

Shire of Lake Grace

Ordinary Council Meeting

Minutes

28 March 2012



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SHIRE OF LAKE GRACE

Minutes of the Ordinary Meeting of Council held the Varley sports Pavilion, Carstairs Rd Varley WA on Wednesday 28 March 2012.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting at 3.10pm.

2.0 ATTENDANCE RECORD

2.1 PRESENT

Cr LW Armstrong	Shire President
Cr IG Chamberlain	Deputy Shire President
Cr R Chappell	
Cr JF De Landgraft	
Cr OP Farrelly	
Cr AI Milton	
Cr DP Sinclair	
Mr SK Fletcher	Chief Executive Officer
Ms S Appleton	Manager Corporate Services
Mr M Harrop	Manager Infrastructure Services
Mrs L Trevenen	Manager Community Services (Acting)
Mrs J Bennett	Executive Assistant
Mrs C Hyde	Varley Hall Caretaker
Ms J Mortadza	<i>entered the meeting at 3.12pm</i>
Ms S Moore	<i>entered the meeting at 3.12pm</i>

2.2 APOLOGIES

Cr AJ Walker
Cr WA Newman

2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED

Nil

3.0 PUBLIC QUESTION TIME

Nil

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

4.1 CR DE LANDGRAFFT

Cr De Landgraft submitted a formal application in writing for leave of absence from the 26 April 2012 Ordinary Meeting of Council.

MOTION 11378

Moved Cr Chamberlain
Seconded Cr Farrelly

That Cr De Landgraft's application for leave of absence for 26 April 2012 be approved.

MOTION CARRIED 7/0

5.0 MINUTES OF PREVIOUS COUNCIL MEETINGS

5.1 ORDINARY MEETING – 22 FEBRUARY 2012

Resolution

MOTION 11379

Moved Cr Chappell
Seconded Cr Farrelly

That the minutes of the Ordinary Meeting of Council held on the 22 February 2012 be confirmed as a true and accurate record.

MOTION CARRIED 7/0

6.0 DECLARATIONS OF INTEREST

6.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A

Nil

6.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B

Nil

6.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C

Nil

7.0 NOTICES OF URGENT BUSINESS

Cr Chamberlain advised of his wish to put forward a formal condolence motion to the families of Cr De Landgraft and Cr Newman on their recent bereavements.

8.0 MOTIONS OF WHICH NOTICE HAS BEEN RECEIVED

None

9.0 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

9.1 COMMUNITY STRATEGIC PLANNING PROJECT – JODIE MORTADZA & SHARON MOORE

Jodie Mortadza & Sharon Moore, the Shire's consultants, engaged by the Shire to facilitate its community strategic planning process, gave an update to Council on the project to date, along with a presentation on the engagement strategies which will take place over the next three to four months.

10.0 MEMBERS' REPORTS

10.1 CR CHAPPELL

Members Report to the March 2012 Ordinary Council Meeting:

- 23rd February: Attended the Lake Grace Liberal Party Branch AGM where on behalf of the Shire of Lake Grace I presented Mr Graham Jacobs MLA Mr Jim Chown MLC and Mr Bruce Ellis MLC a copy of a letter sent to the Hon Dr Kim Hames Minister for Health in regards to the Lake Grace Hospital and Medical Services.
- 3rd March: Attended WALGA Central Country Zone at Beverley with the Shire President and the CEO.
- 12th March: Attended the annual Electors Meeting at Lake King
- 15th March: Attended the Shires Audit Meeting

10.2 CR SINCLAIR

Attended the recent Varley Progress Meeting and was in attendance when the Senior Management Team visited Varley on Friday 16 March 2012 – a very good exercise.

10.3 CR ARMSTRONG

President's Report:

24 February 2012 – Attended the Wheatbelt Primary Health Care Group Meeting in Corrigin with the CEO

24-26 February 2012 – RDA Economic Development Workshop held in Wagin with CEO, Manager Corporate Services and Acting Manager Community Services

29 February 2012 – Chaired the Newdegate Rejuvenation Project Committee Meeting at Newdegate

2 March 2012 – Attended Central Country Zone Meeting in Beverley along with CEO and Cr Chappell

12 March 2012 - Chaired Annual Meeting of Electors in Lake King

13 March 2012 – Attended 4WD VROC Meeting in Woodanilling along with the CEO

26 March 2012 – Attended Newdegate Recreation Council Meeting in Newdegate

27 March 2012 – Attended the Newdegate Community Cropping Group AGM in Newdegate

4.10pm *CEO Sean Fletcher left the meeting & returned at 4.11pm.*

11.0 MATTERS FOR CONSIDERATION – WORKS & SERVICES

No items for consideration.

12.0 MATTERS FOR CONSIDERATION – PLANNING

12.1 PROPOSED AMENDMENT NO 1 – LOCAL PLANNING STRATEGY – PROPOSED LIGHT INDUSTRIAL SUBDIVISION NEWDEGATE RAVENSTHORPE RD NEWDEGATE

Applicant:	Shire of Lake Grace
File No.	0370
Attachments:	Plans 1 to 5
Author:	Mr Joe Douglas Urban & Rural Perspectives -Town Planning Consultant
Disclosure of Interest:	Nil
Date of Report:	15 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

This report recommends that Council resolve to initiate a suitable amendment to the Shire of Lake Grace Local Planning Strategy to help progress the proposed subdivision development of portion of Reserves 20531 and 25063 Newdegate-Ravensthorpe Road, Newdegate for light and service industry type purposes.

Background & Comment

Council has previously resolved to progress the subdivision development of portion of Reserves 20531 and 25063 Newdegate-Ravensthorpe Road, Newdegate for light and service industry type purposes to address the current critical shortage of land of this type in the Newdegate townsite. Preliminary plans of the proposed subdivision previously endorsed by Council are attached herewith (see Plans 1 to 5).

In accordance with Council's previous resolution in this matter the Shire administration has prepared and lodged a detailed written submission with the Western Australian Planning Commission seeking approval to a suitable amendment to the Shire's current Local Planning Strategy which is the first of many steps required to provide for the project's implementation.

Advice recently received from the Department of Planning has confirmed that the proposed amendment to the Shire's current Local Planning Strategy is currently being assessed by the Department's Wheatbelt Planning Team and will be the subject of a detailed report to be presented to the Statutory Planning Committee of the Western Australian Planning Commission for formal consideration and determination in the next few weeks.

The Department has however recommended that a more formal resolution from Council regarding the proposed amendment to the Local Planning Strategy be provided to give the Statutory Planning Committee a sound basis upon which to base its decisions and ensure that the procedural requirements of the Town Planning Regulations 1967 (as amended) are satisfied. In so-doing the Shire will avert any future potential issues and delays associated with the statutory processing of the proposed amendment.

Legal Implications

Planning and Development Act 2005 (as amended)
Town Planning Regulations 1967 (as amended)

Policy Implications

Nil

Consultation

Community consultation will be undertaken by the Shire in accordance with the specific requirements of the Town Planning Regulations 1967 and will include the following key tasks:

- i. Publication of suitable notices in a local newspaper and newsletters circulating throughout the district;
- ii. Display of the relevant documentation and plans at the Shire Administration Centre and the Newdegate Community Resource Centre; and
- iii. Written referrals to the Newdegate Community Development Association and all government agencies considered to have an interest in the project inviting their comments during the public advertising period.

Financial Implications

It is understood that a suitable allowance has been made in Council's budget for the 2011/2012 financial year to undertake the initial steps required to progress the proposed subdivision development of portion of Reserves 20531 and 25063 Newdegate-Ravensthorpe Road, Newdegate for light and service industry type purposes.

Strategic Implications

The need for suitably located and serviced land in the Newdegate townsite for light/service industry type land uses has been well documented in previous reports considered by Council over the last 15 years. In order to now implement Council's preference to develop the relevant portions of Reserves 20531 and 25063 Newdegate-Ravensthorpe Road, Newdegate for light/service industrial purposes a suitable amendment to the Shire's current Local Planning Strategy is required.

CEO Comment

The Newdegate Industrial Land Development Project is included at Item 1.1.2 of the 2011/12 Corporate Action Plan and is running on-track.

Voting Requirements

Simple majority required.

Recommendation/Resolution**MOTION 11380**

Moved Cr Chamberlain
Seconded Cr De Landgraft

That Council:

1. In pursuance of regulation 12C(1) of the Town Planning Regulations 1967 (as amended), amend the Shire of Lake Grace Local Planning Strategy by:

i) Modifying the Newdegate Townsite Development Strategy Plan by reclassifying approximately 5.4 hectares of land comprising portion of Reserves 20531 and 25063 Newdegate–Ravensthorpe Road, Newdegate from 'Conservation' to 'Industrial' and 'Future Development Area DA11A'.

MOTION 11380 continued

ii) Inserting the following additional entry in section 4.6.1 of the Local Planning Strategy Text entitled ‘Settlement Strategy, Townsites, Actions, Newdegate’:

“Classify portion of Reserves 20531 and 25063 Newdegate – Ravensthorpe Road, Newdegate as ‘Industrial’ zone (Restricted Uses – Light/Service Industry) in Local Planning Scheme No.4 in accordance with the details applicable to DA11A in Part 5 of the Strategy and the Newdegate Townsite Development Strategy Plan. (SHORT TERM)”.

iii) Inserting the following additional entry in Table 5 of section 5.3 of the Local Planning Strategy Text entitled ‘Townsite Development Strategy Plans’:

DEVELOPMENT AREA (DA)	LAND DESCRIPTION	TENURE & OWNERSHIP DETAILS	AREA	CURRENT ZONING	PROPOSED ZONING	JUSTIFICATIONS & FUTURE PLANNING CONSIDERATIONS
DA11A	Portion of Reserves 20531 & 25063 Newdegate – Ravensthorpe Road.	Reserve 20531: Crown land vested in the Shire of Lake Grace for ‘Recreation’ purposes. Reserve 25063: Unvested Crown land set aside for ‘Sewerage Disposal’ purposes.	5.4 ha	Local Scheme Reserve - Conservation	Industrial with a suitable entry in Schedule 3 of LPS No.4 to restrict all future land usage to Light & Service Industries only.	<p>The current critical shortage of light industrial land in the Newdegate townsite is posing a significant constraint to future economic growth and development within the town and district generally.</p> <p>Alternative site options previously identified for light and service industry type uses have proven too difficult and costly to develop.</p> <p>The subject land is suitably located in terms of its separation from existing and proposed sensitive land uses and close proximity to existing industrial development, essential service infrastructure and major transport routes.</p> <p>The area identified for future development has low conservation value.</p> <p>All essential services are readily available (except reticulated sewerage).</p> <p>Geotechnical conditions for building construction are considered adequate subject to rehabilitation of those areas previously used for landfill purposes.</p> <p>Infiltration testing required prior to development to determine the most appropriate method of effluent disposal.</p> <p>Drainage management plan required due to the land’s proximity to Lake Burkett.</p> <p>Suitable development setbacks (i.e. a development buffer zone) required to minimise any potential negative impacts on Lake Burkett.</p>

2. Grant delegated authority to the Shire President and Chief Executive Officer to sign and seal the amendment documentation as required during the processing period; and

3. Authorise the Shire’s Chief Executive Officer to make all necessary arrangements to progress the local planning strategy amendment proposal in accordance with the procedural requirements of the Town Planning Regulations 1967 (as amended).

