

SHIRE OF BROOME

**ANNUAL ELECTORS MEETING
28 January 2010**

INDEX - MINUTES

- 1. OFFICIAL OPENING/WELCOME BY SHIRE PRESIDENT 3
- 2. ATTENDANCE AND APOLOGIES 3
- 3. SHIRE PRESIDENT REPORT 4
- 4. CHIEF EXECUTIVE OFFICER REPORT..... 4
- 5. ANNUAL REPORT..... 4
- 6. GENERAL BUSINESS..... 4
 - 6.1 Questions Submitted Prior to 21 January 2010 4
 - 6.2 Questions/Motions From the Floor as Accepted by the Shire President..... 11
- 7. MEETING CLOSURE..... 13

NOTICE OF MEETING

Dear Council Member

The next Annual Electors Meeting of the Shire of Broome will be held on Thursday 28 January 2010, in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 6.00pm.

Regards



KR Donohoe
Chief Executive Officer

15 January 2010

SHIRE OF BROOME

MINUTES ANNUAL ELECTORS MEETING

**Held in the Council Chambers
Thursday 28 January 2010
Commencing 6.02pm**

1. OFFICIAL OPENING/WELCOME BY SHIRE PRESIDENT

The Shire President welcomed Members and Electors to the 2010 Annual Electors Meeting and declared the meeting open at 6.02pm.

2. ATTENDANCE AND APOLOGIES

Attendance:	Cr G T Campbell	Chairperson, Shire President
	Cr C R Mitchell	Deputy Shire President
	Cr R J Lander	
	Cr E Yu	(from 6.02pm)
	Cr E R M Foy	(from 6.07pm)

Leave of Absence: Nil

Apologies:	Cr J Bloom	
	Cr R de Wit	
	Denisa Konecny	Director Community Services
	Neville Lavey	Director Engineering Services

Absent:	Cr D M Male	
	Cr P D Matsumoto	

Officers:	Kenn Donohoe	Chief Executive Officer
	Darryl Butcher	Director Development Services
	Ingrid Bishop	Director Corporate Services
	Les Mainwaring	Manager Finance Services
	Jo Durbridge	Media & Promotions Officer
	Michelle Green	Manager Administration Services
	Jillian McMahon	Council Secretary

Electors:	Chris Hingston	Broome Advertiser
	Fiona Bishop	
	Chris Maher	
	Colin Knuckey	
	Peter Taylor	
	Steve Kesich	Maya Designs Broome
	Grant Perry	
	Kathleen Cox	
	Carmel Leahy	
	Lou Sauzier	Broome International Airport

President:.....Date:.....

Answer 1: Chairperson: Stage 1 of the process (Structural Engineering Assessment) has been completed. A Workshop with Council and Project Architect was held on 21 January to finalise parameters for Stage 2: Final Concept Design. Once this is finalised in the next few months and approved by Council, Stage 3 will involve Design Development and Contract Documentation. Finally, the Tender phase for construction will be undertaken. The timeframe to construction is this calendar year.

Question 2: (RE Rangers) “Would Council consider in its next budget to increase the number of rangers so that there can be a roster past 6pm, when many issues occur after this time, particularly on the beaches?”

Answer 2: Chairperson: The increase of operating resources for ranger services will be considered by Council as part of the annual budget process.

Question 3: (re Christmas lights In Chinatown) “Council has not erected any Christmas lights in Chinatown for a number of years. Why is this continually overlooked?”

Answer 3: Chairperson: This year the budget allowed for the Boab tree decoration only. Specifically, given the Chinatown refurbishment project, the budget was reduced pending the outcomes of that project. Christmas decorations for Chinatown will again be considered as part of the 2010/11 budget cycle.

Question 4: (re Proposed events management framework policy) “Can Council provide an assurance that any proposed policy will be made available for public comment BEFORE it is adopted by Council?”

Answer 4: Director Community Services: The endorsement process for any new Policy is that Council initially approves the Policy for Public Comment. In line with this, the Draft policy will appear before Council for approval at the OCM prior to going out to the public for comment for a period of two months. Following the two month public consultation stage, the amended policy will be presented to Council for formal adoption.

