June 2016
Commencing 3.00pm



Notice of Meeting



Dear President and Councillors,

The next Ordinary Meeting of the Council of the Shire of Merredin will be held on Tuesday 21 June 2016 in the Council Chambers, Corner King & Barrack Streets, Merredin. The format of the day will be:

- | | |
|--------|---|
| 1.00pm | Briefing Session – Presentation by Beverley Stanes, Merredin College regarding the Independent Public School Initiative |
| 3.00pm | Council Meeting |

GREG POWELL
CHIEF EXECUTIVE OFFICER

16 June 2016

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Common Acronyms Used in this Document

WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
AMP	Asset Management Plan
LTFP	Long Term Financial Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
UCL	Unallocated Crown Land
MoU	Memorandum of Understanding
LHAG	Local Health Advisory Group
NEWROC	North Eastern Wheatbelt Regional Organisation of Councils
LoA	Leave of Absence

Shire of Merredin
Ordinary Council Meeting
3:00pm Tuesday 21 June 2016



1. Official Opening

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr KA Hooper	President
Cr RM Crees	Deputy President
Cr BJ Anderson	
Cr CA Blakers	
Cr LN Boehme	
Cr MA Crisafio	
Cr JP Flockart	
Cr MD Willis	
Cr ML Young	

Staff:

G Powell	CEO
R McCall	Deputy CEO
V Green	EA to CEO
M Marks	Media & Communications Officer

Members of the Public:

Apologies:

Approved Leave of Absence:

3. Public Question Time

4. Disclosure of Interest

5. Applications for Leave of Absence

6. Petitions and Presentations

7. Confirmation of Minutes of the Previous Meeting

7.1 [Ordinary Council Meeting held on 17 May 2016](#)

8. Announcements by the Person Presiding without discussion

9. Matters for which the Meeting may be closed to the public

19.1 Staff – Appointment of Executive Manager of Engineering Services

10. Receipt of Minutes of Committee Meetings

10.1 [WEROC Executive Meeting held on 25 May 2016](#)

11. Recommendations from Committee Meetings for Council consideration

Nil

12. Officer's Reports – Development Services

12.1 [Lot 80 Gamenya Avenue, Merredin – CBH Accommodation Units and Amenities](#)

12.3 [Retail Trading Hours – Merredin – Proposed Extension](#)

12.3 [Car Parking Cash in Lieu Payment](#)

13. Officer's Reports – Engineering Services

Nil

14. Officer's Reports – Corporate and Community Services

14.1 [List of Accounts Paid](#)

14.2 [Statement of Financial Activity](#)

15. Officer's Reports – Administration

15.1 [Lot 200 Barrack Street, Merredin – Council Buildings – Requests for Use](#)

16. Motions of which Previous Notice has been given

Nil

17. Questions by Members of which Due Notice has been given

Nil

18. Urgent Business Approved by the Person Presiding or by Decision

19.	Matters Behind Closed Doors
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19.1	Staff – Appointment of Executive Manager of Engineering Services
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20.	Closure
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7. Confirmation of Minutes of the Previous Meeting

7.1 Ordinary Council Meeting held on 17 May 2016

[Attachment 7.1A](#)

Officer's Recommendation

That the Minutes of the Ordinary Council Meeting held on 17 May 2016 be confirmed as a true and accurate record of proceedings.

10. Receipt of Minutes of Committee Meetings

10.1 WEROC Executive Meeting held on 25 May 2016

[Attachment 10.1A](#)

Officer's Recommendation

That the minutes of the WEROC Executive Meeting held on 25 May 2016 be received.

12. Officer's Reports - Development Services

Councillors Hooper, Crees, Crisafio and Flockart declared a Financial Interest in this Item at the May Ordinary Meeting of Council. Further advice has been sought on the matter as the declaration was as a result of a \$2 shareholding in CBH for three of the four abovenamed.

The Shire of Brookton sought advice from the Department of Local Government and Communities on the same issue relating to a development application by CBH. Advice provided by Ms Jade Hall in May 2016 from the Department was as follows:

"I note that the disclosing Councillors have disclosed that the nature of their interest is a \$2 share in CBH. However, an indirect financial interest in the matter due to shareholdings would only exist for the Councillors where the value of the shares exceeds:

- \$10,000; or
- 1% of the total value of the issued share capital of the company.

Should the shares exceed the prescribed amount or percentage, then the Councillors would be 'closely associated' with CBH, in accordance with section 5.62(1)(d)(ii) of the Act, and this would give rise to an indirect financial interest. However, given the information provided, a financial interest under the Act would not be applicable in this circumstance.

Notwithstanding this, it would be appropriate for the Councillors to declare an Impartiality Interest under the Local Government (Rules of Conduct) Regulations 2007 prior to Council's deliberations on the matter. As you are aware, this allows them to remain in the meeting and vote on the matter."

