



**MINUTES  
ORDINARY MEETING  
OF COUNCIL**

**25 JUNE 2019**

**SHIRE OF CUE**  
**Ordinary Council Meeting**  
**MINUTES**

Held in the Council Chambers, 73 Austin Street Cue on  
Tuesday 25 June 2019 commencing at 6:30pm

1.	<b>DECLARATION OF OPENING .....</b>	<b>3</b>
2.	<b>APOLOGIES AND APPROVED LEAVE OF ABSENCE .....</b>	<b>4</b>
3.	<b>DISCLOSURE OF MEMBERS' INTERESTS.....</b>	<b>4</b>
4.	<b>PUBLIC QUESTION TIME.....</b>	<b>4</b>
5.	<b>CONFIRMATION OF MINUTES.....</b>	<b>5</b>
6.	<b>APPLICATIONS FOR LEAVE OF ABSENCE .....</b>	<b>5</b>
7.	<b>DEPUTATIONS.....</b>	<b>6</b>
8.	<b>PETITIONS .....</b>	<b>6</b>
9.	<b>ANNOUNCEMENTS WITHOUT DISCUSSION .....</b>	<b>6</b>
11.	<b>REPORTS.....</b>	<b>7</b>
10.1	<b>ACCOUNTS &amp; STATEMENTS OF ACCOUNTS .....</b>	<b>7</b>
10.2	<b>FINANCIAL STATEMENT .....</b>	<b>9</b>
10.3	<b>RATES – BUDGET RATE SETTING STATEMENT .....</b>	<b>11</b>
10.4	<b>RATES – DIFFERENTIAL RATES .....</b>	<b>13</b>
10.5	<b>LOCAL GOVERNMENT MASTER LENDING AGREEMENT .....</b>	<b>17</b>
10.6	<b>TENDER – CUE HOUSING PROJECT.....</b>	<b>20</b>
11.	<b>MOTIONS BY MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....</b>	<b>27</b>
12	<b>MOTIONS FOR CONSIDERATION AT THE NEXT MEETING .....</b>	<b>27</b>
13.	<b>NEW BUSINESS OF AN URGENT NATURE.....</b>	<b>27</b>
14	<b>MATTERS FOR WHICH THE MEETING MAY BE CLOSED .....</b>	<b>27</b>
15	<b>CLOSURE.....</b>	<b>27</b>

## **1. DECLARATION OF OPENING**

The Presiding Member welcomed those present and read the following disclaimer:

*No responsibility whatsoever is implied or accepted by the Shire of Cue for any act, omission or statement or intimation occurring during this Meeting.*

*It is strongly advised that persons do not act on what is heard at this Meeting and should only rely on written confirmation of council's decision, which will be provided within fourteen (14) days of this Meeting.*

### **PRESENT:**

Councillor Les Price, Deputy Shire President (Presiding)

Councillor Ian Dennis

Councillor Fred Spindler

Councillor Liz Houghton

### **STAFF:**

Mr Richard Towell, Acting Chief Executive Officer

Mrs Janelle Duncan, Coordinator Community Development

### **VISITORS:**

Mr Travis Bate – RSM Australia Pty Ltd

Mr Glenn Boyes – RSM Australia Pty Ltd

### **GALLERY:**

Mr Ernie Campbell

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**2. APOLOGIES AND APPROVED LEAVE OF ABSENCE**

Councillor Ross Pigdon, Shire President

Councillor Ron Hogben

Councillor Leonie Fitzpatrick

Mr Rob Madson, Chief Executive Officer

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**3. DISCLOSURE OF MEMBERS' INTERESTS**

Nil

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**4. PUBLIC QUESTION TIME**

Ernie Campbell presented the Presiding Member with a list of questions in writing on behalf of Mr Peter Tegg, 45 Dowley Street Cue.

Q1. Tam Ambrose paintings – I should have had an answer within 10-14 days. How many more months do I have to wait?

A1. The answers were given to you at the time and are recorded in the Minutes of the Ordinary Council Meeting 19 March 2019.

Q2. Councillors need training to understand the accounts – how has the Council managed the finances for the last 4 years?