MOTION CARRIED 7/0

12.2 PROPOSED CONSOLIDATION OF LOCAL PLANNING SCHEME NO 4

Applicant:	Shire of Lake Grace
File No.	0525
Attachments:	Plans 1 to 5
Author:	Mr Joe Douglas & Mr John Culmer Urban & Rural Perspectives -Town Planning Consultants
Disclosure of Interest:	Nil
Date of Report:	15 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

This report recommends that Council resolve to initiate the process required to provide for the consolidation of the Shire of Lake Grace Local Planning Scheme No.4 pursuant to Division 5 of the Planning and Development Act 2005 (as amended) commencing in the 2012/2013 financial year.

Background & Comment

The Shire of Lake Grace's current operative Local Planning Scheme No.4 (LPS No.4) was finally approved and gazetted on 12th November 2007. Under the provisions of the Planning and Development Act 2005 all local governments are required to review their current operative local planning scheme every five (5) years.

The reporting officers' have formed the view that the Shire's current LPS No.4 has proven to be an effective tool in managing the future development and growth in the Shire since it came into legal effect in November 2007. As such it is contended that the Shire's current local planning scheme is operating efficiently and that a full review in accordance with the procedures and requirements of the Planning and Development Act is not warranted and is unnecessary.

Given the above conclusion there is scope under the provisions contained in Division 5 of the Planning and Development Act 2005 for the Shire of Lake Grace to prepare a consolidation of LPS No.4 incorporating all amendments that have been made to the scheme since its gazettal in November 2007. In so-doing, and if approved by the Minister for Planning, a consolidated version of LPS No.4 can be carried forward in its current form and used by Council to continue to manage and control all land use and development throughout the Shire over the next five (5) years.

In undertaking and securing approval to the proposed consolidation of LPS No.4 the Shire will also avoid the significant costs and delays typically associated with undertaking a full scheme review. Based upon the reporting officers' recent experiences and advice received from the Department of Planning, a full review of LPS No.4 is likely to cost in excess of \$100,000 and could take at least three (3) years to finalise.

The alternative option of undertaking a consolidation of LPS No.4 as recommended by this report is estimated to cost approximately \$15,000 excluding GST and is likely to take approximately 6 to 9 months to finalise.

Details of the process required to be followed by the Shire to obtain the Minister for Planning's approval to the proposed consolidation of LPS No.4 are summarised as follows:

- **Step 1** – Shire resolves to prepare a consolidation of Local Planning Scheme No.4 (LPS No.4);
- **Step 2** – Shire prepares a consolidated version of LPS No.4 which includes the existing operational local planning scheme and all finally approved and gazetted graphical and textual amendments.
- **Step 3** – Shire refers the consolidated version of LPS No.4 to the Western Australian Planning Commission (WAPC) requesting approval to advertise the consolidated scheme for public inspection.
- **Step 4** – Following the WAPC's approval, the consolidated version of LPS No.4 is advertised for public inspection in accordance with the specific requirements of the Town Planning Regulations 1967 requesting comments from the community and all relevant government agencies regarding the scheme's effectiveness, the need for any amendments and/or the need for a new local planning scheme to replace LPS No.4.
- **Step 5** – Following completion of public advertising the Shire is required to review all submissions received and formulate recommendations in respect of each submission. The process of reviewing all submissions received will indicate if the consolidated version of LPS No.4 should be approved as is, approved with modifications or replaced with a completely new local planning scheme.
- **Step 6** – Within six (6) months following preparation of the consolidated version of LPS No.4 the Shire is required to prepare and submit a final report to the WAPC documenting the outcomes from the public advertising process, details of all submissions received, Council's recommendations in respect of those submissions and whether or not the scheme:
 - a) is satisfactory in its existing form;
 - b) should be amended;
 - c) should be repealed and a new scheme prepared in its place; or
 - d) should be repealed.
- **Step 7** – Should the Shire's final report to the WAPC recommend that the consolidated version of LPS No.4 is satisfactory in its existing form and this recommendation is endorsed by the WAPC and the Minister for Planning, the Shire can then make arrangements for the consolidated scheme to be published in the Government Gazette at which point the scheme consolidation process is complete.

Should the Shire's final report to the WAPC recommend modifications to LPS No.4 and/or the WAPC and Minister recommends modifications, the Shire will then be required, within three (3) months or such longer period as approved by the Minister, to amend the consolidated version of LPS No.4 incorporating all of the required changes. Following completion of the required modifications the Shire can then make arrangements for the consolidated scheme to be published in the Government Gazette at which point the scheme consolidation process is complete.

In the unlikely event that the Shire's final report to the WAPC recommends that the consolidated version of LPS No.4 should be repealed and replaced by a new scheme and the WAPC and Minister agree, a new local planning scheme and local planning strategy will need to be prepared by the Shire. As

previously mentioned this process is likely to cost in excess of \$100,000 and could take at least three (3) years to finalise.

Legal Implications

Shire of Lake Grace Local Planning Scheme No.4
Planning and Development Act 2005
Town Planning Regulations 1967

Policy Implications

Nil

Consultation

If Council resolves to progress the proposed consolidation of LPS No.4, community consultation will be undertaken by the Shire in accordance with the specific requirements of the Town Planning Regulations 1967 and will include the following key tasks:

- (a) Publication of suitable notices in a local newspaper and newsletters circulating throughout the district;
- (b) Display of the relevant documentation and plans at the Shire Administration Centre and the Perth office of the Western Australian Planning Commission; and
- (c) Written referrals to all community groups and government agencies considered to have an interest in LPS No.4 inviting their comments during the public advertising period.

Financial Implications

An allowance of approximately \$15,000 excluding GST will need to be made in Council's budget for the 2012/2013 financial year should Council resolve to proceed with the consolidation of LPS No.4 as recommended by this report.

Strategic Implications

The proposed consolidation of LPS No.4 will enable the Shire to continue to operate under LPS No.4 for a further five (5) years and will help to avoid the significant costs and delays typically associated with undertaking a full scheme review.

CEO Comment

The Local Planning Scheme No 4 Review is included at Item 7.1.1.4 of the 2011/12 Corporate Action Plan and is due for completion by 31 May 2012.

Recommendation

That Council:

1. In pursuance of Division 5 of the Planning and Development Act 2005 (as amended), prepare a consolidation of the Shire of Lake Grace Local Planning Scheme No.4;
2. Grant delegated authority to the Shire President and Chief Executive Officer to sign and seal the consolidated version of Local Planning Scheme No.4 as required during the processing period; and
3. Authorise the Shire's Chief Executive Officer to make all necessary arrangements to progress the consolidation of Local Planning Scheme No.4 in accordance with the procedural requirements of the Planning and Development Act 2005 and Town Planning Regulations 1967 (as amended).

Voting Requirements

Simple majority required.

Recommendation/Resolution

MOTION 11381

Moved Cr Milton
Seconded Cr Chappell

That Council:

1. In pursuance of Division 5 of the Planning and Development Act 2005 (as amended), prepare a consolidation of the Shire of Lake Grace Local Planning Scheme No.4;
2. Grant delegated authority to the Shire President and Chief Executive Officer to sign and seal the consolidated version of Local Planning Scheme No.4 as required during the processing period; and
3. Authorise the Shire's Chief Executive Officer to make all necessary arrangements to progress the consolidation of Local Planning Scheme No.4 in accordance with the procedural requirements of the Planning and Development Act 2005 and Town Planning Regulations 1967 (as amended).

MOTION CARRIED 7/0

13.0 MATTERS FOR CONSIDERATION – HEALTH & BUILDING

13.1 PROPOSAL TO TRANSFER COMMUNITY HOUSING PROPERTIES TO GREAT SOUTHERN COMMUNITY HOUSING ASSOCIATION

MOTION 11382

Moved Cr Chamberlain
Seconded Cr Farrelly

That Standing Orders be suspended, the time being 4.18pm; to discuss the Community Housing Report.

MOTION CARRIED 7/0

MOTION 11383

Moved Cr Farrelly
Seconded Cr Milton

That Standing Orders resume, the time being 4.40pm.

MOTION CARRIED 7/0

Applicant:	Chief Executive Officer
File No.	0094; 0095, 0511; 0698
Attachments:	Attachment No 1: Letter – Glen Parks Senior Policy Officer Department of Housing Compliance Report – Shire of Lake Grace Department of Housing
Author:	Mr Sean Fletcher Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	19 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

This report provides information regarding the outcomes of the Shire's Community Housing Compliance Audit. A recommendation is also provided that the Chief Executive Officer explores the possibility of entering into an agreement with the Great Southern Community Housing to manage the Shire's community housing stocks and consideration of different options regarding the buy out of the Shire's equity in due course.

Background

Introduction

The Shire of Lake Grace is a non registered community housing provider and currently has no less than 26 community housing properties across the district. The community housing stock is made up of properties obtained through the Community Housing Program or LGCHP (6), and the Joint Venture Program (20) that includes seven units at the Lakes Village in Lake Grace.

An ongoing issue for the Shire has been the management of the community housing stocks including who has access to these housing stocks. This includes the fact that the Shire can only place persons in these properties on an income of \$22,360 for a single, \$30,160 for a couple on one income (or \$34,840 if dual income). Along the way, changes to the *Housing Act 1980* with the implementation of regulations based on national guidelines has meant that neither the Shire nor the Department of Housing has the flexibility once experienced regarding placing key workers in vacant community housing.

Impact of Changes to the Legislation

The Shire received notification on 10 October 2007 that the State Government was going to introduce the \$210M State Community Housing Investment Program (SCHIP). In order to access funding under this program, community housing providers were invited to register as part of the new policy based regulation of the community housing sector. This could be as a growth provider, preferred provider or as a registered provider. The framework to be introduced would be based on national based guidelines.

On 7 November 2008, the Shire received correspondence from the Great Southern Housing Community Housing Association seeking a letter of support from the Shire for its application to become a Preferred Provider and how this would meet the Shire's needs. There is no evidence of a response on file regarding this request. A discussion paper issued by the Department of Housing Works in November 2008 on the proposed changes to the *Housing Act 1980* regarding the likely framework was received on 13 November 2008. Shire staff also attended a Community Housing Forum arranged by the Department of Housing and Works on the same day to discuss the regulation of the provision of community housing and its effect on the entities providing and managing community housing.

A report was then put to Council on 17 December 2008 by the then CEO regarding the proposed changes to the community housing sector. In particular the report identified that:

- A growth provider was an established housing manager with 500 or more properties and was eligible for SCHIP funding;
- A preferred provider was an established housing manager with more than 100 or more properties and eligible for SCHIP funding; and
- A registered provider is someone who has less than 100 properties that was not eligible for funding but may be eligible for community housing programs e.g. Joint Venture Housing.

As a result, Council resolved under Motion 10721:

That Council confirm its commitment to the provision of a range of community housing as a core business function and:

1. *Advise the Minister for Housing, the Hon Troy Buswell MLA of concerns with the restrictive nature of the registration process for community housing.*
2. *Through the Western Australian Local Government Association, seek an extension of time to allow local government an opportunity to comment on proposed changes to the Housing Act 1980.*
3. *Seek the support of the Member for Wagin, the Hon Terry Waldron MLA for the actions proposed in 1 and 2 of this resolution.*

4. *That where public housing is provided in rural and regional areas local applicants be given priority*

MOTION CARRIED 7/1

Records show that the then CEO wrote on the 19 December 2008 to the Hon Terry Waldron MLA on the matter. There appears to be no response to this matter on file.

The Shire received on 28 December 2008 a letter from the Community Housing Coalition of WA regarding its response to the proposed legislative framework for community housing.

On the 5 January 2009, the Shire received correspondence from Department of Housing and Works that a new Regulation and Compliance Unit had been established to assist with the new process.

The Great Southern Community Housing Association wrote to the Shire on 7 April 2009 advising that its Expression of Interest to the Department of Housing as a Preferred Provider was successful and that the Shire was invited to be part of the Great Southern Affordable Housing Network.