From the above advice it would appear that, subject to each Councillor who holds a CBH share meeting the criteria outlined in the advice above, that a Declaration Affecting Impartiality will be sufficient to meet the requirements of the *Local Government Act 1995*.

12.1 Lot 80 Gamenya Avenue, Merredin – CBH Accommodation Units and Amenities

<h2>Development Services</h2>		 SHIRE OF MERREDIN INNOVATING THE WHEATBELT
Reporting Officer:	EMDS	
Author:	Paul Bashall - Planwest	
Legislation:	<i>Planning & Development Act 2005; Local Planning Scheme No. 6</i>	
File Reference:	P9238	
Disclosure of Interest:	Nil	

Attachments:	Attachment 12.1A - CBH Application Attachment 12.1B – CBH Response
Maps / Diagrams:	Nil

Purpose of Report



Executive Decision



Legislative Requirement

Background

This item was presented to Council’s May 2016 meeting where it could not be considered due to the declaration of Financial Interests and subsequent loss of a quorum. The item is therefore re-presented to this Council meeting for consideration.

An application for Development Approval (DA) PA10-2016 has been received to construct 16 staff accommodation units with amenities at the CBH site in Gamenya Ave in the western part of Merredin townsite. All 5 buildings are transportable units. A provision for an additional 14 car bays has been provided in the plans.

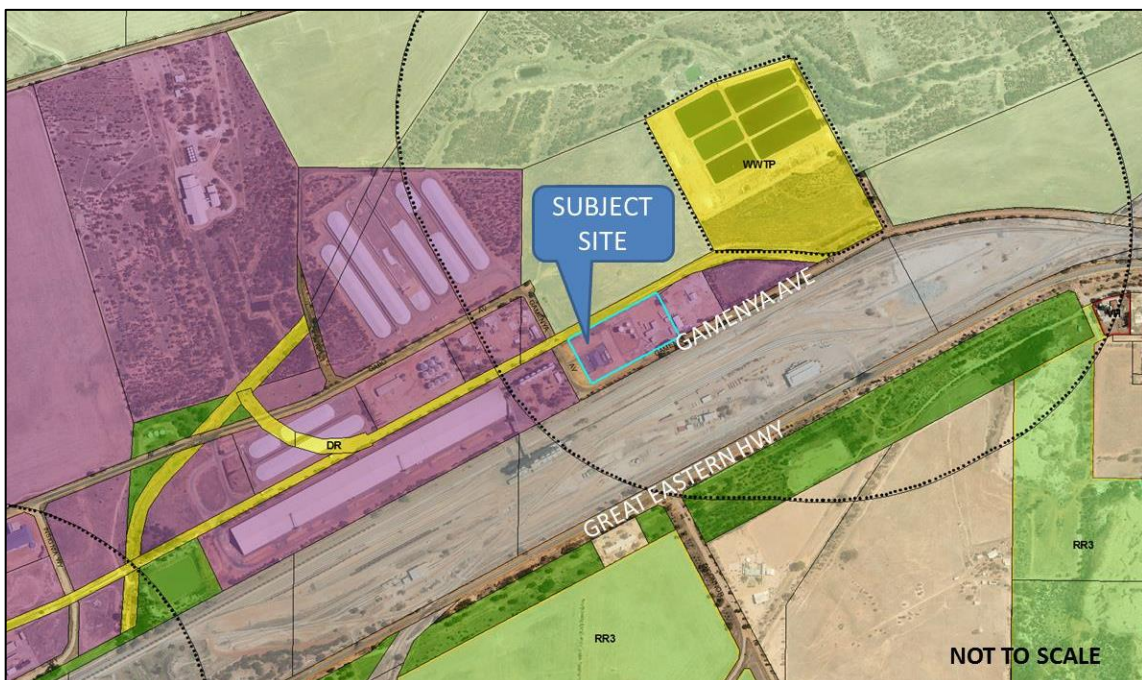
Comment

The property is located on the north side of Gamenya Avenue immediately east of the main CBH infrastructure. This infrastructure includes the open and roofed bulkhead storage areas, silos and wagon loading facilities for loading trains to port.

Figure 1 shows the location of the proposed facility in relation to the surrounding uses.

The land is currently identified as industrial in the endorsed Local Planning Strategy (Strategy) and General Industry in the gazetted Local Planning Scheme No 6 (LPS6).