A2. The Presiding Member explained the Shire of Cue has competent administration staff and also engages the services of RMS Australia Pty Ltd. As per the Shire of Cue's Strategic Community Plan 2017 – 2027, Outcome 2.1 A strategically focused and unified Council functioning efficiently 2.1.1 Continued professional development of Elected Members and Staff. The ongoing training of Councillors and staff is to ensure continual improvement for the Governance of the Shire of Cue.

Q3. Why was the June 18 Ordinary Council Meeting cancelled and brought forward to this week? The notice only came out a week before the scheduled meeting. What is the rule for time limitations for postponing a meeting?

A3. Following the Ordinary Council Meeting April 16 where at item 10.5 it was unanimously voted to amend the June Council date from 18 June to 25 June 2019. Subsequently, on April 17 notices were placed on the Shire's official notice boards and a notice was placed in the June edition of the Dryblower.

***Local Government Act 1995***

***1.7. Local public notice***

- (1) Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be —
  - (a) published in a newspaper circulating generally throughout the district; and

- (b) exhibited to the public on a notice board at the local government's offices; and
  - (c) exhibited to the public on a notice board at every local government library in the district.
- (2) Unless expressly stated otherwise it is sufficient if the notice is —
- (a) published under subsection (1)(a) on at least one occasion; and
  - (b) exhibited under subsection (1)(b) and (c) for a reasonable time, being not less than —
    - (i) the time prescribed for the purposes of this paragraph; or
    - (ii) if no time is prescribed, 7 days.

**Local Government (Administration) Regulations 1996**

**10. 12. Meetings, public notice of (Act s. 5.25(1)(g))**

- (1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which —
- (a) the ordinary council meetings; and
  - (b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,
- are to be held in the next 12 months.
- (2) A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).

Q4. Mr Tegg questioned the validity of May's Ordinary Council Meeting.

A4. The Presiding Member and Councillors agreed the meeting was conducted correctly.

**5. CONFIRMATION OF MINUTES**

<b>Council Decision:01062019</b>	<b>Voting Requirement:</b> Simple Majority
<b>MOVED: CR DENNIS</b>	<b>SECONDED: CR HOUGHTON</b>
That the Minutes of the Ordinary Meeting of 21 May 2019 are confirmed as a true and correct record of the meeting.	
<b>CARRIED:4/0</b>	

**6. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**7. DEPUTATIONS**

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Nil

**8. PETITIONS**

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Nil

**9. ANNOUNCEMENTS WITHOUT DISCUSSION**

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Nil

## 11. REPORTS

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### 10.1 ACCOUNTS & STATEMENTS OF ACCOUNTS

**APPLICANT:** Shire of Cue  
**DISCLOSURE OF INTEREST:** Nil  
**AUTHOR:** Richard Towell – Deputy Chief Executive Officer  
**DATE:** 20 June 2019

***Matters for Consideration:***

To receive the List of Accounts Due & Submitted to Ordinary Council Meeting on 25 June 2019 as attached – see [Appendix 1](#).

***Background:***

The local government under its delegated authority to the CEO to make payments from the municipal and trust funds is required to prepare a list of accounts each month showing each account paid and presented to Council at the next ordinary Council meeting. The list of accounts prepared and presented to Council must form part of the minutes of that meeting.

***Comments:***

The list of accounts is for the month of May 2019.

***Statutory Environment:***

***Local Government (Financial Management Regulations) 1996 – Clause 13.***

***Policy Implications:***

Nil.

***Financial Implications:***

Nil.

***Strategic Implications:***

Nil.

***Consultation:***

Nil.

**Officer’s Recommendation:**

**Voting Requirement:** Simple Majority

*That Council endorse the payments for the period 1 May 2019 to 31 May 2019 as listed at [Appendix 1](#), which have been made in accordance with delegated authority per LGA 1995 S5.42.*

Municipal Fund Bank	EFTs	7334 – 7424	\$176,156.34
Direct Debit Fund Transfer			\$ 35,936.36
Payroll			\$102,705.66
BPAY			\$ 17,818.58
Cheques			\$ -
Total			\$332,616.94

**Council Decision:02062019**

**Voting requirement:** Simple Majority

**MOVED: CR SPINDLER**

**SECONDED: CR DENNIS**

*That Council endorse the payments for the period 1 May 2019 to 31 May 2019 as listed at [Appendix 1](#), which have been made in accordance with delegated authority per LGA 1995 S5.42.*