The previous CEO attended a meeting with the Director General of Housing and Works organised through the Community Housing Coalition of WA in Perth on Thursday 23 April 2009. At this meeting it was explained that the policy framework would be legislated along Commonwealth guidelines. The outcomes from this meeting were also relayed to the CEOs at the Shires of Kulin, Cuballing and Dumbleyung.

After this time, records indicate that Shire staff undertook a mentoring relationship with the Great Southern Community Housing Association to help improve knowledge, processes and practices.

During the first part of 2010, as a result of concerns by the then Manager of Community Services and the author regarding the effectiveness of the Shire's management of community housing stocks in response to queries raised by the Department of Housing ahead of the pending Department of Housing regulation and compliance review (audit), staff began exploring options for consideration. This included staff meeting with the Great Southern Community Housing Association on 14 April 2010. A proposal was then put to the Senior Management Team at its meeting on 17 April 2010 regarding the difficulties the Shire was having managing its community housing stocks. As a result, Great Southern Community Housing representatives visited the Shire communities during May 2010 to both look at and evaluate the Shire's community housing stocks. This caused some consternation a number of home occupiers and other members of the community at the time.

Accordingly, Jeanette Barrington the Sector Development Officer from the Department of Housing and Kaz Sternberg CEO of the Great Southern Community Housing Association addressed Council at the 23 June 2010 Council Meeting. In particular Ms Barrington outlined the new legislative requirements based on the National Regulatory Code for Growth Providers and National Community Housing Standards. Ms Sternberg explained who Great Southern Housing was and how it could assist the Shire better manage its community housing stocks.

The Compliance Audit

The compliance audit was conducted by John Hughes during 9 to 11 August 2010. Mr Hughes met with the then Manager Community Services and the author on 10 August 2010 to advise of his preliminary findings including:

- The Shire has undercharged the required level of rent for these properties for a number of years;
- The Shire has subsidised remedial works on these properties to the value of \$120,000 to \$140,000 per annum;
- Employ someone at least 0.75 or possibly 1.0 full time equivalent with relevant training and/or experience to manage the Shire's community housing stocks to ensure compliance; or
- Transfer the community housing stock to a registered preferred provider such as Great Southern Community Housing which:
 - Has greater flexibility in terms of the income levels of the tenants that can then access the housing stocks; and
 - Will arrange effective management of the properties in question.

The draft Compliance Report was subsequently received by the Shire post 17 August 2010. Some of the initial findings were presented to Council at the briefing session on 25 August 2010. The Council was advised that the final report would come through with recommendations from the Department of Housing and Works including options regarding future housing stocks.

The Elected Members asked for a workshop to be conducted on the Compliance Report once it was available. This was flagged to occur as per the Elected Member updates between 9 November 2010 and 31 January 2011. However, due to the subsequent resignation of the then Manager Community Services at that time, this process was put on hold. The new Manager of Community Services did not bring this matter forward.

Council put on hold at the December 2011 meeting the appointment of Community Housing Committees subject to confirmation of outcomes of the Compliance Report.

The former Acting Manager Community Services located the Compliance Report in late 2011 and spoke to the writer of the Report. She then reviewed the Report and discussed its contents with the Department of Housing. A summary of the issues are as follows:

Tenancy Management	
Of the 11 key components of the review in this area of assessment the Shire has failed to meet 9 of the key compliance measurements	
Key Compliance Measure Failed	Response (Corrective Action)
No appeal process for applicants other than lodging a contact form with the Shire	No action
Evidence on file indicates that applicants have been allocated housing by direction of Shire councillors disregarding a process of assessment based on wait listing, Housing Authority eligibility, and need. This action has denied the right of appeal by other applicants	Correct process for allocation of housing implemented including: <ul style="list-style-type: none"> • Application form; • Rent calculation eligibility; • Waiting list in place; • Non-eligible persons removed from properties in question including shire staff member; • Community Housing Committees not reappointed at 21 December 2011 Council Meeting (allocation of housing is an operational matter)
No tenancy register is maintained	Implemented

No record of length property is vacant is maintained	Implemented
Shire has failed in its contractual obligation to formulate a joint allocations committee with the Department	No action
Shire has failed to have an effective complaints policy for tenants	No action
Shire has failed to have annual rent reviews and until very recent times no rent increase for approximately 10 years	Rent increase implemented 1 August 2010 in accordance with Department of Housing rent requirements. The Shire has been under charging in the order of \$28,000PA.
Shire did not use DoH rent policy and contractual formula to formulate rent charges until recent times	Formula has been used since 2010
Failure to utilize the Commonwealth Rental Assistance scheme to maximize rent charges and maintain viability	Shire now uses Centrepay Rent Assistance Scheme and informs tenants of this service
No rental arrears policy & procedure was being followed by the Shire	Shire has implemented creditor system for tenants which ensures rental payments up to date

Property Management

Of the 7 key components of the review in this area of assessment the Shire has failed to meet 5 of the key compliance measurements

Key Compliance Measure Failed	Response (Corrective Action)
To make a provision for day to day maintenance	Maintenance program developed
To make a provision for Long Term maintenance	As above
To keep details of maintenance history & relating costs for each property via day to day and long-term maintenance monitored against a budget	Housing expenses now recorded in Synergy, the Shire's financial management system
To have a Property Condition Report produced by the organization when the tenant occupies and vacates the property and at least annually and keep copies of the reports on file	Requires further work
To have tenants return a signed copy of the ingoing Property Condition Report	All tenants are given an ingoing property condition report when signing their contract which must be returned to the Shire

Governance

Of the 4 key components of the review in this area of assessment the Shire has failed to meet 1 and further two are non-compliant

Key Compliance Measure Failed	Response (Corrective Action)
As the shire council is a publicly elected body under the Local Government Act (LGA), there was no ability to consider that the composition of the managing entity that would suggest the decision making body is well equipped to guide and manage the community housing operations of the organization, a councillor may or may not have the business experience and knowledge for such a role, there is no ability to plan or make arrangements for that to occur; HOWEVER evidence exists of shire councillors directly instructing staff to allocate vacant dwellings to ineligible applicants which is a breach of the Agreement with the Department and also may be in breach of Local Government (Rules of Conduct) Regulations 2007 Clause 7(1)(a), Clause 9 and Clause 10(1)(a)	In short, the management of community housing is a day to day or operational function. On the matter of alleged interference by elected members, the author understands that this was provided verbally by some staff regarding some instances pre 2009.

Financial Management	
Of the 8 key components of the review in this area of assessment the Shire has failed to meet 3 of the key compliance measurements	
Key Compliance Measure Failed	Response (including Corrective Action)
There are no budgets for long-term and day to day maintenance that expenditure is monitored against	Building condition audit conducted in the latter part of 2010. Costs identified as a result
No staff is expressly employed for the purposes of Community Housing and therefore costs are not budgeted against the time Shire staff allocates to Community housing operations	Currently managed as follows: <ul style="list-style-type: none"> • Administration is picked up by the Community Services Officer; • Manager oversees issues; • Building Maintenance Officer in place
To set aside surplus funds and 25% of all rental income from the Lakes Village for the purposes of a contingency reserve account as per contractual obligations	Held in Trust and has remained at a static level for many years. \$286,000 was required to be put in Reserve ASAP.
To seek Department of Housing approval to expend, invest or return past surplus funds to the Department to extend community housing in WA	The author has sort prior approval to invest funds into current shire community housing works.

Recommendations

The Compliance Report made the following recommendations:

1. It is recommended that the Shire transfer the management of all community housing properties to a Registered Regional, Preferred or Growth Housing Provider – this will depend on which type of organisation services the Lake Grace area – within a period of 3 months of the date of this report.
2. It is further recommended that a management agreement between a provider and the Shire be negotiated with the approval of the final document by the Department of Housing, detailing use of local contractors where available, and other matters, at the earliest opportunity.

The Report points out that the transfer of the management to a professional community housing provider will relieve the Shire of meeting approximately an initial \$120,000 in the first year from maintenance issues alone, equivalent to 6% of the Shires rate income, in addition the need to support the operations of the community housing programs using Shire resources will cease again saving significant staff time and other resources in this area.

3. It is recommended that failing any transfer of management to a Registered Provider that a Breach of Agreement is issued to the Shire of Lake Grace.

To repair the above breach's of agreement, the Shire will be required to immediately remove the local business and its staff member from the community housing property, set up a joint allocation committee as per the terms of the agreements, assess and confirm all applicants are eligible, ensure rents are in accordance with Department policy and set aside funds to be lodged in the contingency reserve fund as per the terms of the agreements. Preliminary assessment of this figure since the 05/06 year is a total of \$286,000. A further assessment of rent loss due to a failure to review and assess rent based on tenant's income over the same period less the average maintenance costs is approximately \$28,000 per annum.

As can be seen from the above, the Shire has addressed some of the non-compliance issues to prevent an immediate notice of breach. However, some key challenges still remain including the management of the housing, lack of funds in reserve and setting up of the joint allocation committee with the Department. A copy of the Compliance Report is attached to this agenda item.

The former Acting Manager Community Services and the Grants Officer met with Kaz Sternberg the CEO of Great Southern Community Housing on 1 February 2012 to discuss once more viable options for consideration.

A letter was received on 6 February 2012 from Glen Parks Senior Policy Officer from the Department of Housing noting that a response on the Compliance Report was due to the Department by April 2011. Mr Parks goes on to state that given the Shire's difficulty in adhering to the requirements, it is the Department's suggestion that a strategic alliance is formed with a Growth Provider to ensure that the properties are tenanted and occupied to their full extent. The Preferred Regional Provider for the Great Southern Region (of which the Shire of Lake Grace is a part) is the Great Southern Community Housing Association.

On the same day, Shire staff spoke to the Shire of Katanning regarding the sale of its equity in community housing stocks to the Department of Housing. The Acting CEO advised that this matter was addressed by the Shire of Katanning Council at its May 2009 ordinary meeting.

The former Acting Manager Community Services briefed Council on 28 February 2012 regarding the Housing Audit report and a number of options concerning how to improve the management of these housing stocks.

Comment

As highlighted in the background to this report and by the former Acting Manager of Community Services at the Council Information Session on 28 February 2012, the issues are:

- The matters of non compliance flagged in the Compliance Report and the subsequent letter from Glen Parks from the Department of Housing recommending a change in who manages the community housing stocks throughout the district;
- There is a lack of suitably trained staff to handle the demands of community housing;
- The Shire can only accept tenants with a maximum income earned of \$22,360 for a single, \$30,160 for a couple on one income (or \$34,840 if dual income). A couple with a child can earn up to \$36,140 or with two children up to \$42,380;
- The Shire lacks the necessary level of staff resources to administer the community housing portfolio including management of the properties, collecting rents and arrears and Departmental administrative requirements. To date, staff time put to administer the community housing portfolio has been to the detriment of other services provided by the Shire including dealing with community group issues and requests. Finish implementing the remaining administrative and financial requirements and liabilities. Based on the current ratio of housing managers to housing stock, an additional staff member will be required to administer the existing portfolio;
- From an asset management perspective, the Shire is failing to keep up with its obligations although it has implemented the building conditions reports with appropriate budgets. However, resourcing these budgets is the challenge. The

Shire will need to increase the level of funds set aside in Trust from \$112,000 to \$286,000.

The Solution

The Great Southern Community Housing Association can manage the Shire's community housing stocks under a range of different models or options. Apart from discussions with the CEO of this organisation, the 2010/11 Annual Report confirms that it finished the year with a portfolio of 216 properties. In the July 2011 Tenant Newsletter the expectation was to have 280 properties by the end of 2011. The Operating Profit for 2010/11 was \$570,420 with a Net Profit of \$4,221,011.