* * *

Colin Knuckey submitted the following question:

Question 1: “Based on information provided to me, why is it the that the Broome Financial Statements of 2010 FAIL to disclose that the Revaluation of infrastructure and roads, amounting to \$29m, is for the tarmac and other expenses on top of land not owned by the shire - being in contravention of Significant Accounting Policy 1(g) and not disclosed as such AND is an attempt to unfairly show a non-owned asset, someone else’s fixture, as being of value to the Shire. ”

Answer 1 – Manager Finance Services: The Shire has control of the asset (the land under the road) which is vested in Council. In accordance with AASB116 (previously under AAS 27) the improvement to an infrastructure asset which is under the control of the Shire is recognised as Infrastructure and capitalised accordingly.

The value of roads is disclosed in Note 8 pp28 of the Financial Report for the year ended 30 June 2009. Furthermore significant accounting policy 1(g), Fixed Assets

pp9, recognises that land under roads is crown land, and that the value of land under roads is not to be included as a road asset of local government. For this reason, by severance, road assets only include road formation, pavement, seal and kerbing but do not include land under roads as assets of the local government.

* * *

The following questions by Colin Knuckey were presented and answered in writing by the Manager Finance Services prior to the AEM. As issues arising from these question and answers were briefly introduced when Mr Knuckey spoke against the receival of the Annual Report, they have been included as further information herewith:

Question 1: (Re Broome 30/6/2010 Financial Report) The Financials as they stand are not true and fair.

They fail, based on information provided to me, to disclose the true basis for arriving at the very material Revaluation Reserve - in fact they conceal the true basis for revaluing assets that should be valued at zero. The report is a financial report not a:
Engineering Report;
Roman System Report;
Management Report.

The assets concerned, the Tarmac, are fixtures to land under roads and are not owned by the Shire and to place a value on the Tarmac is in conflict with law and Note 1(g). I would like to see the Revaluation reversed - before the AEM tomorrow.

Answer 1 - Manager Financial Services Note 8 gives a break up of the various Infrastructure categories, including roads. It is also disclosed that Broome will now revalue the roads annually to ensure road assets are fairly stated, in accordance with accounting standard AASB 16.

The summary page of the Roman system indicates the substantial effects of significant "take up" data activities in 2008 which created a material difference between historical data and Roman Road data. This was the catalyst to bring the fair value of roads to account in 2009.

AASB 16 governs the reporting of infrastructure assets, this is why we are required to bring road values to account in the balance sheet.

Question 2: (Re Broome 30/6/2010 Financial Report) Further to past communication if you wish to carry forward past expenses in the form of a revalued asset in truth and fairness one should also recognise income received (grants and revenue) for those expenses, in which case the revalued asset would probably be nil.

Answer 2 - Manager Financial Services: Australian Accounting Standards require revenues to be brought to account in the year that they are received.

Question 3: (Re Broome 30/6/2010 Financial Report) Further is this accounting treatment the result of State or Commonwealth Government directives? There could be an adverse impact on Consolidated Financials, especially if done by many local governments.

Answer 3 - Manager Financial Services: Note 1(g) Land Under Roads best explains the treatment. AASB's are Australian Accounting Standards and Local Government Regulations are Western Australian state government statute.

Question 4: (Re Broome 30/6/2010 Financial Report) As talked about earlier could I please have a breakdown of the infrastructure and land revaluation amounts, not the value placed on land under roads, I am merely asking for a descriptive breakdown of the Revaluation increment of \$29,421,546 per Note 13(b) of the 30/6/2010 Financial Report.

Answer 4 - Manager Financial Services: There is no value placed on land under roads, however Pavement/Seal/Kerbing was increased \$32,085,769 less accumulated depreciation \$13,359,479 = \$18,726,290 and formation was increased \$10,695,256 (there is no depreciation on formation). Total \$29,421,546.

