



Special Council Meeting  
Agenda  
7th March 2018

# NOTICE OF MEETING

Notice is hereby given that the

## Shire of Exmouth Special Council Meeting

will be held on  
7<sup>th</sup> March 2018  
Commencing at 4.00pm

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**Cameron Woods**  
**Chief Executive Officer**

**7<sup>th</sup> March 2018**

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### **Disclaimer**

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

Please note this agenda contains recommendations which have not yet been adopted by Council.

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**Disclosure of Interest Form**  
(Elected Members/Committee Members/Employees/Contractors)

*Local Government Act 1995 (Section 5.65, 5.70 & 5.71)*

To: Chief Executive Officer

- Ordinary Council Meeting held on \_\_\_\_\_
- Special Council Meeting held on \_\_\_\_\_
- Committee Meeting held on \_\_\_\_\_
- Other \_\_\_\_\_

Report No \_\_\_\_\_

Report Title \_\_\_\_\_

Name \_\_\_\_\_

- Elected Member
- Committee
- Employee
- Contractor

Type of Interest (*\*see overleaf for further information*)

- Proximity
- Financial
- Impartiality

Nature of Interest

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Extent of Interest (if intending to seek Council approval to be involved with debate and/or vote)

\_\_\_\_\_  
\_\_\_\_\_

Name: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

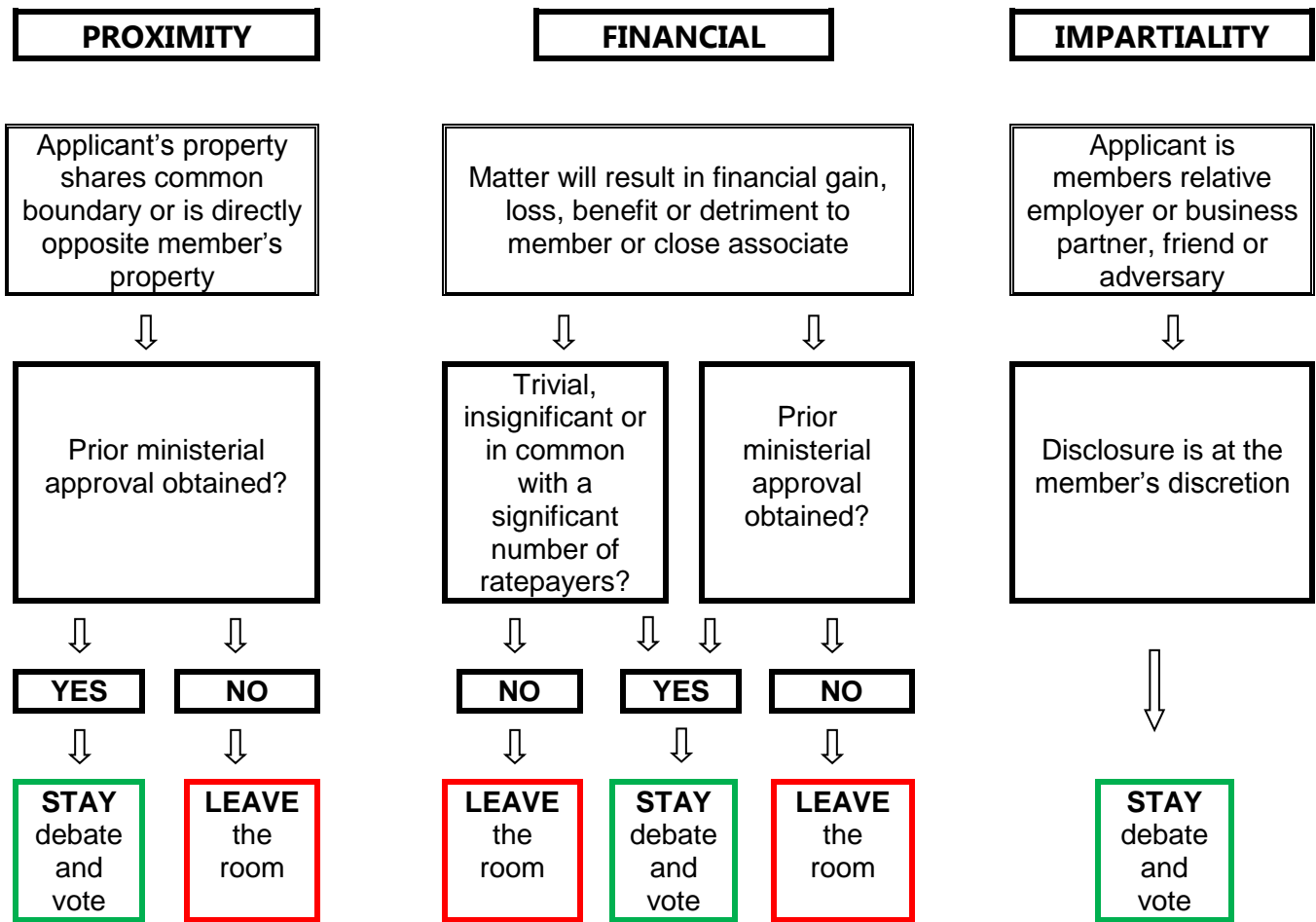
**Note 1:** For Ordinary meetings of Council, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.

