
Shire of Perenjori
MINUTES
Special Council Meeting

To be held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on **13th August 2009, to commence at 5.00PM.**

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SP9081 PRELIMINARIES

SP9081.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 3.30PM

SP9081.2 OPENING PRAYER

Cr Baxter led Council in the opening prayer.

SP9081.3 DISCLAIMER READING

Nil

SP9081.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

Present Cr B T Baxter
Cr C R King
Cr J A Bensdorp
Cr I F West
Cr G K Reid
Cr J H Hirsch
Cr L C Butler
Cr J R Cunningham

CEO Stan Scott
DCEO Rose Jones

Apologies Cr R A Benton

Moved: Cr King

Seconded: Cr Reid

Carried: 8/0

SP9081.5 PUBLIC QUESTION TIME

Nil

SP9081.6 PETITIONS / DEPUTATIONS / PRESENTATIONS

SP9081.7 NOTATIONS OF INTEREST

Financial Interest – Local Government Act s 5.60A

Proximity Interest – Local Government Act s 5.60B

Interest Affecting Impartiality – Shire of Perenjori Code of Conduct.

SP9081.8 APPLICATIONS FOR LEAVE OF ABSENCE

SP9081.9 CONFIRMATION OF MINUTES

Minutes of special meeting of Council held 29th July 2009 are attached.

SP9081.10 ANOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION

Nil

SP9081.11 MATTERS FOR WHICH MEETING MAY GO BEHIND CLOSED DOORS

Nil

SP9082 PURPOSE OF SPECIAL MEETING

SP9082.1 LOCAL GOVERNMENT REFORM – CONSULTANTS’ REPORT

APPLICANT:	SHIRE OF PERENJORI
FILE:	0
DISCLOSURE OF INTEREST:	0
AUTHOR:	STAN SCOTT – CEO _____
RESPONSIBLE OFFICER	STAN SCOTT – CEO _____
REPORT DATE:	13 August 2009
ATTACHMENTS	<ol style="list-style-type: none">1. Draft Overview Report titled “A new future for the Mid-West Group of Councils: An Analysis of Structural Reform Options for Mingenew Morawa, Perenjori and Three Springs”2. Meeting Notes from Joint Meeting of the Council Reform Project Teams

Executive Summary:

The Consultants report considers a range of options for Local Government Reform and has recommended that the best option is “Sustainable Amalgamation”

Applicants Submission:

The Consultants made an extensive analysis of reform options and in particular considered 4 options:

- No change – this is the base line case against which reform options were considered;
- Forced amalgamation – this is amalgamation without conditions and assumes that the new Council would take an economic rationalist approach to service delivery. This option would deliver the greatest financial saving but the poorest social sustainability outcome.
- Area Integration Model – this is in effect the parish pump model where each Council remains but with extensive shared services. This delivered the least financial advantage and the highest social sustainability. The model did not deliver sufficient savings to justify the change.

- Sustainable Amalgamation – this model is amalgamation with conditions to protect the identity population and services of each of the towns. It delivers significant financial savings while maintaining social sustainability outcomes.

The consultants have recommended that Councils adopt the sustainable amalgamation option.

Background:

At its June Ordinary Meeting Council endorsed the appointment of Stephen Goode and Brian Dollery to prepare a reform submission on behalf of the Shires of Mingenew, Morawa, Perenjori and Three Springs.

In the last week there have been several significant announcements by the State Government in relation to structural reform:

The Premier has in a number of forums made statement to the effect that:

- Local Governments with populations of less than 1,000 people must look at amalgamation;
- State Government will meet transition costs
- Local Governments that do not participate will wither on the vine.

The Minister for Regional Development Hon Brendon Grylls advised at Local Government Week and this has been reinforced in private conversations that support under the Country Local Government Fund will be directed to those Councils that participate in reform. Those Councils that refuse to participate clearly don't need the money.

The Minister for Local Government Hon John Castrilli agreed to a WALGA request to extend the submission closing date to 30 September 2009.

Statutory Environment:

Local Government Act 1995 S3.1 – the general Function of Local Government is to provide for the good government of people in its district.