Municipal Fund Bank	EFTs	7334 – 7424	\$176,156.34
Direct Debit Fund Transfer			\$ 35,936.36
Payroll			\$ 102,705.66
BPAY			\$ 17,818.58
Cheques			\$ -
Total			\$332,616.94

**CARRIED:4/0**

## 10.2 FINANCIAL STATEMENT

APPLICANT:	Shire of Cue
DISCLOSURE OF INTEREST:	Nil
AUTHOR:	Richard Towell – Deputy Chief Executive Officer
DATE:	20 June 2019

### ***Matters for Consideration:***

The Statement of Financial Activity for the period ended 31 May 2019 including the following reports:

- Statement of Financial Activity
- Significant Accounting Policies
- Graphical Representation – Source Statement of Financial Activity
- Net Current Funding Position
- Cash and Investments
- Major Variances
- Budget Amendments
- Receivables
- Grants and Contributions
- Cash Backed Reserve
- Capital Disposals and Acquisitions
- Trust Fund

see [Appendix 2](#).

### ***Background:***

Under the ***Local Government (Financial Management Regulations 1996)***, a monthly Statement of Financial Activity must be submitted to an Ordinary Council meeting within 2 months after the end of the month to which the statement relates. The statement of financial activity is a complex document but presents a complete overview of the financial position of the local government at the end of each month. The Statement of Financial Activity for each month must be adopted by Council and form part of the minutes.

### ***Comments:***

The Statement of Financial Activity is for the month of May 2019.

### ***Statutory Environment:***

***Local Government (Financial Management Regulations) 1996 – Clause 14.***

### ***Policy Implications:***

Nil.

**Financial Implications:**

Nil.

**Strategic Implications:**

Nil.

**Consultation:**

RSM Australia Pty Ltd.

**Officer's Recommendation:**

**Voting Requirement:** Simple Majority

*That Council receive the Financial Statements, prepared in accordance with the **Local Government (Financial Management) Regulations**, for the period ended 31 May 2019, as presented at [Appendix 2](#).*

**Council Decision:03062019**

**Voting requirement:** Simple Majority

**MOVED: CR DENNIS**

**SECONDED: CR SPINDLER**

*That Council receive the Financial Statements, prepared in accordance with the **Local Government (Financial Management) Regulations**, for the period ended 31 May 2019, as presented at [Appendix 2](#).*

**CARRIED: 4/0**

### 10.3 RATES – BUDGET RATE SETTING STATEMENT

APPLICANT: Shire of Cue  
 DISCLOSURE OF INTEREST: Nil  
 AUTHOR: Richard Towell – Deputy Chief Executive Officer  
 DATE: 19 June 2019

***Matters for Consideration:***

Adoption of the 2019-2020 Budget Rate Setting Statement in support of proposing to levy differential rates.

***Background:***

As part of Councils budget deliberations the Budget Rate Setting Statement – see [Appendix 3](#) - has been prepared by RSM Australia Pty Ltd in support of Council proposing to levy differential rates.

***Comments:***

Council needs to consider the rate setting statement as part of its budget deliberations to review expenditure and consider efficiency measures. The Rate Setting Statement considers Councils operating and capital expenditure for the next financial year to consider the amount required from rates to achieve these outcomes.

This item will be included in Councils application to the Minister for Local Government for approval for the imposition of differential general rates that are more than twice the lowest differential general rate imposed by a rate category.

Travis Bate from RSM Australia Pty Ltd will attend the meeting to further discuss the contents of the report and its implications on the 2019-2020 Annual Budget.

***Statutory Environment:***

***Local Government Act 1995 – Section 6.33, Differential General Rates.***

***Policy Implications:***

Nil.

***Financial Implications:***

Council needs to ensure that rate revenue remains at a level where the Shire can continue to maintain its current level of services to ratepayers and the community.

***Strategic Implications:***

Shire of Cue Strategic Community Plan 2017 - 2027

**Consultation:**

Rob Madson – Chief Executive Officer

Travis Bate – RSM Australia Pty Ltd

**Officer's Recommendation:**

**Voting Requirement:** Simple Majority

That Council

1. Adopt the attached 2019-2020 Budget Rate Setting Statement for Differential Rates Proposal - see [Appendix 3](#) and incorporate relevant information from the report into the 2019-2020 Annual Budget.
2. Acknowledge that Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations.