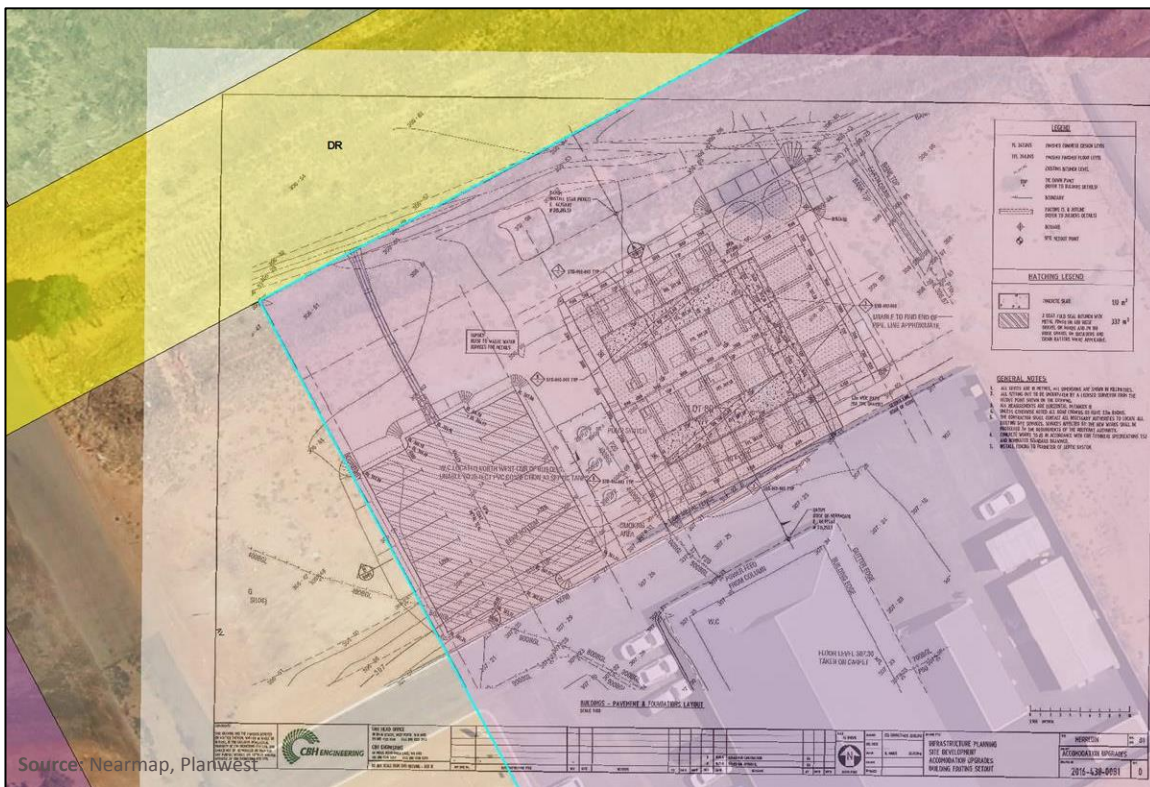
FIGURE 1 – LOCATION PLAN



Source: Nearmap, Planwest

Figure 2 shows an enlargement of the proposal overlaid in the LPS6 map.

FIGURE 2 – DEVELOPMENT PROPOSAL



As can be seen from Figure 1 the site is within about 400m of the town’s waste water treatment plant.

The Strategy shows a 500m buffer from this facility in which sensitive uses should not be permitted.

The applicant has raised a point that the residential accommodation should be considered as an integral part of the grain handling facility so that it would be considered as a ‘Rural Industry’. A Rural Industry is a permitted use in a General Industry zone.

This argument is not considered valid in this situation for the following two reasons:

1. The first is that this argument could be used for any use that had employees – no matter how dangerous or inappropriate the activity is to a sensitive use. Using this argument sensitive uses would be allowed in an abattoir or munitions factory. If there was no settlement within close proximity to the activity the Council may consider allowing workers accommodation, for example on a mine site.
2. The second reason is the proximity to the wastewater treatment facility.

Addendum:

Since this item was not dealt with at the May meeting of Council, the applicant was advised accordingly and responded with additional information which can be found at Attachment 12.1B. The issues raised in the Attachment together with a response from Council’s consultant planner are outlined below.

Buffer – referral to agencies

The Development Application was not referred to Waters and Rivers or the Water Corporation (nor Fisheries) because Council is not required to do so.

CBH is quoting from the EPA's Appendix 1 of the buffer guidelines which says these authorities are key Government agencies for advice or approvals.

This report addresses it as being inconsistent with the objectives of the General Industry zone.

The Special Control Area says it should be referred to the EPA for advice. The report to Council addresses the fact that EPA advice was sought and it advised it '*generally does not receive and review development applications*'.

Advertising

CBH has requested that Council advertise the Development Application because part b) of 4.4.2 says so.

The Officer Recommendation does not recommend option b), but option c) which does not need advertising.

Reduced Patronage

This was not a reason for refusal but simply a comment in the report.

Policy Implications

Nil

Statutory Implications

The landowner has signed the application forms. Planning fees have been paid.

The LPS6 states that the only residential type use allowed in a 'General Industry' zone is a caretaker's residence. This proposal is clearly not that.

The LPS6 (clause 4.4) also provides for the Council to use its discretion where a use is not specifically mentioned (workers accommodation is not a listed use).