Policy Implications:

Nil

Financial Implications:

The regional component of the Country Local Government fund over the next 3 years for the 4 Councils approximates \$3,25 Million.

Strategic Implications:

It is widely accepted that Local Government Reform is inevitable, and while it may be voluntary in this term of government it is very likely to be compulsory during the next term of government regardless of the flavour of the new government.

The Federal Government has given strong indications that it will direct funding to larger regional local governments.

Consultation:

The report authors consulted extensively with CEOs and Council staff as they gathered information to inform the report. They also hosted community meetings in each of the Shires.

The draft report was discussed with elected members who attended a dinner with Mr Goode at Local Government Week. The report was further discussed at a joint meeting of the reform project teams for the affected Shires. Notes from that Meeting are attached.

Comment:

At the community meetings hosted by Council the community agreed that we should investigate the reform options. While these was no vote taken there was a clear predisposition for staying as we are.

The consultants report makes a strong argument for reform. Announcements by the State Government make it clear that we will be doing our community a financial disservice if we do not participate in the reform process.

It appears likely that those Councils that participate in reform during this round are likely to attract the most support from the State. Our proposal of combining 4 Councils into one and reducing the number of elected members from 30 to 8 is likely to be very attractive to the government and the Minister.

Council indicated that it would consult the community further when the report was completed. The extension of the deadline by the Minister allows us the opportunity for further community meetings.

The following recommendation will be listed for the August Ordinary Meeting. The Special Meeting gives Council the chance to discuss the implications and consider the issues well ahead of the ordinary meeting. The proposed resolution will be:

1. That Council notes the State Government announcements that the closing date for submissions has been extended to 30 September 2009, that transition costs will be funded by the State and that access to State Government Grants will be dependent on structural reform
2. The consultants report be received
3. That Council notes the recommended model is "Sustainable Amalgamation"
4. That Council will seek input from the community on the reform report with a view to adopting the recommended model at the September Ordinary Meeting of Council.

It is proposed that each Council adopt a similar resolution so there may be some to the meeting.

Voting Requirements:

Simple Majority

Officers Recommendation:

That Council notes the recommendations of the draft report and the proposed resolutions for the August Ordinary Meeting.

Council Resolution:

Moved: Cr King

Seconded: Cr Butler

That Council notes the recommendations of the draft report and the proposed resolutions for the August Ordinary Meeting.

Carried: 8/0

Local Government Reform - PROJECT TEAM MEETING

Meeting at Shire of Perenjori, 12 August 2009, Commenced at 1.30 pm

Present: Elected Members

Cr Jim Cook, President, Shire of Morawa
Cr Karen Chappel, Councillor, Shire of Morawa
Cr Brian Baxter, President, Shire Of Perenjori
Cr Chris King, Councillor, Shire of Perenjori
Cr. Michael Pearse Councillor, Shire of Mingenew
Cr. Annie Treloar President, Shire of Three Springs
Cr. David Ashcroft Councillor, Shire of Three Springs

Staff

Mr. Stan Scott CEO, Shire of Perenjori
Mr. Gavin Treasure CEO. Shire of Morawa
Mr. Ian Fitzgerald CEO, Shire of Mingenew/ Three Springs

Summary of discussions

No formal resolutions or voting was undertaken and all agreements were by consensus.

The meeting broadly accepted that Local Government Reform was inevitable, that the model suggested by the consultants looks viable and that each Council consult with its community with a view to implementing the "Sustainable Amalgamation" model.

Deal Breakers

Each community has facilities or services that it considers not negotiable and would need to be retained or protected under the new arrangements. There were identified as:

- Three Springs commitment to maintaining medical and dental services.
- All Shires are committed to maintaining the value of their commitment to recreation facilities.
- Community trusts set up for communities impacted by projects would continue to be applied to the impacted communities. New community trusts for additional projects will also be directed to the impacted community.
- The State Government must honour its commitment to meeting the full transitional costs
- Community must be kept informed and involved. Project team to identify any additional deal; breakers from community consultations.
- Project team committed to looking after existing employees.
- Existing local number plates to be maintained.

Issues To Be Resolved / Considered

- Location of CEO

- Access to CEO and other senior officers for community
- Name of new Local Government – suggestions?
- Working on environmental issues with Yalgoo
- Coorow and Carnamah still to decide
- May be some interest from the south and east of Mullewa.