**Council Decision:04062019**

**Voting requirement:** Simple Majority

**MOVED: CR HOUGHTON**

**SECONDED: CR SPINDLER**

That Council

1. Adopt the attached 2019-2020 Budget Rate Setting Statement for Differential Rates Proposal - see [Appendix 3](#) and incorporate relevant information from the report into the 2019-2020 Annual Budget.
2. Acknowledge that Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations.

**CARRIED: 4/0**

## 10.4 RATES – DIFFERENTIAL RATES

APPLICANT:	Shire of Cue
DISCLOSURE OF INTEREST:	Nil
AUTHOR:	Richard Towell – Deputy Chief Executive Officer
DATE:	19 June 2019

### ***Matters for Consideration:***

To approve the advertising for the proposal to apply differential rates and minimum payments in the 2019-2020 financial year.

### ***Background:***

**Section 6.36** of the **Local Government Act 1995** requires that local public notice be given as per **Section 1.7** of the **Local Government Act 1995** before imposing any differential general rates or minimum payments.

Electors and ratepayers are to be invited to lodge a submission in respect of the proposed rates and minimum payments within twenty one days of the notice being published and the local government is to consider any submissions received before imposing the proposed rates and minimum payments.

### ***Comments:***

In consideration of the Shire of Cue's Long Term Financial Plan with a rates increase of 3%, the latest statistics for CPI Perth of 1.1% and the Local Government Cost index forecast for 2019-2020 of 1.8%, it is recommended that no increase be applied to the rate in the dollar for all rate categories with the exception of UV mining tenements and GRV Mining and Transient Workforce Facilities categories.

It is proposed that the UV Mining and GRV Mining and Transient Workforce Facilities rate be decreased from thirty one cents in the dollar to thirty cents in the dollar, a reduction of 3.22% in the rate in the dollar. This is to minimise any rate increases in the current economic climate as well as respond to the Department of Local Government, Sport and Cultural Industries request that the Shire consider a reduction in the rate in the dollar for mining categories.

It is proposed that the GRV Commercial rate be maintained at the same rate as the GRV General rate and then a discount be applied to commercial properties. This discount is subject to the property owner paying their rates in full and on time. The discount rate to be applied is proposed at twenty percent.

Due to changes in rateable values from revaluations and changes to mining tenements held, the proposed rates will provide the Shire with a total of \$27,003 in additional rates revenue. This is an increase of 1.15% of overall rates.

The proposed rates result in the rates model below.

<b>Proposed rates for 2019-2020 with no increase and Mining rates lowered to 30.0c</b>				
<b>Rate Category</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value</b>	<b>Rates Levied</b>
GRV - GENERAL	0.1062	94	565,444	60,050
GRV - COMMERCIAL	0.1062	5	299,208	31,776
GRV - VACANT LAND	0.1062	0	-	-
GRV- M&T WORKFORCE FACILITIES	0.3000	2	246,750	74,025
UV - MINING TENEMENTS	0.3000	312	6,925,502	2,077,651
UV - PASTORAL	0.0843	14	511,413	43,112
<b>Minimum payment</b>	<b>Minimum \$</b>			
GRV - GENERAL	451	45	105,003	20,295
GRV - COMMERCIAL	451	0	-	-
GRV - VACANT LAND	451	41	8,780	18,491
GRV- M&T WORKFORCE FACILITIES	451	0	-	-
UV - MINING TENEMENTS	451	124	95,824	55,924
UV - PASTORAL	451	4	11,933	1,804
<b>Totals</b>		<b>641</b>	<b>8,769,857</b>	<b>2,383,128</b>
Revenue raised from rates 2018-2019				2,356,125
Difference			1.15%	27,003

A comparison of rates models of surrounding councils is attached at [Appendix 4](#), for Council to consider.

### **Objects and Reasons**

Where council intend to impose differential rates, it is required to provide the objects of and reasons for each proposed rate and minimum payment. In the notice of intention to levy rates, Council is to advise electors and ratepayers of the time and place where this document can be inspected. The Objects and Reasons for the 2019-2020 rating proposal is attached at [Appendix 5](#).