Question 5: (Re Broome 30/6/2010 Financial Report) Why are the accounts improper in that:

- (a) Note 1(g) fails to mention Regulation 16(b) of the Local Government (Financial Management) Regulations 1996 which compels local government to include any structure or improvement placed on Crown Land [by law local government are currently forced to recognise non-realisable assets] ;
- (b) Note 1(g) fails to mention which Local Government (Financial Management) Regulations (ie 1996) it draws from;
- (c) This appears to be the first year Broome Shire has adopted to recognise Crown land related assets per Regulation 16(b) and the amounts are significant , effectively it is a change in accounting policy and the Notes to the report should indicate such and show previous year comparatives by way of a note to the report showing amounts for 2008 had the policy been adopted then:

Example Only: Change in Accounting Policy/Practice

During the year ending 30/6/09 Council elected to recognise assets on Crown land per Regulation 16(b) of the Local Government (Financial Management) Regulations 1996 and comparatives have been included only to indicate asset values had Regulation 16(b) been adopted in 2008 or earlier years. This has impacted the Report as follows

2009 2008

Asset class 1

Asset class 2 etc

Less Provision for Depreciation

Net impact on Assets and Reserves.

- (d) *Infrastructure in the Balance Sheet should be titled Infrastructure and Roads;*
- (e) *'Infrastructure [and roads]' and 'Reserves - Asset Revaluation' in the Balance Sheet should be cross referenced to Notes 1(g), 13 and the note referred to in (c) aforementioned;*
- (f) *The audit opinion, should in my opinion, make reference to the departure from normal accounting principles in that the Shire of Broome is compelled to recognise non-realisable assets per Regulation 16(b); and*
- (g) *The report, as presented to me, does not have attached a Statement by Council duly adopted and signed per clause 19(3) of Local Government (Financial Management) Regulations 1999?*

Is it also possible find out why it has taken fourteen years for Regulation 16(b) to be adhered to?

Answer 5 - Manager Financial Services:

- (a) By contrast Note 1(g) mentions that regulation 16(a)(i) prohibits local governments from recognising land under roads as an asset, also that under AASB 1051 Council can elect not to recognise any value for land under roads.*
- (b) Western Australian local government is governed by Western Australian state government regulation.*
- (c) There has been no change of policy, "road" assets have been capitalised on the balance sheet for the Shire of Broome for many years, there has only been a revaluation of an existing class of assets (roads).*
- (d) Note 8 breaks infrastructure down into five categories (i) Roads, (ii) Carparks, Footpaths & Bridges, (iii) Recreation Areas, (iv) Drainage, and (v) Other Infrastructure.*
- (e) Infrastructure in the balance sheet is cross referenced to Note 8, Reserves – Asset Revaluation is cross referenced to Note 13 and Note 1(g) is part of significant accounting policy covering all operating and balance sheet disclosure.*
- (f) The audit report states Council's responsibility for preparing reports in accordance with Australian Accounting Standards, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.*
- (g) Clause 19(3) of Local Government (Financial Management) Regulations 1999 is South Australian state legislation that has no jurisdiction over Western Australian local government.*

It is an error in fact to state that Shire of Broome accounts have not adhered to prevailing regulation on an annual audited basis.

Question 6: *(Re Broome 30/6/2010 Financial Report) Road assets may have been capitalised but they are significant, unique assets and this, from information provided to me, is the first year they have been revalued.*

Can you please advise why Note 8 to the report does not reflect the descriptive breakdown of the revaluation as you forwarded to me last week; it's a material difference.

Can you please advise why Land and Buildings in Note 7 are described at cost when they include a revaluation component of \$4.8M - per note 13(a) and for the Auditors how can they say in their opinion the Report complies with Accounting Standards when Note 1(g) states the [accounting] treatment is inconsistent with the requirements of AASB 1051.....the opinion or Note 1(g) has to be incorrect....it is a material amount?

Answer 6 - Manager Financial Services: *By necessity the final accounts require a sufficient level of summarisation to maintain readability. Infrastructure is already broken down into 5 sub categories and in the case of the Roads sub category it is arguable whether a further breakdown into four sub components of formation, pavement, seal and kerbing, but not the land under roads, would provide more relevant information.*

An election was made by Council from 1 July 2001 that Land & Buildings would be bought to account using the cost basis, and the carried value at 30 July 2001 of existing buildings is deemed to be the cost value.

Building revaluations had previously occurred in 1999 after valuations received from licensed Valuers, Kimberley Property Valuers.