Agreements / Decisions

The following decisions are predicated on reform proceeding:

- That there will be no retrenchments and all employees (except CEOs) will be guaranteed employment for two years following structural reform.
- That existing CEO's will be able to apply for the CEO's position with the new Council.
- That the group prepare a reform website.
- That the group will consider approaches from other neighbouring Councils to join the group.
- That the reform overview report be circulated to the community with a preamble explaining reform drivers.
- That Councils within this group will opt for the regional portion of the Royalties for Regions Country Local Government Fund to be allocated to this group of Councils for distribution.

Proposed Council Resolution

That Member Council will consider a common resolution at their August Meeting to the effect that:

1. That Council notes the State Government announcements that the closing date for submissions has been extended to 30 September 2009, that transition costs will be funded by the State and that access to State Government Grants will be dependent on structural reform
2. The consultants report be received
3. That Council notes the recommended model is "Sustainable Amalgamation"
4. That Council will seek input from the community on the reform report with a view to adopting the recommended model at the September Ordinary Meeting of Council.

Next Meeting

The Group will meet again following the Mid West Regional Council Meeting in Three Springs on 2 September 2009.

Disclaimer

The notes above are my recollection of the outcomes of the meeting expanded from the points listed on the white board. A photograph of the whiteboard notes is attached. Please let me know if I have got it wrong. Stan.

SP9082.2 KARARA IRON ORE PROJECT – COMMUNITY PLANNING

APPLICANT:	SHIRE OF PERENJORI
FILE:	0
DISCLOSURE OF INTEREST:	0
AUTHOR:	STAN SCOTT – CEO _____
RESPONSIBLE OFFICER	STAN SCOTT – CEO _____
REPORT DATE:	13 AUGUST 2009
ATTACHMENTS	NIL

Executive Summary:

Karara Mining Limited will be making a presentation to Council on 20th August 2009. The purpose of the meeting will be to determine Council's aspirations for benefits to be achieved from the Karara Iron Ore Project.

Applicants Submission:

The Karara Iron Ore Project is located 70 km North East of the Perenjori townsite and is located within the Shire of Perenjori. Karara Iron Ore Limited is a 50/50 joint venture between Anshan Iron and Steel (Ansteel) and Gindalbie Metals. The following information is on the Gindalbie Metals Website:

Karara will deliver some 10Mtpa of iron products from 2010, comprising 8Mtpa of high grade magnetite concentrate and blast furnace quality pellets and 2Mtpa of Direct Shipping Ore (DSO) hematite.

The Project is underpinned by a world-class JORC-Code compliant resource base comprising a 522 million tonne magnetite reserve, a 1.853 billion tonne magnetite resource, a 10.9Mt hematite reserve and a 16.2Mt hematite resource. The project consists of two elements:

Gindalbie will be conducting community consultations with communities and Local Governments to define community aspirations on what we would like to be achieved in the short, medium and long term from the mining project. This discussion primarily relates to community benefits – extra things the company does or funds for the benefit of the community – not essential infrastructure that would need to be done anyway.

Infrastructure

Recent discussions with Karara Mining on infrastructure needs include the following:

Road

Our Clive Ascott will contact Ken Markham with the view of getting together on site as soon as practicable to scope up some early upgrade work involving cattle grid work and vegetation clearing.

We are seeking internal budget approval towards achieving at least a single coat seal from Perenjori to site at 8m width. If and when internal approval is obtained we will discuss with you funding and when and how this work will be done.

Airstrip

Our preference is to develop our own strip as the long term solution.

We now see Perenjori as our preferred early start/short term option logistically with cost arrangements to be resolved. I'll provide you with the cost issues and comparisons as soon as I have enough detail to be meaningful. Cost comparisons are still being checked.

Gindalbie has also committed to lease 4 houses for 15 years from the Shire.

The final decision on investment in the aerodrome will depend on cost. I am proposing that Council identify a financial contribution to the airport upgrade to allow it to proceed. This would also include a contribution of \$100,000 from Mount Gibson Mining (offset against future contributions under the community benefits agreement.)