In accordance with **Section 6.33(3)** of the **Local Government Act 1995**, Ministerial approval will be required for the above rating proposal as the highest proposed differential rate is more than twice the lowest proposed differential rate.

In accordance with **Section 6.35** of the **Local Government Act 1995**, it is proposed that a single minimum rate be imposed across all rate categories. There is no increase in the minimum rate proposed with minimum rates remaining at \$451.00 per assessment.

### **Statutory Environment:**

**Local Government Act 1995, Section 1.7, Local Public Notice**

**Local Government Act 1995, Part 6 – Division 6 – Subdivision 2, Categories of Rates and Service Charges**

**Policy Implications:**

Nil.

**Financial Implications:**

Council needs to ensure that rate revenue remains at a level where the Shire can continue to maintain its current level of services to ratepayers and the community. The proposed rates will provide an additional \$27,003 in revenue compared to rates raised for the current financial year.

**Strategic Implications:**

Shire of Cue Strategic Community Plan 2017 – 2027

**Consultation:**

Rob Madson – Chief Executive Officer

Travis Bate – RSM Australia Pty Ltd

**Officer’s Recommendation:**

**Voting Requirement:** Simple Majority

That Council

1. Authorise the CEO to advertise the Shire of Cue’s intention to levy the following differential rates.

Rate Category	Minimum Rates \$	Rate in \$ (cents)
GRV - RESIDENTIAL	451.0000	0.1062
GRV - COMMERCIAL	451.0000	0.1062
GRV - VACANT LAND	451.0000	0.1062
GRV- M&T WORKFORCE FACILITIES	451.0000	0.3000
UV - MINING TENEMENTS	451.0000	0.3000
UV - PASTORAL	451.0000	0.0843

2. Adopt the Objects and Reasons for the 2019-2020 differential rates

**Council Decision:05062019**

**Voting requirement:** Simple Majority

**MOVED: CR DENNIS**

**SECONDED: CR HOUGHTON**

That Council

1. Authorise the CEO to advertise the Shire of Cue's intention to levy the following differential rates.

Rate Category	Minimum Rates \$	Rate in \$ (cents)
GRV - RESIDENTIAL	451.0000	0.1062
GRV - COMMERCIAL	451.0000	0.1062
GRV - VACANT LAND	451.0000	0.1062
GRV- M&T WORKFORCE FACILITIES	451.0000	0.3000
UV - MINING TENEMENTS	451.0000	0.3000
UV - PASTORAL	451.0000	0.0843

2. Adopt the Objects and Reasons for the 2019-2020 differential rates

**CARRIED: 4/0**

## 10.5 LOCAL GOVERNMENT MASTER LENDING AGREEMENT

APPLICANT: Shire of Cue  
 DISCLOSURE OF INTEREST: Nil  
 AUTHOR: Richard Towell – Deputy Chief Executive Officer  
 DATE: 17 June 2019

### ***Matters for Consideration:***

Execution of the Local Government Master Lending Agreement (LGLMA) with the Western Australian Treasury Corporation (WATC), as provided under separate cover.

### ***Background:***

The Local Government Master Lending Agreement will facilitate all future borrowings with the WATC under the one agreement thereby removing the need for individual loan agreements to be executed under seal each time the Shire utilises WATC lending facilities.

### ***Comments:***

As per the 2018-2019 Annual Budget an application was made with WATC for a loan of \$980,000 to construct two (GROH) Government Regional Officer Housing houses. This loan has been approved with repayments over ten years.

To finalise the process it is necessary for the Shire of Cue to enter into a Local Government Master Lending Agreement with WATC. The WATC requires that the Shire of Cue execute the LGMLA under its common seal as authorised by a resolution of Council.

Any borrowing under the LGMLA will be subject to WATC's credit approval policy at the time of the application, and the release of funds is subject to the issuance of a firm rate quote by WATC and its acceptance by an authorised signatory of the Shire of Cue.