The changes are still in compliance with relevant accounting standards of the day.

Question 7: (Re Broome 30/6/2010 Financial Report) Per Land and Buildings at cost, deemed cost and at Revaluation amount!....and this is clearly reflected in the Report where?

Answer 7 - Manager Financial Services: Full disclosures were made in the 2001/2002 annual report about the change in policy.

Moving forward to 2008/2009 Land & Buildings are deemed to be valued at cost and disclosed accordingly in Note 7.

* * *

Kevin Smith submitted the following questions:

Question 1: “In December 2009 leaders and representatives from over 190 countries met in Copenhagen and agreed that, according to the latest scientific evidence, climate change is happening, it is 90% certain that it has origins, and that urgent action is required to slow it down and mitigate its effects. There have been a number of recent reports of councils in the eastern states amending their planning regulations based on climate change advice provided by the Federal government (eg <http://www.abc.net.au/news/stories/2009/11/17/2745102.htm>). On 7 November 2009 ABC News reported that sea levels along the WA coast are rising at more than double the global average (see <http://www.abc.net.au/news/stories/2009/11/2736149.htm>). The Shire of Broome website states that it is the role of Councillors to “provide and guidance... and provide forward planning”. Given these facts, has Council changed its position, as expressed by the Director of Development Services at the OCM 16 December 2009, that “When the State or Federal government provides a clear directive to local government appropriate restrictions can be put in place” with regard to developments in areas that would be affected by sea level rises and, if not, will it?”

Amended Ordinary Council Meeting 18 February 2010

Answer 1 – Chairperson: The President of the ~~Western~~ Australian Local Government Association (WALGA), who was a participant in the Copenhagen summit, said in a recent newsletter that it is an issue that will continue to arise, is important for local governments in Australia, and will be worked on cooperatively with WALGA and governments to look at initiatives to address these issues. Until there is a clear framework put in place at the Federal and or State level within which local authority responses to projected sea level rise can be formulated, it is considered it would be premature for local government to take action on this matter and the Broome Council has no official position on it.

Moved: Cr C R Mitchell *Seconded:*

That the meeting be suspended at 6.38pm until protocols can be reinstated.

CARRIED UNANIMOUSLY

Moved: Cr R J Lander *Seconded: Cr C R Mitchell*

That the meeting be reconvened at 6.39pm.

CARRIED UNANIMOUSLY

(Louise Middleton departed the Chambers at 6.39pm)

Question 2: *“At the Shire OCM on 16 December 2009 the Director of Development Services stated “In my opinion there is insufficient evidence in the [sea level rises] report released by the Federal government and supporting documentation to make definitive land use determinations for Broome.” Given this opinion, why is Council continuing to make definitive land use determinations for Broome, such as the Western Triangle Development Plan and rezoning the Environmental and Cultural Corridor lots in Kavite Road? What is Council’s procedure for deciding what is an “acceptable” definitive land use determination and what is a “non-acceptable” definitive land use determination?”*

Answer 2: Director Development Services: *The Australian Government report referred to in the question is a “first pass national assessment” and it states the “available national data is insufficient to answer all questions underpinning decision-making at local and regional scales”.*

The answer provided at the 16 December 2009 meeting referred to “definitive land use determinations for Broome” in terms of determinations adaptive to projected sea level rises. The instances raised in this question, the Western Triangle Development Plan and rezoning the Environmental and Cultural Corridor lots in Kavite Road, are not adaptive determinations. There is not an appropriate framework in place for a local authority to make such adaptive determinations. Council is still required however to make land use decisions.