Community Contributions

Gindalbie will be meeting with Council and the community separately. They will also be meeting with other affected Councils and communities. In addition Gindlabie has extended an invitation for elected members to attend dinner at Bunyanna Homestead at Wubin-Mullewa Road, Morawa on the evening of the Council meeting. (if there is sufficient interest it may be worthwhile booking the bus).

Council will need to identify services and facilities to which Karara Mining may wish to contribute.

Detailed below are a few thoughts from the CEO

Council completed an investigation of upgrade needs for sporting facilities a few months ago. The needs identified in that report could be a useful starting point.

That Report included:

Pavilion Renovation and Upgrade	\$250,000
Old Pool Site – Netball, basketball, beach volley ball	\$400,000
New Sport Club OR	\$1,500,000
Refurbish Existing Sports Club	\$460,000

Other potential infrastructure projects include:

- Contribution to swimming pool
- Perenjori Environment Centre
- Refurbishment of Perenjori Hall
- Main Street Revitalisation
- Latham multipurpose facility (Sports Club, Fire Brigade, Ambulance)
- Perenjori Emergency Services (combined Fire Brigade, Ambulance))
- Storm water harvesting – Perenjori water plan
- Housing – one new house per year for 40 years

Other possible non-infrastructure projects include:

- Fit out of new gymnasium
- Community bus replacement
- Playgrounds
- Bilingual directional signs

Karara may have criteria for selecting projects based on the visibility and promotional value. Based on the Mount Gibson community benefit agreement Karara could be expected to distribute a little over \$1 Million per year in community contributions.

Background:

Karara Mining Limited will be making a presentation to Council on 20th August 2009. The purpose of the meeting will be to determine Council's aspirations for benefits to be achieved from the Karara Iron Ore Project. The construction value of the project is listed as \$1.8 Billion.

Statutory Environment:

Local Government Act 1995 S3.1 – the general Function of Local Government is to provide for the good government of people in its district.

Policy Implications:

Nil

Financial Implications:

Our input will influence future community contributions from Karara mining.

Strategic Implications:

Council may wish to rank possible projects based on strategic value.

Consultation:

Karara will be consulting directly with the community.

Comment:

Council may wish to prioritise projects in terms of importance and priority.

Voting Requirements:

Absolute / simple majority

Officers Recommendation:

That Council Confirm the strategic importance of the Perenjori aerodrome and endorse increasing the budget allocation to ensure that the upgrade proceeds. (Absolute Majority)

That Council identify and prioritise potential community projects (Simple Majority)

That Elected Members indicate availability to attend dinner with Garret Dixon and Greg Kaeding from Karara Mining Ltd on Thursday evening 20th August 2009.

Council Resolution:

Moved: Cr West

Seconded: Cr Bendsorp

That Council confirm the strategic importance of the Perenjori aerodrome and endorse increasing the budget allocation to ensure that the upgrade proceeds.

Carried: 8/0

That Council identify and prioritise potential community projects at next council meeting

Moved: Cr King

Seconded: Cr Cunningham

That Elected Members indicate availability to attend dinner with Garret Dixon and Greg Kaeding from Karara Mining Ltd on Thursday evening 20th August 2009.

Carried: 8/0

Moved: Cr Hirsch

Seconded: Cr West

That Cr King declared a proximity interest in the basis of potential work from the mining industry

Carried: 7/0

Moved: Cr Reid

Seconded: Cr Hirsch

That Cr Cunningham declared a proximity interest, and was permitted to remain in the discussion and vote

Carried: 7/0

SP9083 OTHER BUSINESS

SP9083.1 INFORMATION BULLETIN – TABLED IN THE COUNCIL CHAMBERS

SP9083.2 MOTIONS OF WHICH DUE NOTICE HAVE BEEN GIVEN

SP9083.3 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

SP9083.4 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

SP9083.5 MATTERS BEHIND CLOSED DOORS

Nil

SP9083.6 DATE OF NEXT MEETING / MEETINGS

SP9083.7 CLOSURE

There being no further business the meeting was closed at 6.40pm.

I certify that this copy of the Minutes is a true and correct record of the meeting held 13th August 2009.

Signed: _____

Presiding Elected Member

Date: _____