### ***Statutory Environment:***

#### ***Local Government Act 1995***

##### ***S6.20. Power to Borrow***

- (1) *Subject to this Act, a local government may —*
- (a) *borrow or re-borrow money; or*
  - (b) *obtain credit; or*
  - (c) *arrange for financial accommodation to be extended to the local government in ways additional to or other than borrowing money or obtaining credit,*

*to enable the local government to perform the functions and exercise the powers conferred on it under this Act or any other written law.*

- (2) *Where, in any financial year, a local government proposes to exercise a power under subsection (1) (power to borrow) and details of that proposal have not been included in the annual budget for that financial year —*
  - (a) *unless the proposal is of a prescribed kind, the local government must give one month's local public notice of the proposal; and*
  - (b) *the resolution to exercise that power is to be by absolute majority.*
- (3) *Where a local government has exercised a power to borrow and —*
  - (a) *it does not wish to proceed with the performance of the function or the exercise of the power for which the power to borrow was exercised; or*
  - (b) *after having completed the performance of the function or the exercise of the power for which the power to borrow was exercised, any part of the money borrowed, credit obtained or financial accommodation arranged has not been expended or utilized,*

*the local government may resolve\* to expend the money or utilize the credit or financial accommodation for another purpose if one month's local public notice is given of the proposed change of purpose.*

*\* Absolute majority required.*

- (4) *A local government is not required to give local public notice under subsection (3) —*
  - (a) *where the change of purpose has been disclosed in the annual budget of the local government for the relevant financial year; or*
  - (b) *in such other circumstances as are prescribed.*
- (5) *A change of purpose referred to in subsection (3) is to be disclosed in the annual financial report for the year in which the change occurs.*

**Policy Implications:**

Nil

**Financial Implications:**

The adopted 2018-2019 Annual Budget has provision for a loan of \$980,000 for the purpose of building two GROH houses.

**Strategic Implications:**

Nil

**Consultation:**

Rob Madson - Chief Executive Officer

Tamara Marsh - Western Australian Treasury Corporation

**Officer's Recommendation:**

**Voting Requirement:** Simple Majority

That Council

1. Enters into a Master Lending Agreement with Western Australian Treasury Corporation as per the Master Lending Agreement provided under separate cover.
2. Approves the affixation of the Common Seal of the Shire of Cue to the Master Lending Agreement in the Presence of the Shire President and the Chief Executive Officer or person authorised by the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal thereto; and
3. Authorises the Chief Executive Officer or person authorised by the Chief Executive Officer from time to time to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Shire of Cue.
4. Authorise the Chief Executive Officer to enter into a loan agreement with WATC for \$980,000 for the purpose of building two GROH houses.

**Council Decision:06062019**

**Voting requirement:** Simple Majority

**MOVED: CR SPINDLER**

**SECONDED: CR DENNIS**

That Council

1. Enters into a Master Lending Agreement with Western Australian Treasury Corporation as per the Master Lending Agreement provided under separate cover.
2. Approves the affixation of the Common Seal of the Shire of Cue to the Master Lending Agreement in the Presence of the Shire President and the Chief Executive Officer or person authorised by the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal thereto; and
3. Authorises the Chief Executive Officer or person authorised by the Chief Executive Officer from time to time to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Shire of Cue.
4. Authorise the Chief Executive Officer to enter into a loan agreement with WATC for \$980,000 for the purpose of building two GROH houses.

**CARRIED: 3/1**

**AGAINST: CR HOUGHTON**

**10.6 TENDER – CUE HOUSING PROJECT**

APPLICANT: Shire of Cue  
 DISCLOSURE OF INTEREST: Nil  
 AUTHOR: Richard Towell – Deputy Chief Executive Officer  
 DATE: 20 June 2019

**Matters for Consideration:**

Awarding of tender for the supply and installation of three houses within the townsite of Cue being a 3 bedroom, 2 bathroom home with office for the Cue Tourist Park and two 4 bedroom, 2 bathroom homes for the GROH housing project.

**Background:**

Allocation was made in the 2018-2019 adopted Annual Budget for the construction of two Government Regional Officers Housing (GROH) houses to be leased back to GROH over ten years and for the construction of a new Tourist Park Managers house and office.

Tenders were advertised on 13 April 2019 and closed on 17 May 2019. Tenders were received from six vendors all of whom would be capable of completing the works.

**Comments:**

An evaluation of the tenders received is attached at [Appendix 6](#) and a summary provided below.