Clause 4.4 states (inter alia);

4.4.2 If a person proposes to carry out on land any use that is not specifically mentioned in the Zoning Table and cannot reasonably be determined as falling within the type, class or genus of activity of any other use category the local government may –

(a) determine that the use is consistent with the objectives of the particular zone and is therefore permitted;

(b) determine that the use may be consistent with the objectives of the particular zone and thereafter follow the advertising procedures of clause 9.4 in considering an application for planning approval; or

(c) determine that the use is not consistent with the objectives of the particular zone and is therefore not permitted.

Option c) above is recommended.

The first 2 objectives (of LPS6) for the General Industry zone are;

4.2.6.1 To provide for general industry, the storage and distribution of goods and associated uses, which by the nature of their operations may need to be separated from residential and other sensitive areas.

4.2.6.2 To discourage non-industrial uses to minimise land use conflicts and address environmental impacts.

The use of land for sensitive uses in a General Industry zone is not supported as the uses are not considered compatible and would potentially lead to unnecessary conflicts in the future.

In addition the proposal is within 500m of the wastewater treatment plant Special Control Area (SCA). This SCA has been placed in LPS6 to prevent the location of sensitive uses within an acceptable distance from the facility.

The objectives for the SCA 2 are to:

- (a) identify land which may be affected by the Wastewater treatment plant;*
- (b) ensure that the use and development of land is compatible; and*
- (c) minimise impacts on residential and other sensitive uses.*

LPS6 requires that all development be referred to the Environmental Protection Authority (EPA) for advice, however the EPA has responded saying that it '*generally does not receive and review development applications*' and suggests the application be referred to the Water Corporation for comment. At this time this has not occurred.

Council is cognisant of the need to support existing businesses in town. Approving the CBH proposal – notwithstanding its inappropriate location – will unfairly reduce the patronage of commercial facilities in CBD area and not therefore promote a compact and consolidated centre.

As demonstrated by the parking allocation for the proposed development it is clear that all residents are expected to be mobile.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Economic Development

➤ Corporate Business Plan

Strategy: SP.D1.3 - Promote new commercial and industrial development through appropriate zoning of land, provision of suitable infrastructure and efficient and effective business approval processes
Action #: 1
Action: Regular review of the Shire of Merredin Town Planning Scheme No. 6
Directorate: Development Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Development Services
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Nil

Financial Implications

Application fees have been paid.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation

That the development application (PA10-2016) to construct 16 staff accommodation units with amenities at the CBH site in Gamenya Avenue, Merredin be refused for the following reasons:

1. In accordance with Clause 4.4.2 c) of its Local Planning Scheme No. 6 Council considers that the proposed residential use is not consistent with the objectives for the General Industry zone that are (inter alia) as follows:
4.2.6.1 To provide for general industry, the storage and distribution of goods and associated uses, which by the nature of their operations may need to be separated from residential and other sensitive areas.
4.2.6.2 To discourage non-industrial uses to minimise land use conflicts and address environmental impacts.
2. The proposal is contrary to the objectives of the Special Design Area (SDA 2) for the Wastewater Treatment Plant including (inter alia):
The objectives for the SCA 2 are to:
(b) ensure that the use and development of land is compatible; and
(c) minimise impacts on residential and other sensitive uses.
3. The proposed residential use is contrary to Council's Local Planning Strategy that includes the area within a buffer area from the Merredin town's wastewater treatment plant where no sensitive uses should be permitted.
4. That the Applicant be advised of its appeal rights.

12.2 Retail Trading Hours – Merredin – Proposed Extension

Development Services



Reporting Officer:	Greg Powell, CEO
Author:	Rebecca Bowler, Environmental Health Officer
Legislation:	<i>Retail Trading Hours Act 1987</i>
File Reference:	A209
Disclosure of Interest:	Nil
Attachments:	Attachment 12.2A - Correspondence Attachment 12.2B – Consultation Correspondence
Maps / Diagrams:	Nil

Purpose of Report



Executive Decision



Legislative Requirement

Background

The newly appointed Store Manager at Supa IGA emailed the Shire’s Environmental Health Officer (EHO) on 31 May 2016 requesting information about the Shire’s approval process for the extension of retail trading hours.

Proposed extension of trading hours:

Monday-Saturday 7am-8pm

Sunday 9am-6pm

Current trading hours:

Monday-Wednesday 8am-6pm

Thursday 8am-7pm

Saturday 8am-5pm

Sunday & Public Holidays 9am-5pm

The Manager was advised he would need to speak with the Department of Commerce regarding the process. The Principal Compliance Officer of the Retail Trading, Automotive, Marine and Trading hours branch advised him that the current ownership structure of this particular store, Supa IGA, would not qualify under section 10(3) of the *Retail Trading Hours Act 1987* as a ‘small retail trader’ and therefore would be unable to apply for an individual business concession in relation to their trading hours.

He was further advised that the only option would be to request the Shire of Merredin to apply to the Minister of Commerce for an extension of trading hours for all local general retail shops (within the bounds of the Shire of Merredin) beyond those hours stipulated in the *Retail Trading hours Act 1987*.