This organisation also manages a number of community housing properties for other local governments such as the Lions Aberdeen Village in the Shire of Katanning. Further to this, Great Southern Housing is quite familiar with the community housing that the Shire of Lake Grace currently manages.

It was mentioned at the presentation to Council on 28 February that the Department of Housing may be able to assist with the cost of final maintenance in preparation for handover. In this situation each tenant would have to be re-assessed. However, it is unlikely that there would be much change, if any, to existing levels of rent.

A key factor is that the Great Southern Community Housing Association is able to house up to 30% of its tenants as moderate income earners. The figures for the income levels applicable for moderate income earners are as follows:

Household Type	Lower Level \$*	Upper Level \$*
Single Adult	44 128	55 160
Couple	61 006	76 258
Couple – 1 child	75 641	94 533
Couple – 3 children	104 913	131 141

Note:

*National Rental Affordability Scheme levels current as at 15/03/12. Applicants must be over 18 years of age, not own or part own land and not have cash assets in excess of \$38,400 (singles) or \$63,800 (couples), \$80,000 (seniors 60 years plus singles or couples). Shire can only rent current community housing properties to persons with a maximum gross income of \$22,360 for a single, \$30,160 for a couple on one income (or \$34,840 if dual income). A couple with a child can earn up to \$36,140 or with two children up to \$42,380.

Table One: Income Levels Preferred Provider

The models for consideration are:

Model 1 – Department of Housing Pays Back Equity

In this model the key components are:

- The Department of Housing pays back to the Shire, the equity invested in the housing projects;
- The Department then transfer the properties on a long term lease to Great Southern Community Housing;
- Properties are inspected in terms of their condition;
- The Department of Housing may be able to assist financially bring the properties up to the required standard for handover.

Since the presentation to Council, the Department has advised that it does not have sufficient funds to purchase the equity. However, this does bring other options into play.

Model 2 – Management Agreement with Great Southern Community Housing

In this model the key components are:

- The Shire would retain ownership/equity/leasehold of properties;
- Under the Management Agreement, Great Southern Community Housing would be responsible for all aspects regarding the administration and maintenance of the properties and would still make up to 30% of the units available for key worker housing. The Agreement would cover:
 - Responsibilities of both parties;
 - The allocation process of the units;
 - Communication between both parties;
 - Dispute resolution;
 - Financial matters such as chasing arrears;
 - Reviews, variations and termination of leases.

There would be scope to look at whether a surplus came back to the Shire or that any surplus was put back into future developments. Discussions regarding the possibility of buying out the Shire's Equity could also be pursued in a more realistic timeframe.

Model 3 – Great Southern Community Housing Pays Back Equity

In this model the key components are the same as in Model 1, except Great Southern Housing pay to the Shire the level of equity invested. However, as with the Department of Housing it is unlikely that this organisation would want to pay \$787,412.70 for the equity in the first instance. On the other hand, it may be possible to phase the buy out of the equity over a number of years or to only let particular properties go. For example, the Shire may wish to retain the equity in the Lakes Village and/or a number of other properties.

The level of the Shire's equity available is discussed in the section on financial implications.

Model 4 – Transfer Asset to Great Southern Community Housing

In this model, the properties are handed over to Great Southern Community Housing. From the growth generated, this would provide the means to build further housing throughout the Shire.

Analysis of Options

Model 1 is highly desirable. Unfortunately, the Department of Housing does not have sufficient funds to buy out the Shire's equity of \$787,412.70 and so this option cannot be considered.

Model 4, although achievable, means that the Shire does not benefit directly from the potential equity that may be released although the communities may do so over a longer term. However, Great Southern Community Housing may not be convinced of the level of growth that could be generated before building more community housing throughout the Shire.

Model 3, may be an option providing Great Southern Community Housing is prepared to buy out a part of the Shire's equity of \$787,412.70. In other words, Great Southern Housing may be interested in a partial buy out of the Shire's equity or perhaps even the total amount over a number of years.

Model 2 is achievable in the first instance. This means that the Shire solves its compliance issues within a reasonable timeframe. The Shire is also in a position where it can discuss equity issues with Great Southern Community Housing over a period of time with the possibility of developing an arrangement for the release of a certain number of properties in exchange for some funds that can be used for another purpose.

Other Issues

The Lakes Village

There are seven units at the Lakes Village that includes the converted Masonic Hall that serves as the residents' common area.

The original project consisted of the construction of seven units and refurbishment of the Masonic Lodge on lots 124 & 125 Bennett St. The total project cost was \$689,781. Three units had an extra bedroom included and each unit ended up with a carport at a cost of \$58,000. The value of the land and the Masonic Hall was set at \$80,000 with a further \$20,000 allocated for Hall refurbishment. Funds raised by the Shire included \$40,980 towards the units, and \$92,500 towards the Hall (Lotterywest of \$44,500, Cash of \$28,000 and a Grain Pool Loan of \$20,000). Community contributions of \$60,416 included \$38,000 towards the carports and an additional bedroom for one unit and \$22,416 to the Hall.

The complex including the seven units and the refurbished Masonic Hall was officially opened 10 October 1997. The equity as of 18 July 1996 was valued at 27.57% or \$190,180.

On 3 September 2002 the project cost was varied to \$829,048. The Shire's equity was also varied up by \$89,820 and set at 33.8% or \$280,218. The increase in the Shire's equity reflects the cost of the upgrade to Masonic Hall changing from \$20,000 to \$120,500 along with the removal of an allowance for the carpets, reinstatement of the north wall and demolition of the toilets. The Homeswest contribution was adjusted up by \$49,447 reflecting the Shire's cash contribution being adjusted down by \$18,800, recognition of paying for headwork costs of \$14,910 and the increase in architectural/project management fees.

Well Aged Accommodation Project

As part of the Lakes & 4WD Aged Persons Strategic Alliance 2010-2015, the Shire is constructing six units in Lake Grace and four units in Newdegate over the next four years. These units will give the Shire the capacity to either rent these units and/or offer them as "Lease for Life" to over 55s and are outside of the proposal outlined in this report.

The units proposed for Lake Grace consist of three units under construction at 5 Bennett St. This brings to fruition the outcomes mentioned in the December 2010 Report to Council regarding this project including how it is addressing the needs outlined through the Regional Ageing Lifestyle Accommodation Group (RALAG) which has been seeking additional accommodation and a hostel since 2003.

A decision on where to build the additional units requires resolution i.e. on the Bishop St site as per Council resolution 9607 re in principle support for this location subject to community comment on this proposal or as per Motion 10811 re the Old Tennis Court site (Lot75 Stubbs Street) re the possibility of securing the rights to rezone and develop a portion of this land for high quality, medium density housing.

Subsequent meetings between the author and RALAG regarding the rolling out of the Lakes & 4WD Aged Persons Strategic Alliance indicated that this group did not mind which option was pursued.

Legal Implications

The *Housing Act 1980*. The Regulatory Framework includes:

- National Community Housing Standards;
- National Regulatory Code (Growth Providers);
- Compliance with legal agreements and Community Housing Guidelines.

Policy Implications

Policy 7.9 – Asset Management

The Shire of Lake Grace has limited resources and is the custodian of a large number of assets, many of which have reached or gone beyond their economic life. In making informed decisions in relation to infrastructure assets, the Shire will consider the following key principles:

- Philosophy of renewing assets before acquiring new assets and where possible rationalising assets that are no longer used;
- Prior to the refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:
 - Need for facility (short and long term);
 - Legislative requirements;
 - Opportunities for rationalisation;
 - Future liability including ultimate retention/disposal;
 - Opportunities for multiple use;
- All capital projects will be evaluated in terms of “whole of life cost assessment”

Policy 1.12 - Community Engagement Policy

It would be appropriate under the Shire’s Community Engagement Policy to seek feedback on the possible transfer of the Shire’s community housing assets to another organisation.

The level of engagement required would be one of consultation in the form of:

- A Fact Sheet for inclusion in the respective local newsletters. The Fact Sheet would include information on the proposal and who to contact regarding the provision of feedback and whether they would be interested in meeting with a Shire representative to discuss this issue;
- A feedback mechanism consisting of:
 - A Fact Sheet issued to the Shire’s respective Development and Progress Associations, RALAG and HACC for comments;
 - A feedback section on “Lakes Views”, the Shire’s online feedback website.

- The Manager Community Services meeting with those who want to know more information or would like to provide specific feedback. This may entail visiting the respective Development and Progress Associations.

Consultation

External: Vern MacKay - Department of Local Government
Kaz Sternberg – CEO Great Southern Community Housing Association

Internal: Shire President
Council
Senior Management Team

Financial Implications

Shire Equity

Property	Shire Equity	DOH Equity	Total
Lake Grace			
Lake Grace Village Unit 1	33.8	66.2	100
Lake Grace Village Unit 2	33.8	66.2	100
Lake Grace Village Unit 3	33.8	66.2	100
Lake Grace Village Unit 4	33.8	66.2	100
Lake Grace Village Unit 5	33.8	66.2	100
Lake Grace Village Unit 6	33.8	66.2	100
Lake Grace Village Unit 7	33.8	66.2	100
67A Bennett	28.42	71.58	100
67B Bennett	28.42	71.58	100
69A Bennett	0	100	100
69B Bennett	0	100	100
Newdegate			
43a Maley	15	85	100
43b Maley	15	85	100
40a Maley	18	82	100
40b Maley	18	82	100
11a Collier	0	100	100
11b Collier	0	100	100
9a Collier	24.47	75.53	100
9b Collier	24.47	75.53	100
Lake King			
169a Pickernell	12.6	87.4	100
169b Pickernell	12.6	87.4	100
170a Pickernell	22.94	77.06	100
170b Pickernell	22.94	77.06	100
Varley			
48a Tamar	14.36	85.64	100
48b Tamar	14.36	85.64	100
13 Arthur	14.36	85.64	100
Total Average Equity	20.10	79.90	100

Table Three: Project Equity

Table Two shows the equity that the Shire has in each of the 26 community properties. The equity is based on the contributions that the Shire and the Department of Housing made at the time the project value was agreed to or subsequently amended as in the case of the Lakes Village. The total original project value for the 26 properties is \$3,674,697.68. The Shire's average equity is 20.10% or \$787,412.70.

Lake's Village: The total average equity without the Lake's Village included is 14.29% or \$525,114.30.

Properties with Zero Equity: 69A & 69B Bennett St Lake Grace and 11A & 11B Collier St Newdegate were fully funded by the Department of Housing, thus making the Shire's equity in these properties at a nil value.

Options Regarding Proceeds from Disposal of Equity: There is no restriction on the Shire disposing of its equity regarding community housing. The author's suggestion for any income raised as a result of funds raised from the purchase of any equity is that it is transferred into a community development fund or a future fund (reserve). Such a reserve could then be used to match or support funding for community development project grant applications, additional housing or even capped interest free loans to Shire based community organisations or opportunities for capped fixed term loans to businesses needing assistance.

Strategic Implications

Shire of Lake Grace Strategic Plan

Focus 1. - Economic Diversity

1.4 Undertake and review the level of housing required by the Shire.

Focus 2. – Social and Community Well Being

2.2 In partnership with key stakeholders facilitate the introduction of suitable accommodation for self funded retirees and those requiring aged care.

Conclusion

The author has for the first time presented the full story regarding the issues faced with managing community housing in the Shire of Lake Grace under the current regulatory environment. In hand with this, the Shire has struggled over many years to manage its community housing portfolio effectively. Although the Compliance Report was quite damning, an effort had been made to address many of the non compliant issues.