**Note 2:** Employees or Contractors disclosing an interest in any matter apart from at meetings, where there is a conflict of interest including disclosures required by s5.71 are required to submit this form to the CEO as soon as practicable.

**OFFICE USE ONLY**

CEO: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**\* Declaring an Interest**



**Local Government Act 1995 - Extract**

**5.65 - Members' interests in matters to be discussed at meetings to be disclosed.**

- (1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:
  - (a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).
- (2) It is a defence to a prosecution under this section if the member proves that he or she did not know:
  - (a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.
- (3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

**5.70 - Employees to disclose interests relating to advice or reports.**

- (1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.
- (2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.
- (3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

**5.71 - Employees to disclose interests relating to delegated functions.**

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

- (a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply)

**'Local Government (Administration) Regulations 1996 – Extract**

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

*"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.*

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# SPECIAL COUNCIL MEETING AGENDA

## *Our Vision*

To support and develop a vibrant, welcoming community that embraces its past, values its present and plans for a sustainable future

## *Our Purpose*

To responsibly provide governance for the whole community in the best interest of current and future generations

## *Our Strategic Objectives*

- To provide sustainable management of the organisation
- To consistently apply the principles of Good Governance
  - To communicate effectively
  - To promote socioeconomic development
  - To value our environment and heritage

### **1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

### **2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

Councillor M (Matthew) Niikkula	Shire President
Councillor G (Gary) Mounsey	Deputy Shire President
Councillor B (Ben) Dixon	
Councillor H (Heather) Lake	
Councillor M (Mark) Lucas	
Councillor G (Gavin) Penfold	
Mr C Woods	Chief Executive Officer
Mr K Woodward	Deputy Chief Executive Officer
Mr M Bird	Executive Manager Commercial and Community
Mr K Wilson	Executive Manager Corporate Services
Mrs M Head	Minute Clerk

#### **APOLOGIES**

Nil

#### **LEAVE OF ABSENCE**

### **3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

#### **4. PUBLIC QUESTIONS TIME**

In accordance with section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them.

Council Consideration Towards Public

When public questions necessitate resolutions of Council, out of courtesy and at the President discretion the matter is to be dealt with immediately to allow the public to observe the determination of the matter (obviates the need for the public to wait an undetermined period of time).

When a matter is listed on the Agenda and member/s of the public are in attendance to observe the determination of the matter, out of courtesy and at the discretion of the President the matter is to be brought forward on the agenda and dealt with immediately to allow the public to observe the determination of the matter (again this obviates the need for the public to wait an indeterminate period of time).

The Deputy Shire President opened public question time. A number of people submitted similar questions in relation to the rate increase issue.

#### **5. DECLARATIONS OF INTEREST**

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

The Local Government Act 1995 (Section 2.25) provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. A member who is absent, without first obtaining leave of the Council, throughout three consecutive Ordinary meetings of the Council is disqualified from continuing his or her membership of the Council.

Disqualification from membership of the Council for failure to attend Ordinary Meetings of the Council will be avoided so long as the Council grants leave prior to the member being absent. The leave cannot be granted retrospectively. An apology for non-attendance at a meeting is not an application for leave of absence.

#### **7. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

That the Minutes of the Ordinary Meeting of the Shire of Exmouth held on the 22 February 2018 be confirmed as a true and correct record of proceedings.

#### **8. ANNOUNCEMENTS BY THE PRECIDING PERSON**

#### **9. PETITIONS, DEPUTATION, PRESENTATOINS AND SUBMISSIONS**

#### **10. MATTERS ARISING FROM COMMITTEES OF COUNCIL**

#### **11. REPORTS OF COUNCILLORS**

## 12. REPORTS OF OFFICERS

### 12.1 2016/17 ANNUAL REPORT AND SETTING OF ANNUAL ELECTORS MEETING

File Reference:	FM.FI.1
Responsible Officer:	Contract/Acting Executive Manager Corporate Services
Date of Report:	28 February 2018
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none"><li>1. 2016/17 Annual Report</li><li>2. Auditors Report or the Year Ended 30 June 2017</li><li>3. Management Report for the Year Ended 30 June 2017</li></ol>

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#### **PURPOSE**

The purpose of this report is to adopt the 2016/17 Annual Report and set a date for the annual meeting of electors.