The EHO has since contacted the Department of Commerce's Retail Trading, Automotive, Marine and Trading Hours Branch and confirmed the requirements of such an application to the Minister of Commerce. The store manager has formally requested the Shire of Merredin to apply to the Minister of Commerce on behalf of the district.

Comment

As part of the Shire of Merredin's formal submission to the Department of Commerce the Shire must address the following criteria:

1. Provide specific details of the variation to existing retail trading hours proposed.
2. Provide evidence of the Council meeting at which the extended trading proposal was considered and approved.
3. Provide the exact area the trading variation will apply to, for example, Local Government boundaries or town boundaries or street locations etc.
4. Provide evidence that appropriate consultation has occurred with local trader organisations, tourism interests and local members of State Parliament, and that the views expressed were taken into consideration.
5. Where significant variation to existing hours are proposed, the local community is to be provided the opportunity to comment on the extended trading proposal. Evidence that this consultation has taken place should be provided.
6. Applicant Local Governments must confirm that all local traders are advised of their rights to exercise individual discretion whether to open or not during the proposed trading extension.
7. Where the Department of Commerce (Consumer Protection) considers that approval of a Local Government extended trading application is likely to impact on nearby retailers, the views of the organisation representing the traders concerned may be taken in to account.

Some of the positive impacts that an extension of retail trading hours may have on the community were highlighted in the submission to Council:

1. *The needs of the community are changing, with the increased amount of casual and shift workers, shopping hours need to be more flexible to allow workers adequate time to shop.*
2. *Lifestyle changes also benefit from more flexibility, the community given more freedom to attend to social and sporting commitments.*
3. *Increased trading brings with it increased employment this helps the local economy. It will also help to stop some of the retail; shopping leakage to other regional areas such as Northam that already have extended shopping hours. It will put Merredin in a better position when attracting families to move to the area*
4. *Merredin is situated on a main tourist route through the Wheatbelt and Pioneer trail. Extended trading would help cater for that trade and would help to make the area more attractive to travellers and tourists this also helping the local economy.*
5. *Merredin is looking to attract overseas businesses, such as South China Airlines. Extended trading again makes Merredin a more attractive destination to appeal to international companies.*

6. *The retail trading area is at the heart of the community. Customer feedback constantly focuses on how we, as a community supermarket can better support our local customers, with more convenient hours. Earlier opening means Parents have early morning options to get lunch accessories. The general trend is that families are eating later increased supermarket hours will help to provide healthier alternatives for late meals. Parents with or without partners will find the extra hours will alleviate some of the shopping stress, associated with having young children with them when they shop.*
7. *The train from Perth gets into Merredin at 6.30 pm each day, by which time the shops are closed. Extended trading will assist these commuters by offering more choices for healthier teas.*

In short it will be better for the local economy, more convenient for tourist, overseas business, parents, commuters and the local community, it will make fresh food, a healthy option, more readily available for all and it will provide increased employment and make family shopping more convenient and less stressful. It will be better for Merredin and better for the community. We see Merredin as a major regional Commercial hub and believe that this extension would help to support that.'

Extending trading hours and giving businesses more flexibility to trade could benefit the social and economic development of Merredin and the district.

Policy Implications

Nil

Statutory Implications

Compliance with *Retail Trading Hours Act 1987*

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainable
Key Priority: Economic Development

Vision Element: Liveable
Strategic Goal: Merredin has the services, facilities, characteristics and heritage that continue to make Merredin a great place to live and contribute to a liveable region
Key Priority: Town Enhancement

➤ Corporate Business Plan

Strategy: SP.D1.3 – Promote new commercial and industrial development through appropriate zoning of land, provision of suitable infrastructure and efficient and effective business approval processes
Action #: 1
Action: Regular review of the Shire of Merredin Town Planning Scheme No. 6
Directorate: Development Services
Timeline: Ongoing

Strategy: SP.L4.1 – Enhance the public amenity and functionality of Merredin
Action #: Nil
Action: Nil
Directorate: Community Development; Engineering Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Nil

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation

That:

1. the Shire of Merredin supports in principle an application for the extension of trading hours within the bounds of the Shire of Merredin and seeks submissions from the community generally and businesses specifically for a period of 28 days; and
2. should no objections be received the application be submitted to the Hon Minister for Commerce but if objections are received the matter be referred back to Council for further consideration.

12.3 Car Parking Cash in Lieu Payment

Development Services



Responsible Officer:	Gary Bruhn, A/EMDS
Author:	As above
Legislation:	Local Planning Scheme No 6; Local Scheme Policy No 7 Car Parking Cash in Lieu Payment
File Reference:	A320
Disclosure of Interest:	Nil
Attachments:	Attachment 12.3A - Local Planning Scheme Policy No 7
Maps / Diagrams:	Attachment 12.3B - Site plan

Purpose of Report



Executive Decision



Legislative Requirement

Background

An application for planning approval has been made to relocate Karis Medical Group from its current location on the corner of Coronation and Bates Streets, Merredin to the opposite corner on Lot 400 Bates Street, Merredin, where previously the premises was occupied by a store that sold baby apparel. For staff to process the application consideration is required to provisions contained within the Town Planning Scheme and relevant policies.