The Great Southern Community Housing Association is managing a number of properties for other local governments such as the Shire of Katanning. This organisation has the required processes in place as a Preferred Provider with a proven track record and success with some 216 properties throughout the Great Southern under its management.

The higher income levels will change the demographic of the tenants and will allow local businesses to access these properties, thus supporting the economic development for each community.

Accordingly, it is recommended that the Shire undertakes a two phase process regarding Model 2. Phase One involves the Shire entering into an agreement with Great Southern Community Housing to manage the community housing stocks. This means that the Shire will address its non-compliance issues in an effective way. In particular, Great Southern Community Housing will manage the Shire's community housing stocks with funds raised from rents, with the proceeds put back into the maintenance of these properties. Phase Two would involve over a period of time exploring the possibility of entering into an arrangement that sees the Shire's equity brought out for a certain number of properties or the possibility of undertaking of

other joint initiatives including the development of other properties where the Shire provides the land and Great Southern Community Housing builds the properties.

Voting Requirements

Simple majority required.

Officer Recommendation/Resolution

MOTION 11384

Moved Cr Chamberlain
Seconded Cr Milton

That Council:

1. Through the Chief Executive Officer explores the possibility of using Model 2 that includes entering into agreement with the Great Southern Community Housing Association Incorporated regarding the management of the Shire's Community Housing Stocks and consideration of different options including negotiations with GROH or any other interested party regarding the Shire's community housing property equity in due course.
2. Approves the level of engagement required based on consultation in the form of:
 1. A Fact Sheet for inclusion in the respective community newsletters. The Fact Sheet would include information on the proposal and who to contact regarding the provision of feedback and whether they would be interested in meeting with a Shire representative to discuss this issue;
 2. A feedback mechanism consisting of:
 - a. A Fact Sheet issued to the Shire's respective Development and Progress Associations, RALAG and Lake Grace HACC for comments;
 - b. A feedback section on "Lakes Views", the Shire's online feedback website.
3. The Manager Community Services meeting with those who want to know more information or would like to provide specific feedback. This may entail visiting the respective Development and Progress Associations.

MOTION CARRIED 7/0

14.0 MATTERS FOR CONSIDERATION – FINANCE

14.1 ACCOUNTS FOR PAYMENT – FEBRUARY 2012

Applicant: Shire of Lake Grace
File No. 0277
Attachments: List of Creditors
Author: Miss Nicola Bateman
Finance Officer
Disclosure of Interest: Nil
Date of Report: 1 March 2012
Senior Officer: Ms Samantha Appleton
Manager Corporate Services

Summary

For Council to ratify expenditures incurred for the month of February 2012.

Background

List of payments for the month February 2012 through the Municipal account are attached.

Comment

In accordance with the requirements of the Local Government Act 1995, a list of creditors is to be completed for each month showing:

- (a) The payee's name
- (b) The amount of the payment
- (c) Sufficient information to identify the transaction
- (d) The date of payment

The attached list meets the requirements of the Financial Management Regulations.

Legal Implications

Local Government (Financial Management) Regulations 1996 – Reg 12

Local Government (Financial Management) Regulations 1996 – Reg 13

Policy Implications

N/A

Consultation

N/A

Financial Implications

The list of creditors paid for the month of February 2012 from the Municipal and Trust Accounts Total \$543,223.97

Strategic Implications

7. Organisational Excellence

7.1 Develop systems compliant with various statutes, regulations and policies.

Voting Requirements

Simple majority required.

Recommendation/Resolution

MOTION 11385

Moved Cr Chappell
Seconded Cr De Landgraft

That Council receive the list of payments totalling \$543,223.97 as presented for the month of February 2012 incorporating:

- Trust Account Cheques 640 to 642
- Municipal Account Cheques 34686 to 34714
- Electronic Funds Transfers EFT9215 to EFT9330

MOTION CARRIED 7/0

14.2 FINANCIAL STATEMENTS – FEBRUARY 2012

Applicant:	Shire of Lake Grace
File No.	0275
Attachments:	List of Creditors
Author:	Ms Samantha Appleton Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	18 March 2012
Senior Officer:	Ms Samantha Appleton Manager Corporate Services

Summary

Consideration of the financial statements for the month ending 29 February 2012.

Background

The following financial reports are included for your information:

- Monthly Statement of Financial Activity
- Financial Activity Variances
- Significant Accounting Policies
- Statement of Objective
- Acquisition of Assets
- Disposal of Assets
- Information on Borrowings
- Reserves
- Net Current Assets
- Rating Information
- Trust Funds
- Operating Statement by Programme
- Balance Sheet
- Financial Ratios
- Capital Road Works, Operating Revenue & Expenditure Graphs
- Bank Reconciliations

Legal Implications

Local Government Act 1995 – section 6.4

Local Government (Financial Management) Regulations 1996

Policy Implications

N/A

Consultation

Nil

Financial Implications

Nil

Strategic Implications

Shire of Lake Grace Strategic Plan

Goal 7: Organisational Excellence

Strategy 7.1: Develop systems to ensure compliance with various statutes, regulations and policies.

Voting Requirements

Simple majority required.

Recommendation/Resolution

MOTION 11386

Moved Cr Sinclair
Seconded Cr Farrelly

That Council in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996* receives the Statement of Financial activity for the period ended 29 February 2012.

MOTION CARRIED 7/0

14.3 2011/12 BUDGET REVIEW

Applicant:	Corporate Services
File No.	0683
Attachments:	Budget Review including Notes and Schedules
Author:	Ms Samantha Appleton Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	19 March 2012
Senior Officer:	Ms Samantha Appleton Manager Corporate Services

Summary

All Local Governments in Western Australia are required under the *Local Government (Financial Management) Regulations 1996* to conduct a budget review each financial year.

The review or the establishment of a forecast of the Shire's expected financial position by 30 June 2012 must occur between 1 January and 31 March with the outcomes considered by council. The council must then determine whether to adopt the review, any parts of the review or any recommendations within the review. Within 30 days after a council has made a determination, a copy of the review is to be provided to the Department of Local Government.

The net effect of projected income and expenditure to 30 June 2012 is that the Shire is expected to have a balanced projected budget based on adjustments to timing of projects, changes to expenditure and income for capital and operating accounts.

Background

Although the Audit Committee under its terms of reference does not have the power to make recommendations to Council on the Shire's budget review, it would appear that by convention and in the broadest possible terms under the Audit Committee's terms of reference that this committee is not only a sounding board on the Shire's financial position, but is required to facilitate with the CEO effective financial management.

With the above in mind, the author has conducted a wide ranging review of the 2011/12 Shire Budget that highlights a range of key variances that show the Shire will achieve a balanced position by 30 June 2012.

The report was presented to the audit committee meeting on 15 March 2012.

Comments

Under the Review process, a local government is required to report on key variances within each program either above or below expectations. A program is typically Governance, General Purpose Funding, Law, Order & Safety, Transport and so on. The level of variance that requires an explanation for the Shire of Lake Grace is 10% and \$5,000.

Budget Review Documents

Presented to Council is the Shire's 2011/12 Budget Review consisting of the Finance Statement with variances expected indicated by program and the Report on significant variances greater than 10% and \$5,000. The Schedules have also been provided as further background information.

Analysis of Expected Financial Position by 30 June 2012

The net effect of projected income and expenditure to 30 June 2012 is that the Shire is expected to retain its balanced budget based on adjustments being made to income and expenditure as variances have come to light throughout the year.

It should also be noted that the surplus brought forward from 2010/11 was \$91,360 less than budgeted due to final adjustments identified prior to audit including the transfer of additional funds being transferred to reserves for specified area rated income and changes to employee provisions. This shortfall was recovered through recoup of unclaimed Roads to Recovery funds from 2009/10 (+\$122,908) and fuel tax rebates (+\$22,000), not previously claimed.

Additionally SARS related reserve transfers will be put back into the related programs as intended at the time that the budget was prepared (+\$62, 890).

Other Changes to Revenue

Other changes to revenue included:

- refund of website development costs (now being spent via a new developer +\$10,735),
- a timing delay in expected income for the new Community Emergency Services Officer (CESMO) from FESA (-\$14,705) and correspondingly a reduction in expenses (-\$20,050) related to that position,
- a reduction in medical services related income, with the income from the Southern Inland Health Initiative (SIHI) not being available (-\$200,000),
- a reduction in receipts and reimbursements from the medical centre (-\$40,435).

Transfers from restricted funds for the previous four years have also been made, this should have been done annually and this exercise identified additional income of +\$56,025, additionally grant income that had been listed as restricted since 2006 has been identified as acquitted resulting in income of +\$8,550.

Flood prevention income of +\$87,200 has been identified following correspondence from FESA as well as WANDRA funding for flood reopening and reinstatement +\$196,484. Grant funding for numerous projects has been deferred including the LG pavilion (-\$500,000), Newdegate recreation equipment

(-\$26,000), Newdegate entrance statements (-\$6,000), Lake Grace men's shed (-\$100,000) and a reduction of -\$29,930 in the amount of grant funding applied for with regard to the AIM hospital and corresponding savings in expenditure on this project when it commences.

Variances – Operating Expenditure

- Increased administration wages (+\$77,590) incorporating allowances and back-pay's from works programs and extra costs of engaging a contract employee for the MCMS position.
- Consultants provision was increased (+\$14,008) to reflect ongoing compliance and Council requirements with a Financial Management Review and a second CEO review being carried out later this year.
- There were additional stationery costs (+\$7,000) incurred related to extra photocopying requirements.
- Savings of -\$8,000 were made on ranger expenses following the changing of the position from a contractor to an in house position.
- Health officer expenses have been reduced by -\$15,000, based on expenses incurred to date,
- Medical centre related costs are increased from budgeted by +\$100,627 related to locum and placement expenses.
- Housing costs were reduced with the deferral of major maintenance on a number of properties pending a decision about handover of Joint Venture and some LOGCHOP properties to a community housing provider.
- Expenses related to household sanitation increased by +\$35,975, this was related to increased bulk recycling and refuse site costs with bulk recycling service use increased, refuse site costs increased through charges for bulk oil removal, water testing and some electrical works, additionally the Shire of Lake Grace has paid for membership of the Regional Refuse Group.
- A provision of \$10,702 was made for the continuation of the NRM officer role which is funded by projects. The vehicle related to this position also had increased costs due to a correction to posting of expenses previously put to unrelated accounts (+4,150).
- Lake King cemetery incurred extra costs following damage incurred to two graves (+\$20,000).
- Town planning expenses also increased with demand for subdivisions and property changes (+\$20,000).
- Newdegate public toilets incurred additional expenses relating to leasing of the land, water, chemicals, service and wages expenses (+\$7,240).
- Halls and pavilions were required to have electrical upgrades for compliance requirements; these were unbudgeted and resulted in extra expenditure of +\$24,056 over all halls.
- There were increased labour costs and some electrical upgrade costs relating to increases of (+\$55,430) on Lake Grace Parks, Gardens, Ovals and Pavilion, Similarly the increases to the cost of electrical supply and repairs resulted in an overall increase to Newdegate Recreation Centre and Oval of \$25,790.
- Road maintenance costs were reduced following the works team expending considerable time attending to flood damage and reinstatements, with the overall expenditure budget for this subprogram remaining substantially unchanged. Extra costs were incurred at the AIM hospital (+\$10,875) with

electrical compliance works being done as well as an increase in cleaning days.