* * *

Pat Lowe submitted the following questions:

Question 1: *“What efforts is the Shire making to reduce its carbon emissions, eg in its broad policies and in the day-to-day running of Shire business? Has the Shire undertaken a carbon audit to facilitate plans to reduce emissions? If not, when will the Shire do so?”*

Answer 1 - Chairperson: *The Shire is currently reviewing its Environment Strategy and Policies and it is anticipated will be addressed in the review. The Shire’s Waste Management Working Group is looking at issues of carbon reduction in relation to a new facility for Broome and it is a high priority for Council.*

* * *

Fiona Bishop submitted the following questions:

Question 1: *“There is a significant Lyngbya bloom occurring in Roebuck Bay. Lyngbya, though often called an alga, is technically a bacteria, and we have seen an increasing number of severe Lyngbya outbreaks in recent years.*

The toxins in Lyngbya can become air borne and able to be inhaled when the Lyngbya dries, causing asthma and respiratory problems. The toxins in the Lyngbya bacteria are also water soluble, and can cause eye and skin irritations such as severe dermatitis, nausea and vomiting in those that come into contact with it. In affected areas of Queensland signage warns of the public health risk, and some Councils in Queensland spend more than \$300,000 a year cleaning up Lyngbya blooms.

Aside from the public health risk, Lyngbya also has an economic impact, as it reduces the density of seagrass beds by smothered them and restricting access to light, as well as adversely impacting on smaller marine animals and having a negative impact on the food chain. Commercial fishers in Queensland have reported reduced fish catches following Lyngbya blooms.

Is Council aware of the Draft Lyngbya Contingency Management Plan?”

Answer 1: *Director Development Services:* *Shire staff are aware a Lyngbya Contingency Management Plan is being prepared but this matter has not been formally considered by Council.*

Question 2: *“What does Council see their role as being, in terms of Lyngbya response?”*

Answer 2: *Director Development Services:* *If a Lyngbya outbreak occurred within or near to the Shire of Broome, the Department of Environment and Conservation and the Department of Health would be informed immediately. The Shire does not have any land tenure over Roebuck Bay so any response would be in terms of public health effects only. If a Lyngbya outbreak occurred presenting a confirmed potential public health risk to the community, the Shire would co-ordinate it's response under guidance of the lead agencies being the Department of Environment and Conservation and the Department of Health to minimise the risk to public health of the community.*

* * *

6.2 Questions/Motions From the Floor as Accepted by the Shire President

Attachment: 5 pages (Summary of Issues – Previous AEM, February 2009)

(Link to 2008/09 Minutes AEM 3 February 2009)

<http://www.broome.wa.gov.au/council/pdf/minutes/2009/20090203aemm.pdf>

Motion - Martin Pritchard: *Environs Kimberley are very concerned about environmental weeds where they are overtaking native ecosystems, and increasing fires due to the flammable nature of many of these weeds.*

Moved: Martin Pritchard

Seconded: Chris Maher

That the Shire adopts a pest plant eradication local law under subsection 2(a) of Act 193 to oversee the eradication of the plants listed in the Shire of Broome Environmental Weeds Report 2004 and that the Shire invites relevant staff, local environmental groups and state representative bodies such as Department of Environment and Conservation, and Department of Agriculture and Food WA to form a working group to oversee the eradication of these weeds."

CARRIED UNANIMOUSLY

Moved: Martin Pritchard

Seconded: Pat Lowe

That the Shire undertakes a carbon audit to facilitate plans to reduce emissions.

CARRIED UNANIMOUSLY

Moved: Martin Pritchard

Seconded: Connie Grohmann

That the Shire requests the State Government have open public meetings in Broome to provide information on the social impacts of the proposed industrial port and gas processing site at James Price Point and to provide an opportunity for whole of community feedback.

CARRIED UNANIMOUSLY

* * *

Moved: Chris Maher

Seconded: Sharon Griffiths

That Council amend Local Law Standing Orders or introduce a policy that all Councillor votes be recorded at all Council meetings.

CARRIED UNANIMOUSLY

Moved: Chris Maher

Seconded: Martin Pritchard

That Council affect a strategy to reduce and control those recurring vehicle intrusions into areas of Cable Beach where the Off Road Vehicles Act applies.

CARRIED UNANIMOUSLY

* * *

Sharon Griffiths asked the following questions:

Question 1: "How many hectares of Environmental and Cultural Corridor do we presently have in the townsite of Broome, and the whole of the Shire?"

Question 2: How many hectares of protected native vegetation in the townsite of Broome, and the whole of the Shire?"

Answer 1 & 2 - Chairperson: "These questions will be taken on notice."

7. MEETING CLOSURE

There being no further questions the Chairperson declared the meeting closed 7.06pm.