Section 5.6.3 Table II-Development Table, Consulting Rooms provides a formula for the required number of parking bays to be provided; 1 for every 30m² of net lettable area, plus 1 for each person employed. A total of 14 parking bays is required on site inclusive of one parking bay for the disabled.

Lot 400 Bates Street, Merredin has a block size which is too small to contain 14 parking bays and the applicant is considering the use of 11 of the required bays as street parking around the premises. Item 6.2 of the policy relates directly to Cash in Lieu and is a discretionary use as to whether Council considers Cash in Lieu appropriate.

Both staff and Council are required to provide consideration to Cash in Lieu however Karis Medical Group are already providing a service to the Merredin area and it is likely there will be a marginal change in the number of vehicles additional to the current medical practice.

Comment

Whether Council charges Cash in Lieu is a difficult decision and the same decision has been faced by many towns as their population grow. Currently there is not a shortage of parking in Merredin and by charging a businesses to improve or setup in the town may discourage growth. Medical services are very important to the area and the staff believe support of the medical practitioners is crucial to attracting the best people.

Policy Implications

If the policy is not applied on this occasion there is no immediate consequence however as the town grows at some point it will be necessary for a user pays system. Precedence is an issue either way. If the applicant is charged on this occasion each development that requires on street parking from now into the future will require consideration for Cash in Lieu. If Cash in Lieu is not applied it may become more difficult to apply the levy in the future as this will be an example of where the Shire has opted not to apply its authority.

Statutory Implications

Nil

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population & economic base is expanding sustainably
Key Priority: Economic development

➤ Corporate Business Plan

Strategy: SP.D1.3
Action #: 1
Action: Regular review of the Shire of Merredin Town Planning Scheme 6
Directorate: Development Services
Timeline: Continuous

Sustainability Implications

➤ Strategic Resource Plan

Currently nil implications however the policy of Cash in Lieu requires review on a regular basis.

➤ Workforce Plan

Directorate: Development Services
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

There is a long term need for parking infrastructure and discussion is required to ensure the correct mix of new development over additional income from Cash in Lieu.

The applicant would have the right to appeal to the State Administrative Tribunal should a Cash in Lieu payment be applied.

Financial Implications

Cash in Lieu is based on the land value plus the construction cost of the bays a figure of \$5,000 per bay has been established which would see a total value of \$55,000 placed into a trust for future parking issues.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation


That, on this occasion, Council waives the application of Cash in Lieu of parking.

13.	Officer's Reports - Engineering Services
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Nil items to report

14. Officer's Reports – Corporate and Community Services

14.1 List of Accounts Paid

<h2>Corporate Services</h2>		
Responsible Officer:	Charlie Brown, EMCS	
Author:	As above	
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996</i>	
File Reference:	Nil	
Disclosure of Interest:	Nil	
Attachments:	Attachment 14.1A - List of Accounts Paid	
Maps / Diagrams:	Nil	

Purpose of Report

Executive Decision

Legislative Requirement

Background

The attached List of Accounts Paid during the month of May 2016 under Delegated Authority is provided for Council's information.

Comment

Nil

Policy Implications

As outlined in the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

Statutory Implications

As outlined in the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Governance

➤ **Corporate Business Plan**

Strategy: SP.D4.3 – Practice prudent management of financial resources
Action #: 1
Action: Deliver long term financial planning for asset replacement and new capital projects
Action #: 2
Action: Continue to provide prudent financial controls and compliance systems
Directorate: Corporate Services
Timeline: Ongoing

Sustainability Implications

➤ **Strategic Resource Plan**

Nil

➤ **Workforce Plan**

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* if this item was not presented to Council.

Financial Implications

All liabilities settled have been in accordance with the Annual Budget provisions.

Voting Requirements


Simple Majority

Absolute Majority

Officer's Recommendation

That the schedule of accounts paid as listed, covering cheques, EFT's, bank charges, directly debited payments and wages, as numbered and totalling \$1,478,265.65 from Council's Municipal Fund Bank Account and \$18,746.25 from Council's Trust Account be received.

14.2 Statement of Financial Activity

<h1>Corporate Services</h1>		 SHIRE OF MERREDIN INNOVATING THE WHEATBELT
Responsible Officer:	Charlie Brown, EMCS	
Author:	As above	
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996</i>	
File Reference:	Nil	
Disclosure of Interest:	Nil	
Attachments:	Attachment 14.2A – Statement of Financial Activity	
Maps / Diagrams:	Nil	

Purpose of Report



Executive Decision



Legislative Requirement

Background

The Statement of Financial Activity, which includes the Detailed Schedules, Statement of Financial Position and Investment Register, is attached for Council's information.

Comment

Revenue and Expenditure to 31 May 2016, is consistent with Council's amended 2015/16 Budget.