- Standpipe costs were increased by \$25,000 due to installation of swipe cards on two of the pipes and continued illegal taking of water from uncontrolled standpipes.
- Apprentice costs were reduced by -\$44,000 as their work time is now allocated directly to their jobs, housing maintenance was reduced (-\$14,640) on a number of properties as the budgeted requirement was reassessed.
- The budget for the Manager of Works position was reduced (-\$20,000) due the position remaining unfilled for longer then expected.
- Plant costs had been reallocated among the accounts within the subprogram based on actual usage of accounts to date. Refunds and overpayment expense increased \$20,000 offset by increases in the corresponding income account.

Variations - Income

- Capital Income Variations relating to sale of assets (+\$60,636) were mainly due to improved trade in values on vehicles and the extra changeover of the CEO vehicle at minimal net cost.
- Transfers from reserves (+\$63637) were increased to return specified area rate funds put to reserve at the end of 2010/11 back into income for related programs.

Variations - Capital Expenditure

- Capital expenditure was generally reduced as projects unlikely to proceed in the current year and savings were identified.
- The planning cost for the Newdegate industrial area was reduced to reflect actual likely cost for the year (-\$7,500).
- The Lake Grace Pavilion rebuilding is unlikely to proceed at this time (-\$500,000)
- The AIM hospital project is unlikely to commence until 2012/13 (\$-65,000),
- An adjustment downward to the Lake Grace Residential Land costs of -\$47,938.
- Works to Joint Venture housing have been delayed (-\$8,000),
- Dunn Rock Tennis Club Toilet repairs have been put to operating (-\$1800).
- Lake Grace Sporting Precinct expenditure reduced to reflect activity (-\$20,000) Unbudgeted expenditure on the Newdegate Fire Shed (+\$20,536) included.
- Newdegate entrance statement and playground equipment were deferred until 2012/13 when funding from the Country Local Government fund is available (-\$32,000).
- Doctor's vehicle and MCMS vehicles were upgraded, and the CEO vehicle was changed over twice due to exceptional deals being offered to replace the vehicles.
- The capital road program remains unchanged.
- Extra transfers were made to reserves with regard to the new water connection reserve, balancing with funds from the sewerage reserve.

Strategic Implications

Shire of Lake Grace Strategic Plan – 7. Organisational Excellence

Legal Implications

Section 33A - *Local Government (Financial Management) Regulations 1996*

Section 6.8 (1) *Local Government Act 1995* – Expenditure in municipal fund not included in annual budget

Policy Implications

Nil

Consultation

Senior Management Team

Audit Committee

Voting Requirements

Absolute majority (5) required.

Recommendation/Resolution

MOTION 11387

Moved Cr Chappell
Seconded Cr Farrelly

That Council adopt the Shire of Lake Grace 2011/12 Shire Budget Review.

MOTION CARRIED BY ABSOLUTE MAJORITY 7/0

15.0 MATTERS FOR CONSIDERATION – ADMINISTRATION**15.1 LOCAL GOVERNMENT COMPLIANCE AUDIT – 1 JANUARY 2011 TO 31 DECEMBER 2011**

Applicant:	Department of Local Government & Regional Development
File No:	0528
Attachments:	Compliance Return
Author:	Ms Samantha Appleton Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	2 March 2012
Senior Officer:	Ms Samantha Appleton Manager Corporate Services

Summary

The purpose of this report is for adoption of the Statutory Compliance Audit Return for the year ending 31 December 2011 and endorsement of the required certification.

Background

The Department of Local Government & Regional Development produces a Statutory Compliance Audit Return for Local Government to use as a check-list of statutory obligations and compliance.

The return is to be approved by Council, certified by the President and Chief Executive Officer and submitted to the Director General Department of Local Government and Regional Development by 31 March 2012.

For the last two years the Compliance Audit has been completed using the services of a consultant. As very few issues were identified in the Compliance Return for 2010, it was decided to complete the 2011 return “in house”. The number of questions in this years return is significantly reduced with there being only 78 questions as opposed to 283 in 2010 and 347 in 2009.

The Department of Local Government has reduced the questions so that only areas of high risk are addressed.

The Compliance Audit Return was presented to the Audit Committee at its 15 March 2012 Meeting.

Comment

This year’s return has been completed online and now requires certification.

One area of non compliance is noted for information:

Finance - Question 15: The agreement with the Auditor does not contain specific reference to the audit objectives or the method of communication between the Shire and the Auditor.

Corrective Action: To be addressed upon renewal of the audit contract.

Consultation

Internal: Chief Executive Officer
Manager Corporate Services
Executive Assistant
Shire of Lake Grace Audit Committee

Legal Implications

The Statutory Compliance Return is required under Section 7.13 of the Local Government Act 1995 and items 13 – 15 of the Audit Regulations.

Policy implications

N/A

Financial implications

N/A

Strategic implications

Shire of Lake Grace Strategic Plan

Organisational Excellence

7.1 – Develop systems to ensure compliance with various statutes, regulations and policies.

Voting Requirements

Simple majority required

Recommendation/Resolution

MOTION 11388

Moved Cr Milton
Seconded Cr De Landgraft

That:

1. The Local Government Statutory Compliance Return for the Shire of Lake Grace for the period 1 January 2011 to 31 December 2011 be adopted; and that,
2. The Certification contained within the Local Government Statutory Compliance Return be endorsed by the Shire President and the Chief Executive Officer.

MOTION CARRIED 7/0

15.2 AUDIT COMMITTEE - APPOINTMENT OF COMMUNITY REPRESENTATIVE

Applicant:	Shire of Lake Grace Audit Committee
File No.	0625
Attachments:	Letter from applicant
Author:	Ms Samantha Appleton Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	
Senior Officer:	Ms Samantha Appleton Manager Corporate Services

Summary

Following the October 2011 Council Elections all positions on committees were up for review. The community member position on the Audit Committee was also declared vacant, with community members invited to apply.

Background

Section 7.1A. of the Local Government Act 1995 requires the a Local Government to establish an Audit committee of three or more persons. The members of the audit committee of a local government are to be appointed by the local government and at least 3 of the members, and the majority of the members, are to be council members.

Section 5.9 (2) d allows for the appointment of a committee made up of council members and other persons. Other persons being defined as persons who are not a council member or an employee.

Comment

A notice was placed in all local community newsletters calling for nominations for the 'community' position on the Audit Committee. One application was received. The previous holder of the position Ms Anke Stoffberg declined to apply.

The applicant is Ms Michelle Lay of Lake Grace. Her application letter describing her experience in financial matters is attached to this item as well as the Audit Committee Terms of Reference.

Elected Members are reminded of the Audit Committee Terms of Reference with regard to the suitability of the applicant for the position, particularly point three, which states the following criteria for membership:

External persons appointed to the Committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.

Legal Implications

Section 7.1 A and Section 5.9 of the Local Government Act (1995)

Policy Implications

Nil

Consultation

Internal: Chief Executive Officer

Financial Implications

Nil

Strategic Implications

7. Organisational Excellence

7.1 Develop systems compliant with various statutes, regulations and policies.

Voting Requirements

Absolute majority (5) required.

Recommendation/Resolution

MOTION 11389

Moved Cr Chappell

Seconded Cr Milton

That Council appoint Ms Michelle Lay to the position of Community Representative for the Shire of Lake Grace Audit Committee.

MOTION CARRIED BY ABSOLUTE MAJORITY 7/0

15.3 **LAKE GRACE LAND CONSERVATION DISTRICT COMMITTEE – APPOINTMENT OF DELEGATE**

Applicant:	Office of the Commissioner of Soil and Land Conservation
File No.	0068
Attachments:	Letter & nomination form
Author:	Mrs Jeanette Bennett Executive Assistant
Disclosure of Interest:	Nil
Date of Report:	19 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

The purpose of this report is to appoint a delegate to the Lake Grace Land Conservation District Committee - LCDC.

Background

A letter has been received from the Department of Agriculture and Food on behalf of the Commissioner of Soil and Land Conservation requesting that Council nominate a representative for appointment to the Lake Grace LCDC.

The term of appointment for the members of this Committee expires on 30 April 2012 and nominations are required as soon as possible to enable re-appointment of this Committee. Representatives will be appointed for a three (3) year term expiring in 2015.

There is provision to appoint one representative from the Shire of Lake Grace. Appointment is made by the Commissioner of Soil and Land Conservation and gazetted (i.e. published in the Government Gazette) under the Soil and Land Conservation Act 1945 - Council's current representative is former councillor Mr Royce Taylor who was nominated for the position in September 2008 during his term as an Elected Member. The gazettal of the appointments was not made until May 2009 hence the expiry date of 30 April 2012 as per the attached letter.

The whole Committee consists of 12 appointed members, 1 being the Commissioners nominee (Dept of Ag rep), 2 WA Farmers Federation nominees, 1 PGA nominee, 7 land user nominees i.e. local landowners and the Shire nominee.

Comment

The Lake Grace Land Conservation District Committee has not had regular meetings over the last two years. The Annual General Meeting of the Committee is scheduled to be held on Tuesday 17th April to seek nominations for re-appointments to the Committee by the Minister and to determine where things are at.

Council may wish to consider appointing the Shire's current Natural Resource Management Officer, Mr Marcus Owen to be the Shire's nominee for this position. The CEO is happy to put forward Mr Owen to take up the position on behalf of the Shire.

Legal Implications

Local Government Act 1995 – s5.9, s5.11, s5.17, s5.98
Local Government (Administration) Regulations 1996
Soil and Land Conservation Act 1945, s23 (2b)

Policy Implications

N/A

Consultation

External: Lake Grace LCDC

Financial Implications

No attendance fees are applicable. Section 5.98 of the Local Government Act 1995 prescribes that a "committee meeting" for the purpose of entitlement to an attendance fee is a committee comprising:

1. Council Members only; or,
2. Council Members and employees.

However, travel expenses may be payable to Councillor and non Councillor delegates in accordance with s5.10 (2) of the Local Government Act 1995.

Natural Resource Funding is available to Landcare Committees actively involved in land conservation practices.

Strategic Implications

The Shire's Vision Statement (Strategic Plan) states the following:

Into the future, our vision for the Shire of Lake Grace is to be:

⇒ a leader in water, waste and natural resource management.

Voting Requirements

Simple majority required.

Recommendation/Resolution

MOTION 11390

Moved Cr Farrelly
Seconded Cr Chamberlain

That Council advise the Commissioner of Soil and Land Conservation that it nominates Mr Marcus Owen as its representative to the Lake Grace Land Conservation District Committee for a three (3) year term expiring in 2015.

MOTION CARRIED 7/0

15.4 CEO PERFORMANCE INDICATOR MAJOR PROJECTS UPDATE

Applicant: Chief Executive Officer
File No. 0271
Attachments: Nil
Author: Mr Sean Fletcher
 Chief Executive Officer
Disclosure of Interest: Nil
Date of Report: 16 March 2012
Senior Officer: Mr Sean Fletcher
 Chief Executive Officer

Summary

This report provides an update each month on the progress of the major projects that form part of the CEOs Key Performance Indicators under Outcome 2 and Outcome 4 for 2011/2012.

Background

The Council in conjunction with the author developed a range of Key Performance Indicators for the Chief Executive Officer for 2011/2012.

Accordingly, under Outcome 2 – Leadership and Vision there is a list of major projects for the Chief Executive Officer to achieve and that the progress on these projects is to be communicated to Council. There is also one behavioural descriptor under the Human Resource Management Objective within Outcome 4 where Council has asked for the continued development of the Roles and Functionality Plan.