#### **BACKGROUND**

Section 5.53 of the Local Government Act 1995 requires a Local Government to prepare an Annual Report for each financial year. The 2016/17 Annual Report is provided as a separate document (Attachment 1).

The Annual Report is to contain;

- a) a report from the mayor or president;
- b) a report from the CEO;
- c) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- d) the financial report for the financial year;
- e) such information as may be prescribed in relation to the payments made to employees;
- f) the auditor's report for the financial year;
- g) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993;
- h) details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints;
  - (ii) how the recorded complaints were dealt with;
  - (iii) any other details that the regulations may require;
  - iv) such other information as may be prescribed.

The Annual Report includes some general information about the Shire of Exmouth, the Strategic Objectives and Key Performance Areas of Council, Elected Member details, reports from the



President and Chief Executive Officer, and an overview of the activities and achievements of the past financial year and the audited annual financial statements.

The adoption of the Annual Report by Council allows for the holding of the Annual Electors Meeting.

## **COMMENT**

The Independent Audit Report was provided on 28 February 2018.

Council's Auditors and management report is provided (Attachments 2 & 3).

The Audit Report is also shown in the Annual Financial Report that forms part of the Annual Report.

### Financial Ratios

Financial ratios are designed to provide users of annual financial reports with a clearer interpretation of the performance and financial results of a local government and a comparison of trends over a number of years.

Ratios may be disclosed as a percentage or a factor of one.

Financial ratios are included in the notes to the annual financial report. These ratios provide users with key indicators of the financial performance of a local government and include comparisons with two prior years.

Under regulation 50 of the *Local Government (Financial Management) Regulations 1996*, the annual financial report is to include the following:

- a) Current ratio.
- b) Asset consumption ratio.
- c) Asset renewal funding ratio.
- d) Asset sustainability ratio.
- e) Debt service cover ratio.
- f) Operating surplus ratio.
- g) Own source revenue coverage ratio.

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted asset}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{Operating expense}}$

#### Shire of Exmouth financial ratios

	<i>Source: DLGC</i>			
	<b>Standard</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
Current Ratio	<b>1.00</b>	✓ 1.070	✗ 0.876	✓ 1.970
Asset Consumption Ratio	<b>0.50</b>	✓ 0.646	✓ 0.727	✓ 0.720
Asset Renewal Ratio	<b>0.75</b>	✓ 1.050	✓ 0.940	✗ 0.720
Asset Sustainability Ratio	<b>0.90</b>	✗ 0.129	✗ 0.625	✗ 0.450
Debt Service Cover Ratio	<b>2.00</b>	✓ 15.143	✓ 7.866	✓ 7.780
Operating Service Ratio	<b>0.01</b>	✗ (0.217)	✗ (0.248)	✗ (0.160)
Own Source Revenue Coverage Ratio	<b>0.40</b>	✓ 0.641	✓ 0.722	✓ 0.640

It is important to note that statutory financial ratios are not intended to be the only factor to consider in assessing Council's overall performance. Other factors include the range of services offered, the efficiency of services delivered and overall community satisfaction.

#### The Financial Health Indicator

The Financial Health Indicator (FHI) is a measurement of a local government's overall financial health as determined by the Department of Local Government and Communities. It is calculated from the seven financial ratios that local governments are required to calculate annually. An FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100.

The FHI is one factor to consider in assessing overall performance. Other non-financial factors include: the range of services offered; efficiency of services delivered; and community satisfaction. The FHI is best viewed as a trend over time. When interpreting FHI data on the radar charts, a larger rounder shape (Figure 1) is better than a smaller shape (Figure 2). Ratio results that are closer to the center indicate areas where attention may be required and improvement can be made.

The green shape represents a guideline marker for meeting each ratio standard.

The red shape represents were the standard has been exceeded.

Figure 1 (Example FHI= 98)