Evaluation summary					
Rating	Tenderer	Price including GST	Qualitative Criteria score	Cost Criteria score	Total
1	Modular WA	\$973,204.45	98	93	191
2	TR Homes	\$1,176,750.00	98	80	178
3	Fleetwood Australia	\$1,120,084.49	96	75	171
4	Ausco Modular	\$1,279,289.00	90	70	160
5	GBSC	\$1,389,267.00	96	63	159
6	MMC	\$1,458,474.59	97	58	155

Modular WA has provided the most cost effective tender being \$146,000 less than the next closest tender price. The tenders received vary by up to \$485,000 from the lowest to highest submitted with some proposing to build on site and others providing transportable modules.

The evaluation of the tenders shows that Modular WA has provided the best tender on price, compliance with the GROH specifications, details of specifications and inclusions for the project. The price in the evaluation for Modular WA includes the options to increase ceiling heights to 2.7m on all houses, an upgrade to the cladding

on the Tourist Park Managers residence, fans and split system air conditioners for the GROH houses.

**Statutory Environment:**

**Local Government Act 1995 - Sect 3.57**

3.57 . Tenders for providing goods or services

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.
- (2) Regulations may make provision about tenders.

**Local Government (Functions and General) Regulations 1996 - Reg 11**

11 . When tenders have to be publicly invited

- (1) Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$150,000 unless subregulation (2) states otherwise. Local Government (Functions and General) Regulations 1996 – Reg 11 and 13.

**Local Government (Functions and General) Regulations 1996 - Reg 20**

20 . Variation of requirements before entry into contract

- (1) If, after it has invited tenders for the supply of goods or services and chosen a successful tenderer but before it has entered into a contract for the supply of the goods or services required, the local government wishes to make a minor variation in the goods or services required, it may, without again inviting tenders, enter into a contract with the chosen tenderer for the supply of the varied requirement subject to such variations in the tender as may be agreed with the tenderer.
- (2) If —
  - (a) the chosen tenderer is unable or unwilling to enter into a contract to supply the varied requirement; or
  - (b) the local government and the chosen tenderer cannot agree on any other variation to be included in the contract as a result of the varied requirement,

that tenderer ceases to be the chosen tenderer and the local government may, instead of again inviting tenders, choose the tenderer, if any, whose tender the local government considered it would be the next most advantageous to it to accept.

- (3) In subregulation (1) —

minor variation means a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply.

**Policy Implications:**

**D.9 PURCHASING POLICY**

**1. POLICY**

*The Shire of Cue is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. Procurement processes and practices to be complied with are defined within this Policy.*

**2. OBJECTIVES**

- *To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996.*
- *To ensure compliance / complimentary approach to Council Policy D15.*
- *To deliver a best practice approach and procedures to internal purchasing for the Local Government.*
- *To ensure consistency for all purchasing activities that integrates within all the Local Government operational areas.*

**3. REQUIREMENT FOR A PURCHASING POLICY**

*The Local Government is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:*

- *Provides the Local Government with an effective way of purchasing goods and services.*
- *Ensures that purchasing transactions are carried out in a fair and equitable manner.*
- *Maintains integrity and confidence in the purchasing system.*
- *Ensures that the Local Government receives value for money in its purchasing.*
- *Ensures the Local Government is compliant with all regulatory obligations.*
- *Promotes effective governance and definition of roles and responsibilities.*
- *Engenders respect from the public and industry for the Local Government’s purchasing practices that withstands probity.*

#### 4. ETHICS & INTEGRITY

*All officers and employees of the Local Government shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Local Government.*

*The following principles, standards and behaviours shall be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:*

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;*
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Local Government policies and code of conduct;*
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;*
- all processes, evaluations and decisions shall be transparent, free from bias and documented in accordance with applicable policies and audit requirements;*
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and*
- any information provided to the Local Government by a supplier shall be treated as commercial-in-confidence.*

#### 5. VALUE FOR MONEY

*Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Local Government. It is important to take into account price, compliance, user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.*

*An assessment of the best value for money outcome for any purchasing should consider:*

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;*
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;*

- *financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and*
- *a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.*

*Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above lower total priced, conforming offers.*