Variation actuals to YTD Budgets.

Operating Expenditure

As can be seen from the statements expenditure is up slightly (8.56% overall) only four programs fall outside the allowed variance.

Operating Income

Income overall appear to be within limits and shows a 0.43% better return than anticipated.

A general comment regarding the Material Variations can be found on Note 2 (pg 17 of the attachment) and a detailed comparison between Actual and Year to Date Budget can be found on pages 33-65 of the attachment.

Capital Expenditure

Generally capital expenditure is below the anticipated level for this period, currently 33.17% down on anticipated budget at this stage. There is a further committed amount bringing the overall under expenditure down to 18.26% once these invoices are to hand.

A detailed look at capital expenditure can be found in Note 13 (pg 30).

There is some works that will not be completed by 30 June however these items have been included in the draft 2016/17 Budget document.

Policy Implications

As outlined in the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

Statutory Implications

As outlined in the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Governance

➤ Corporate Business Plan

Strategy: SP.D4.3 – Practice prudent management of financial resources
Action #: 1
Action: Deliver long term financial planning for asset replacement and new capital projects
Action #: 2
Action: Continue to provide prudent financial controls and compliance systems
Directorate: Corporate Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Compliance with *Local Government (Administration) Regulations 1996* and to give Council some direction in regards to its management of finance over an extended period of time.

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* if this item was not presented to Council.

Financial Implications

As outlined in Attachment 14.2A.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation

That in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, the Statement of Financial Activity and the Investment Report for the period ending 31 May 2016 be received.

15. Officer's Reports – Administration

15.1 Lot 200 Barrack Street, Merredin – Council Buildings – Requests for Use

Administration



Responsible Officer:	Greg Powell, CEO
Author:	Vanessa Green, EA to CEO
Legislation:	<i>Local Government Act 1995</i>
File Reference:	A225
Disclosure of Interest:	Nil
Attachments:	Attachment 15.1A – Correspondence
Maps / Diagrams:	Nil

Purpose of Report



Executive Decision



Legislative Requirement

Background

Located on Lot 200 Barrack Street, Merredin is the Women's Rest Centre (WRC) building and the old Council Chambers. The WRC was previously leased to the Merredin Community Resource Centre (MCRC) and is currently vacant. The Wheatbelt Development Commission (WDC) occupies a portion of the old Council Chambers under a commercial lease which expires in June 2018. The MCRC relocated to the remaining portion of the old Council Chambers following Council's May 2014 meeting where it resolved (CMRef 81352):

"That, subject to the requirements of the Local Government Act 1995, the Merredin Community Resource Centre be permitted to occupy the premises known as the old Council Chambers, Lot 200 Barrack Street, Merredin subject to the following:

- 1. Execution of a commercial lease for a term of five years with an option of a further five year term;***
- 2. No rental applicable for the first term but a minimum of \$60,000 being expended on refurbishment of the building over the term or a sum that ensures refurbishment to the satisfaction of Council and that a rental on a sliding scale apply to the second term of five years to ensure 100% of a commercial rent is paid in the final year;***

3. Confirmation of the expenditure of \$60,000 on the Women's Rest Centre evidenced by way of invoices."

The initial term of the MCRC's lease expires in February 2020.

Upon relocating to the old Council Chambers the MCRC subsequently undertook the refurbishment works mentioned in point 2 of Council's resolution.

Correspondence has been received from the MCRC requesting Council consider a number of options to acknowledge the investment and improvements that have been made by the MCRC to the WRC and old Council Chambers buildings.

Through their own resources and grant funding the MCRC expended approx. \$70,000 on the WRC (invoices not provided) and to date has expended \$73,000 on the old Council Chambers (invoices provided). Indicative costs for further refurbishments to the old Council Chambers is approx. \$29,000 (quotes provided). These amounts are in excess of the amounts mentioned in CMRef 81352 by \$42,229.

The MCRC correspondence mentions 2 options:

1. extend the no rental period for the old Council Chambers for a period equivalent to the value of improvements above the required amount of \$60,000 as mentioned in CMRef 81352; or
2. allow the MCRC to lease the WRC under a no rental arrangement for a period equivalent to the value of improvements as mentioned in point 1 above.

Staff believe there is merit in Council considering option 2.

Comment

The MCRC relocated to the WRC from the MRCLC in January 2011 with a lease of 5 years on a no rental arrangement and the proviso that an amount of \$60,000 be spent by the MCRC on refurbishing the building during that period (CMRef 30538).

Prior to January 2011 the WRC had been unoccupied and since the MCRC vacated the building in May 2014 it has remained vacant. While there was initially some interest from other parties to lease the building, for various reasons those negotiations have fallen through and are unlikely to be revisited. The building has not been publically advertised to determine whether there is any other interest in it. However, it could be argued that as there are a number of other vacant offices and/or buildings available in the CBD area, prospective tenants would have many properties to choose from, meaning the WRC could potentially remain vacant for an undeterminable amount of time.