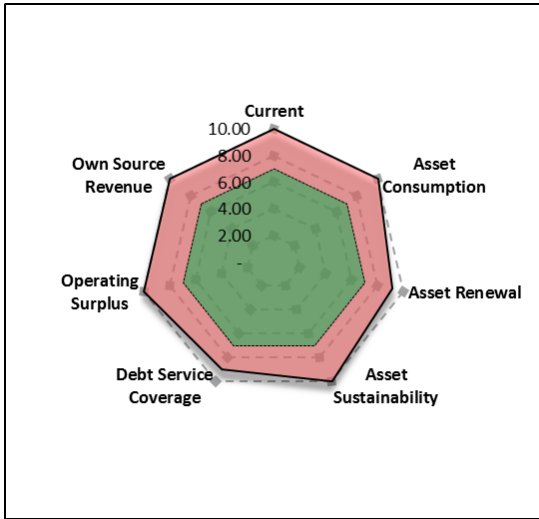
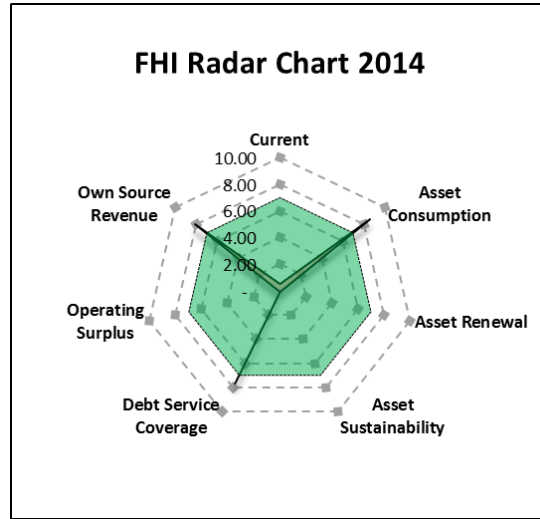


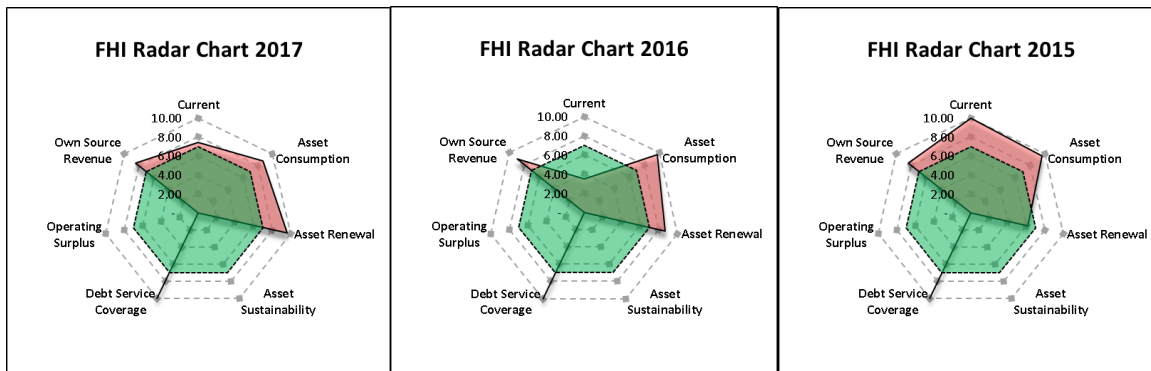
Figure 2 (Example FHI= 33)



The Shire of Exmouth’s FHI score for the past three years are per the following table

	Standard	2016/17	2015/16	2014/15
Financial Health Indicator (max = 100)	70.00	❌ 61.00	❌ 52.00	❌ 65.00

source: [mycouncil.wa.gov.au](http://mycouncil.wa.gov.au)



Carried Forward Funds

Carried forward funds as at 30 June 2017 are \$962,667.

This is in line with the carried forward surplus estimated in the 2017/18 budget of \$962,707. This surplus primarily relates to the early payment of the 1<sup>st</sup> quarter 2017/18 Financial Assistance Grants in the 2016/17 financial year.

## CONSULTATION

Local Public Notice of the availability of the Annual Financial Report, the date set for the annual General Meeting of Electors will be provided in the Pilbara Newspaper, Shire and Library noticeboards.

## STATUTORY ENVIRONMENT

Local Government Act 1995

S5.54. Acceptance of annual reports

*(1) Subject to subsection (2) the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*

*\* Absolute majority required.*

*(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

S5.55. Notice of annual reports

*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.*

S5.55A. Publication of annual reports

*The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.*

5.27. Electors' general meetings

- 1) A general meeting of the electors of a district is to be held once every financial year.*
- 2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- 3) The matters to be discussed at general electors' meetings are to be those prescribed.*

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

Nil

## STRATEGIC IMPLICATIONS

This item is relevant to the Councils approved Strategic Community Plan 2011-2021 and Corporate Business Plan 2016-2020.

Civic Leadership: 4     To work together as custodians of now and the future.  
4.2     *A local government that is respected, professional, trustworthy and accountable.*

## VOTING REQUIREMENTS

Absolute Majority

**OFFICER'S RECOMMENDATION****ITEM 12.1**

That Council:

1. Adopt the 2016/17 Annual Report (Attachment 1); and
2. Endorse the holding of the Annual Electors Meeting at the Function Centre, Ningaloo Centre, Truscott Crescent Exmouth on the 22 March 2018 commencing at 6 pm.

**13. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**14. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

**15. MATTERS TO BE CONSIDERED BEHIND CLOSED DOORS**

**16. CLOSURE OF MEETING**