Comment

The list of the major projects were adopted by Council at the December 2011 Ordinary Meeting in conjunction with the adoption of the Chief Executive Officer Performance Appraisal report. The update regarding the major projects is as follows:

Project 1	
Lake Grace Industrial Land Development: <ul style="list-style-type: none"> • Funding; • Commence Construction; • Finish Construction. Due 1 March 2012 Project Manager: Landcorp	
Progress	Due
<ul style="list-style-type: none"> • Construction mobilisation including site office commenced 23 January 2012; • Works commenced 6 February 2012: <ul style="list-style-type: none"> ○ Blocks cleared with salmon gums retained; ○ Blocks levelled; ○ Roadworks regarding shoulders on Dewar St commenced; ○ Trenching regarding service upgrades completed; • Will be ready 16 April 2012 	1 Mar12

Project 2	
Construct the Newdegate Medical Centre within allocated budget Project Manager: Neil Tears	
Progress	Due
<ul style="list-style-type: none"> • Roof and other externals to the building completed; • Internal painting except doorframes completed; • Security system installed; • Landscaping and paving has commenced; • Car park also going in 9 March 2012. Kerbing 19 March 2012; • Installation of floor coverings commenced. 	31 Jan 12
Expected operational date: May 2012	
Project 3	
Medical Services – Doctor services and pharmaceutical services in place and functioning by February 2012 Project Manager: CEO	
Progress	Due
<ul style="list-style-type: none"> • Dr Jacobs commenced operating on 14 November 2011; • The pharmacy was up and running before the end of January 2012 	28 Feb 12
This project is completed	
Project 4	
Integrated Planning and Reporting Framework - workshop with Councillors after the October 2011 elections Project Manager: CEO	
Progress	Due
<ul style="list-style-type: none"> • All elected members attended WALGA workshops 	Post 15 Oct 11
This project is completed	
Project 5	
Implementation and functioning Interplan software with all relevant personnel using the system and the employees adequately trained and enabled to interrogate the system Project Manager: Coordinator Finance and Administration	
Progress	Due
<ul style="list-style-type: none"> • Mapping of Corporate Plan completed; • Format selected for Council Report and Executive Report; • Problems with software integration and updating of financial account numbers has caused delays; • The first report was presented to Council in February 2012. 	30 Nov 11
This project is completed	
Project 6	
Integrated Strategic Planning. Significant progress on the Community Strategic Plan and development in all of the informing strategies so that in total the Shire is over half way through the 2 year establishment and implementation phase Project Manager: CEO	
Progress	Due
<ul style="list-style-type: none"> • Project plan for implementation adopted by Council September 2011; 	30 Aug 12

<ul style="list-style-type: none"> • Consultants made presentation to Council December 2011 meeting; • CEO and EA met with consultants 6 March and 9 March 2012; • Reference Group established and members briefed by consultants; • Initial conversations with community members underway 28 March 2012 and 30 March 	
Project 7	
Council Standing Orders reviewed and updated Project Manager: Executive Assistant	
Progress	Due
<ul style="list-style-type: none"> • Executive Assistant has sought expression of interest for consultant to assist with this process and is awaiting a firm quote 	30 May 12
Project 8	
Rural Aged Accommodation Project – Completed on time and on budget Project Manager: CEO	
Progress	Due
<ul style="list-style-type: none"> • Shire of Lake Grace is the only Shire to commence works at this point; • Wall panels erected and work on the roof for each unit commenced 6 March 2012; • CEO advised the Director Regional Investment Colin Slattery, at the Zone meeting on 2 March re frustrations experienced with the hold up in the 2011/12 funding approval for this project. Other CEOs voiced same concern 	30 Jun 12
Project 9	
Lake Grace Sporting Precinct – Planning completed and funding in place Project Manager: Manager Community Services	
Progress	Due
<ul style="list-style-type: none"> • Council resolved at the December 2011 meeting to establish a Committee of Council regarding this project; • First Committee meeting to be held on Tuesday 27 March 2012 	30 Jun 12
Project 10	
Lake King Hall Roof – Completed on time and on budget Project Manager: Building Maintenance Team Leader	
Progress	Due
<ul style="list-style-type: none"> • Roof and fascias completed; • Final works regarding internal painting, repairs to ceiling gyprock and tile cracking to occur once next round of CLGF received; • CLGF funding agreement received 6 March 2012 	30 Nov 11
Project 11	
Bennett (2 nd Franks St) Street House – Completed on time and on budget Project Manager: Building Maintenance Team Leader	
Progress	Due
<ul style="list-style-type: none"> • Roof on and external walls completed; • Project on hold until next round of CLGF signed off; • CLGF funding agreement received 6 March 2012 	30 Jun 12

Under Outcome 4 – Administrative and Management there is one further descriptor with a due date:

Other	
Continue to develop Roles and Functionality Plan report to be presented to Council by April 2012	
Progress	Due
<ul style="list-style-type: none"> Workplace Solutions to provide additional comparative information on like sized local governments; John Phillips and CEO discussed requirements 6 March 2012. Mr Phillips indicated it will take some time to do the additional work as the author of the report has since left Workplace Solutions and his Manager also finishes on 16 March 2012. 	30 Apr 12

Further Notes to the Above:

- Projects 3, 4 & 5 are completed.
- Project 1 – Lake Grace Industrial Development will be four – six weeks behind schedule due to delays experienced with technical plan approvals regarding the assessment of water flow and amendments required.
- Project 2 – Newdegate Medical Centre experienced delays during December/January due to wet weather and difficulty sourcing trades to finish off works. Even further delays experienced with NRRHIP querying next allocation of fit-out funding. This has been resolved as of 6 March 2012.
- Project 10 – Lake King Hall has experienced delays due to wet weather and issues regarding the need to reschedule CLGF funding.

Comment on Other Objectives

Under the Community and Customer Objective within Outcome 2, Council has asked the CEO to invest time in meeting with stakeholders on a face to face basis at their localities and to be seen in the communities attending community functions and activities wherever practicable.

The author and the Senior Management Team met with several members of the Varley Progress Association on 16 March 2012 including the outgoing and incoming President of the Varley Progress Association. The meeting was held at the Varley Hall.

It was an informal meeting and allowed the Varley Progress Association representatives to discuss relevant community matters and concerns with myself and the Senior Managers.

Cr Sinclair also attended this meeting as an observer.

Site inspections were also on the program and included the Varley Hall, the Varley Tip Site, Varley Community Dams and the Varley Cemetery.

Staff were unable to attend the Varley Progress Association's Annual General Meeting on 8 March 2012 due to short notice.

The CEO and the Senior Management Team were at the Annual Meeting of Electors on 12 March 2012 which was held in the Lake King Hall.

Legal Implications

Nil

Policy Implications

Nil

Consultation

External: As per the comments in this report.

Internal: Shire President
Council at the Information Sessions
Senior Management Team
Key Staff (as defined by the Corporate Plan)

Financial Implications

Nil.

Strategic Implications

Shire of Lake Grace Strategic Plan

Voting Requirements

Simple majority required.

Officers Recommendation/Resolution

MOTION 11391

Moved Cr De Landgraft
Seconded Cr Sinclair

That Council accepts the report on the progress of the Chief Executive Officer's Key Performance Indicator's for 2011/2012.

MOTION CARRIED 7/0

15.5 NEWDEGATE TOWNSITE REJUVENATION PROJECT – ENDORSEMENT OF CONCEPT PLAN FOR STAGES TWO & THREE

Applicant:	Shire of Lake Grace
File No.	0659
Attachments:	Draft Concept Plan Stage 2 and Stage 3 Newdegate Townsite Rejuvenation Project
Author:	Mr Sean Fletcher Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	6 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

The purpose of this report is to provide to Council for endorsement the Town Centre Rejuvenation Concept Plan for Stage 2 and Stage 3.

The Concept Plan also provides recognition of Stage 1 regarding the construction of the Newdegate Medical Centre and provides some scope for the possibility of a fourth stage concerning works on Newdegate the Town Hall.

Once endorsed, the concept plan can then be issued for public comment in accordance with key elements identified by the Rejuvenation Committee from the Shire's community engagement policy.

Background

At the Ordinary meeting of Council on 22 December 2011, it was resolved through motion 11344 the following:

1. *Accepts the Chief Executive Officer's report on the status of the Newdegate Rejuvenation Project including the outcomes of the workshop held on 10 November 2011.*
2. *In keeping with Committee Motion 007:*
 - a. *Endorses The Newdegate Rejuvenation Project Plan Structure for 2011/12.*
 - b. *Agrees with the Integration of Stage 2 Newdegate Hall – Lesser Hall with the first two aged units from Stage 3, with works occurring in 2012/13.*
 - c. *Endorses the outcomes of the workshop held on 10 November 2011 to resolve:*
 - i. *The suitability of the concept plans for Stage 2 and Stage 3 and whether changes to the concept plans are required. This includes the Chief Executive Officer seeking from the architect Mr Gary Batt revised specifications so that a recommendation can be made regarding the construction type for the aged units and a scope of works for the Lesser Hall including the room itself, the verandah or seating area, pathway and gardens connecting to the aged units;*

- ii. *The community engagement process required to firm up Stage 2 and Stage 3 including the Chief Executive Officer issuing fact sheets and arranging community meetings as appropriate;*
- iii. *Budget implications for Stage 2 and Stage 3 noting that the likely budget is:*
 - a. *\$1,148,467 for Stage 2 regarding the construction of at least four units built during 2012/13 – 2014/15; and*
 - b. *\$429,689 for Stage 3 (Lesser Hall) consisting of \$249,689 from the Newdegate Town Hall Reserve and the Chief Executive Officer seeking \$100,000 from the Royalties for Regions Regional Grants Scheme and \$70,000 from Lotterywest for fit-out costs.*

In keeping with the above resolution including the project plan, the author in conjunction with the Architect Mr Gary Batt developed the concept plan/business case for Stage 2 and Stage 3 of the Rejuvenation Project.

The concept plan was presented to the Newdegate Townsite Rejuvenation Committee at its meeting on 29 February 2012. The author mentioned for the first time there was a document that now recognised the key components of the project. The Committee in the main reviewed further the concept drawings, the phasing of the Rejuvenation project including the proposed costings and at what point would a recommendation be made on the construction type.

The author advised the Committee that the engagement process would commence in April once the draft concept plan had been endorsed by Council. From there, the Committee would assess the feedback resulting from the engagement phase at the May Committee meeting with a recommendation to come forward at the June Council meeting.

Accordingly, through Committee Motion 0013, the Newdegate Rejuvenation Committee resolved:

1. *Endorses the Newdegate Town Centre Rejuvenation Concept Plan Stage Two and Stage Three.*
2. *Presents to Council the Newdegate Town Centre Rejuvenation Concept Plan Stage Two and Stage Three at the March 2012 Ordinary Meeting so that the Concept Plan can be issued for public comment.*

Comment

The attached concept plan for Stage 2 and Stage 3 is different to the original proposal put to the Newdegate Community at least five years ago. In essence the new concept plan recognises the changes that have had to be made to accommodate the current funding opportunities available in contrast to the original scope proposed. The concept plan describes Stage 2 and Stage 3 as follows:

Stage Two – Upgrade to the Town Hall

The original concept calls for a revamped Town Hall with a new Entrance and lobby area. However, at this point in time, due to funding constraints Stage Two will consist of:

- The construction of two Independent Living Units;
- An upgrade of the Lesser Hall to serve as a common area for those who will live in the Independent Living Units; and
- A connection through to the Independent Living Units.

Stage Three – Construction of Independent Living Units

The original proposal of four, then eight units has now reverted to four units built in two stages. As can be seen above, two units will be constructed in 2012/13. A further two units will be built in 2013/14.

The concept plan does recognise the status of Stage 1 regarding the Newdegate Medical Centre and the importance it plays in relation to the Rejuvenation Project. The required works regarding the Town Hall is now classified as Stage 4. The difficulties to fund Stage 4 of the project are described in the concept plan.