As per CMRef 30538, the WRC was refurbished by the MCRC and it is unlikely that these works would have otherwise been undertaken by Council. With the renovation works completed, the asset has been improved, and at no cost to Council.

The MCRC has advised they often have many regular activities and bookings running at the same time which, due to current space restrictions, have not been able to all occur in the old Council Chambers and that they have had to use the Seniors Centre to run these services. Due to its distance from the MCRC this is not an ideal situation. Additionally, as a result of having recently taken over publication of The Phoenix community newspaper, further additional space is required. In leasing the WRC it is anticipated that the building would be used to accommodate those activities and services.

A local real estate agency advises that the current rate for commercial lease/rent of office space in Merredin is \$120/m² per annum. As the WRC is approx. 150m² this would equate to an annual rental of \$18,000. At \$42,229 (which is the amount the MCRC have spent above the amounts listed in CMRef 30538) this would equate to just over 2 years, or should the proposal be accepted by Council, until 2018.

As mentioned above, the initial term of the MCRC's lease of the old Council Chambers expires in February 2020. If option 2 is approved by Council it is suggested that, as a community organisation, the MCRC be allowed to lease the WRC on a no rental arrangement (under a commercial lease) until the expiry of the initial term of its lease on the old Council Chambers, which would be an additional 2 years above the amount of time required from the \$42,229. The reason for this is simply to bring into line the expiry dates of the leases of both buildings located on the one site. Under such an arrangement it would be expected that the MCRC would be responsible for all outgoings and the day-to-day maintenance of the building (excluding capital items).

While there would obviously be a loss in potential revenue from such an arrangement, Council would not be responsible for any ongoing/day to day costs (except for any capital items) for the building. Additionally, the arrangement would result in a Council building being utilised for the purpose of the providing services to the community. Another consideration is that while the building is being used it could be expected that its condition would deteriorate less than if it were to remain vacant.

Policy Implications

Nil

Statutory Implications

The provisions of Section 3.58 of the *Local Government Act 1995* must be complied with. Any arrangement would need to be advertised for public comment prior to finalising.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Liveable

Strategic Goal: Merredin has the services, facilities, characteristics and heritage that continue to make Merredin a great place to live and contribute to a liveable region

Key Priority: Key Assets

Vision Element: Inclusive

Strategic Goal: Merredin (and the region) is an area that is welcoming of diversity

Key Priority: Community Spirit

➤ Corporate Business Plan

Strategy: Investigate opportunities to consolidate Shire owned facilities and collocate services

Action #: 1

Action: Review and implementation and rationalisation options for recreational and community facilities and services

Directorate: Community Development
Timeline: Ongoing

Strategy: Maintain a community that is well informed, creating opportunities for community involvement and supporting a caring and health community

Action #: 5

Action: Support (directly and indirectly) events and activities that encourage and enhance community pride and cohesion

Directorate: Community Development
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

The SRP discusses the demolition of buildings no longer required by either community groups or the Shire (Pg 49). With the MCRC being responsible for the ongoing/day to day maintenance (excluding capital items) of the WRC the costs to Council to maintain the building will decrease.

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

If the lease of the WRC to the MCRC is not approved there is a risk the building will remain vacant during which time Council will be responsible for the maintenance and outgoing expenses.

Similarly, should the lease be approved on a no rental arrangement Council may be approached by a group or organisation wishing to lease the WRC on a commercial lease with rent applicable basis, meaning a potential loss of revenue for Council.

Financial Implications

If the Officer's Recommendation is endorsed, Council will receive no income for the MCRC's use of the WRC until after February 2020 (should both parties then choose to renew the lease). However, Council will also not be responsible for expenses associated with any outgoings (electricity, water etc) and the maintenance costs would be limited to either major structural issues or new capital items.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation

That:

1. in accordance with Section 3.58 of the *Local Government Act 1995* the proposal to lease the Women's Rest Centre under a commercial lease to the Merredin Community Resource Centre on a no rental arrangement until February 2020 with the Merredin Community Resource Centre being responsible for all outgoings and day to day maintenance costs be advertised for public comment; and
2. if no negative comment is received, the execution of a commercial lease on the Women's Rest Centre, located on Lot 200 Barrack Street, Merredin to the Merredin Community Resource Centre be approved subject to the following:
 1. execution of a commercial lease until February 2020 under the same terms as the Merredin Community Resource Centre's lease of the old Council Chambers;
 2. the Women's Rest Centre is taken on an "as is" basis with no further improvements or modifications to be undertaken during the lease period at Council's expense;
 3. no rental applicable for the term but all outgoings and day to day maintenance expenses for the Women's Rest Centre to be the responsibility of the Merredin Community Resource Centre (Note: any use of the building beyond the initial term will be subject to amendment of the lease of the old Council Chambers with payment of a commercial lease on a sliding scale over a further term of five years); and
 4. confirmation of the expenditure on the old Council Chambers evidenced by way of invoices.

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