A number of layouts and drawings are included in the concept plan including:

- The original concept plan layout for comparison;
- The Newdegate Medical Centre;
- The site layout of the Independent Living Units;
- The floor plan of the Independent Living Units;
- The site layout of the Lesser Hall; and
- The elevations regarding the Town Hall and the look and feel of external cladding.

In keeping with the totality of the project, a summary of the design elements is also included:

Stage 1

Newdegate Medical Centre consisting of:

1. GP Consulting Room
2. Child Nurse Consulting Room (Multi-purpose)
3. HACC Office (Multi-purpose)
4. Waiting Room
5. Reception Office
6. Laundry
7. Kitchen
8. Toilets
9. Store Room
10. Staff Patio
11. Carport that also can accommodate and ambulance

Stage 1 will be completed to original specifications apart from some adjustment to the car park, landscaping and paving between the Medical Centre and the Town Hall.

Stage 2

1. An upgrade of the Lesser Hall including the kitchen
2. Two Independent Living Units
3. Landscaping
4. Parking and connecting pathway
5. A patio area external to the Lesser Hall with a connection through to the Independent Living Units

Stage 3

1. Two Independent Living Units

Stage 4 – Future Requirement

1. Renovation of the Town Hall internally including a separate meeting room
2. New Entrance
3. New Foyer
4. External Cladding in keeping with design concepts
The use of cladding is a cost effective alternative to the makeover and foyer extension. This is discussed further in the section on financial implications.

Information regarding the catchment area, the demographics for the area and the needs analysis are also provided in the concept plan. A summary of this profile includes the following:

Medical Services - Newdegate

The current medical facilities and services in Newdegate are used as follows:

Medical Consultations:	24 per week
Home & Community Care:	14 per week
Southern Ag Care:	3 per week
Allied Services:	3 per week

Needs Analysis – Independent Living Units

In the report *Age-Friendly Communities* prepared by Pam Stockley (2010), for the Lakes and 4WD Aged Persons Housing Strategy Alliance 2010 - 2014 all the positive and negative (barriers) age-friendly aspects of the respective shires were gathered with suggestions that will enable the local shires and communities to create a more age-friendly community.

The findings showed that for the Shire of Lake Grace it was identified:

- Newdegate residents indicated that if there was appropriate housing options then people that have previously left due to a lack of suitable housing may return;
- Need to have a register of interested persons to determine future need;
- More housing in each of the towns within the Lake Grace Shire was needed for independent older people (with community services support there if needed);
- Aged care housing needed with careful attention paid to design needs to cater for this type of housing.

There is also some comment on the construction types available for the Independent Living Units. This includes noting the difference in cost per unit. At this point the construction types are:

- Original brick concept;
- Light weight frame e.g. similar to Lake Grace Aged Units under construction; and
- Transportable pod e.g. Chinese construction or equivalent.

Sources of funding and the proposed budget are also included in the concept plan.

As per the project plan, the concept plan is submitted to the March 2012 Council meeting so that it can then be issued for public comment. Once public comment has been received and evaluated, the Committee will then be in a position to make a recommendation to Council on how the project should proceed.

Conclusion

The Newdegate Townsite Rejuvenation Project has been a long time coming. Due to the introduction of the Country Local Government Fund, the Action Agenda Fund and the Regional Development Australia Program Fund there has been an opportunity to bring to fruition some of the key elements of the original Rejuvenation project culminating in a revised concept plan. It is very clear that what is now referred to as Stage 1, Stage 2 and Stage 3 of the revised Rejuvenation Project can be achieved. However, it should be noted that there are still a range of issues regarding funding around Stage 4 that may never be resolved.

Legal Implications

Nil

Policy Implications

Shire Policy 7.9 Asset Management

Although the origin of the Rejuvenation project was prior to the adoption of the Shire's asset management policy, it is still incumbent on the Shire to ensure that the "whole of life" cost assessment is applied to the outcomes of this project and provision made for appropriate costs in due course regarding the Asset Management Plan and Long Term Financial Plan. However, it should be noted that such an evaluation was provided for the Newdegate Medical Centre in a report to the December 2009 Ordinary Council Meeting.

Shire Policy 1.12 Community Engagement

The purpose of this policy is to ensure that the residents of the Shire of Lake Grace have the maximum opportunity to contribute to their well being through information, consultation and active participation in the development of major programs, projects and events throughout the Shire.

The level of engagement required has been suggested previously by the Committee and will include making the concept plan available for comment, a survey and a presentation to the Newdegate Community. A flyer will be issued advising of the comment process.

Consultation

External: Architect: Gary Batt of Gary Batt and Associates

Internal: Senior Management Team
Newdegate Townsite Rejuvenation Committee
Council

Consultation with the Newdegate community will be conducted as per the section in this report on policy implications.

Financial Implications

The indicative costs for various parts of the project including staging costs as follows:

Build 2 Villas

Based upon current design:	\$659,000
Based upon Light weight Framing:	\$639,000
Transportables:	\$622,000

Build 4 Villas

Based upon current design:	\$1,216,000
Based Upon Light weight Framing:	\$1,196,000
Transportables:	\$1,145,000

Lesser Hall modifications: \$270,000
(Inc. external cladding component of \$50,000)

New Entrance and Foyer:	\$368,000
Renovate Town Hall internally:	\$667,000
Cladding to Town Hall:	\$150,000

Please note:

The above figures are an opinion of cost and are subject to further review.

The independent living units cost \$230,000 to \$260,000 to construct. However, the costs above include all associated costs including electrical, water, landscaping, car parks and paving.

The figure of \$150,000 for the cladding to the Town Hall is a cost effective option compared to undertaking a new entrance and foyer at a cost of \$368,000 and internal renovations at a cost of \$667,000. The cladding could be done first and then the foyer added at a later date when it was cost effective to do so. This would be in keeping with a project observed by the author and Cr Milton regarding the revamping of the Mount Gambier City Hall during the National Road Congress in November last year. In this instance the original external wall was restored and the new foyer area added to this.

Budget for Revised Stage 2 and Stage 3

At this point, the budget and funding sources for Stage 2 and Stage 3 are outlined in the concept plan as follows:

Stage Two

Consists of Two Units and Works to the Lesser Hall and connecting landscape to the two Independent Living Units

Budget		Funding Source	
Units:	\$659 000	Country Local Government Fund R:	\$694 304*
Lesser Hall:	\$270 000	Shire Reserve (Newdegate Hall):	\$267 745
Total:	\$929 000	Total:	\$962 049
* Will allow for other works if required			

It should be noted that the cost of the units is based on the original brick design.

Stage Three

Final Two Units

Budget		Funding	
Units:	\$557 000	Country Local Government Fund R:	\$454 163
		Action Agenda Funding/Other	\$102 837
		Total:	\$557 000

The above costs are in keeping with Council Motion 11344.

Concept Plans/Drawings

The Budget for 2011/12 has an allocation of \$30,000 towards planning and design costs.

Strategic Implications

Shire of Lake Grace Strategic Plan

Focus 2 – Social and Community Well Being

- Upgrade Newdegate Town Hall – Confirm plan & seek funding – Rejuvenation Project Stage 2;
- Facilitate development of self funded retiree villages (Regional Country Local Government Fund Project):
 - Lake Grace;
 - Newdegate Rejuvenation Project – Stage 3

Voting Requirements

Simple majority required.

Recommendation/Resolution

MOTION 11392

Moved Cr Milton
Seconded Cr De Landgraft

That Council:

Endorses the Newdegate Town Centre Rejuvenation Concept Plan Stage Two and Stage Three and that this plan is issued for public comment in accordance with Motion 11344.

In accordance with Motion 11344 regarding the Newdegate Rejuvenation Project Plan endorses the Newdegate Town Centre Rejuvenation Committee to evaluate the outcomes of the public comment period and then make a recommendation to Council on the final concept plan for stage 2 and stage 3 in time for the June 2012 Council meeting.

MOTION CARRIED 7/0

16.0 INFORMATION BULLETIN

16.1 INFORMATION BULLETIN REPORT – MARCH 2012

Applicant:	Executive Services
File No.	N/A
Attachments:	1. Annual Grants Register 2. Council Status Report 3. WALGA Infopage – Metro LG Review
Author:	Mrs Jeanette Bennett Executive Assistant
Disclosure of Interest:	Nil
Date of Report:	19 March 2012
Senior Officer:	Mr Sean Fletcher Chief Executive Officer

Summary

The purpose of this report is to keep Elected Members informed on matters of interest and importance to Council.

Background

The Information Bulletin Report deals with monthly standing items and other information of a strategic nature relevant to Council.

A copy of other relevant Councillor information is distributed via email and the weekly mail-out.

Comment

The information at attachment includes:

1. Grants Register

Provides a list of grants applied for (pending, approved and completed) on behalf of the Shire.

2. Council Status Report

Tracks the progress of Council resolutions.

3. WALGA Infopage – Metropolitan Local Government Review

Advice that the Metropolitan Local Government Review is scheduled to release its draft findings for public comment in mid April 2012 – asking for Council feedback.

Legal Implications

Nil

Policy Implications

Nil

Consultation

Nil

Financial Implications

Nil

Strategic Implications
Shire of Lake Grace Strategic Plan

Voting Requirements
Simple majority required.

Voting Requirements
Simple majority required.

Officer's Recommendation/Resolution

MOTION 11393

Moved Cr Chappell
Seconded Cr Sinclair

That Council accepts the Information Bulletin report.

MOTION CARRIED 7/0

17.0 URGENT BUSINESS BY DECISION OF THE MEETING

MOTION 11394

Moved Cr Chamberlain
Seconded Cr Farrelly

Council passes on its sincere condolences to both Cr De Landgraft & Cr Newman on their recent family bereavements.

MOTION CARRIED 7/0

Note: The passing of former Councillor, Mrs Shirley Duckworth who served on Council from 1984 to 1995 is also acknowledged. A formal notice of condolence to her family was placed in the West Australian on Thursday 8 March 2012.

18.0 SCHEDULING OF MEETING

18.1 APRIL 2012 ORDINARY MEETING

As per Motion 11376 February 2012:

An Ordinary Meeting of Council will be held on Thursday 26 April 2012, commencing at 3:00pm at Council Chambers, 1 Bishop St Lake Grace WA.

19.0 CONFIDENTIAL BUSINESS – as per Local Government Act s5.23 (2)

MOTION 11395

Moved Cr Chappell
Seconded Cr Milton

That Council close the meeting to the public at this time, being 4.59 pm, to consider Item 19.1.

MOTION CARRIED

4.59pm Mrs Carla Hyde left the meeting.

19.1 EASTERN WHEATBELT PRIMARY CARE PROJECT BUSINESS VIABILITY PLAN

MOTION 11396

Moved Cr Farrelly
Seconded Cr Chamberlain

That Council:

1. Endorses the recommendations of the report by Virtual Health on the Eastern Wheatbelt Primary Care Project Business Viability Plan subject to the contractual obligations for current medical arrangements that each participating local government has in place.
2. Forwards for budget consideration an allocation in the 2012/13 budget of at least \$12,500 as the Shire of Lake Grace's contribution to the next stage of service design and implementation planning of the Wheatbelt General Practice Support Practice Business Service.

MOTION CARRIED 7/0

MOTION 11397

Moved Cr Chappell
Seconded Cr Milton

That Council re-open the meeting to the public at this time, being 5.14 pm.

MOTION CARRIED 7/0

20.0 CLOSURE

There being no further business, the Chairperson closed the meeting at 5.15 pm.

21.0 CERTIFICATION

I Leonard William Armstrong certify that the minutes of the meeting held on the 28 March 2012 as shown were confirmed as a true record at the meeting held on the 26 April 2012.

Chairman

Date