## 6. PURCHASING THRESHOLD

*Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-*

<i>Amount of Purchase</i>	<i>Policy</i>
<i>Up to \$5,000</i>	<i>Delegated officers to arrange purchase seeking best value for money and where possible seek written or verbal quotations. These quotations must be either provided or recorded. It is recognised that in some instances it may not be practicable or cost effective to seek quotations.</i>
<i>\$5001 to \$15,000</i>	<i>Three or more quotes will be sought if possible, preferably in written form; however maybe verbal but must be recorded. CEO must authorise prior to issuing a Purchase Order.</i>
<i>\$15,001 to \$50,000</i>	<i>Three or more written quotes will be sought if possible. CEO must authorise prior to issuing a Purchase Order.</i>
<i>\$50,001 to \$149,999</i>	<i>At least three written quotes to be obtained. CEO to approve (not including dealings with land or buildings, which will be approved by Council). Previous tender prices not more than 6 months old can be utilised as quotations.</i>
<i>\$150,000 and above</i>	<i>Conduct a public tender process or use the WALGA Preferred Supplier List through the E-Quotes system.</i>

## D.15 REGIONAL PRICE PREFERENCE POLICY

### *Policy Purpose*

*The purpose of the Shire of Cue's 'Regional Price Preference Policy' is to support local business and industry and to encourage employment of local people thereby generating economic growth within the Shire.*

*Definitions*

*For the purpose of this Policy, the “Region” is defined as the geographical area which comprises the whole of the Shire of Cue.*

*Local Industry is defined in the Policy as being a business / organisation substantially trading from a recognised business address within the region. This Policy requires the businesses to have been operating out of the local premises for a continuous period of not less than six (6) months.*

*Policy Content*

*(a) Unless specifically excluded in advance of advertising, a Regional Price Preference will apply to purchases when calling tenders*

*(b) The regional pricing preference to be given to a regional tenderer is outlined below and represents the amount by which the regional tenderer’s price bids or other quotations would be reduced for the purposes of assessing the tender or quotations:*

**CONSTRUCTION / BUILDING SERVICES**

<i>Value of Tender / Supply By Regional Tenderer</i>	<i>Regional Price Preference</i>
<i>\$0 to \$20,000</i>	<i>\$0 + 10% of excess above \$0</i>
<i>\$20,000 to \$50,000</i>	<i>\$1,000 + 4% of excess above \$20,000</i>
<i>\$50,000 to \$100,000</i>	<i>\$2,200 + 3% of excess above \$50,000</i>
<i>\$100,000 to \$250,000</i>	<i>\$3,700 + 2% of excess above \$100,000</i>
<i>Above \$250,000</i>	<i>\$6,700 + 1% of excess above \$250,000</i>

**Financial Implications:**

Allocations were made in the 2018-2019 adopted Annual Budget of \$980,000 for the construction of two GROH houses to be funded by a matching loan and \$350,000 for the construction of a new Tourist Park house and office. These amounts will be carried forward into the 2019-2020 Annual Budget. All of the prices for the houses from the recommended tenderer fit within the budget allocations. It is likely that additional funding will be required to complete the Tourist Park house and office project to allow for fencing, preliminary works, landscaping and shed.

**Strategic Implications:**

*Shire of Cue Strategic Community Plan 2017-2027*

Outcome 4.3 Maintain and improve our built environment

4.3.1 Maintain, improve and renew infrastructure.

**Consultation:**

Rob Madson – Chief Executive Officer  
 Janelle Duncan – Coordinator Community Development  
 Janet Wicks – Project Officer  
 Colin Duncan – Tourist Park manager

**Officer’s Recommendation:**                      **Voting Requirement:** Simple Majority

That council:

Award tender RFT 2019-01 Cue Housing Project to Modular WA for the calculated contract price of \$973,204.45, including options and GST, subject to the following

- Floorplans being to the satisfaction of GROH and meet GROH specifications.
- Signing of a lease to the satisfaction of GROH and the CEO; and

Authorise the CEO to negotiate minor variations with the successful tenderer.

<p><b>Council Decision:07062019</b></p> <p><b>MOVED: CR SPINDLER</b></p> <p>That council:</p> <p>Award tender RFT 2019-01 Cue Housing Project to Modular WA for the calculated contract price of \$973,204.45, including options and GST, subject to the following</p> <ul style="list-style-type: none"> <li>• Floorplans being to the satisfaction of GROH and meet GROH specifications.</li> <li>• Signing of a lease to the satisfaction of GROH and the CEO; and</li> </ul> <p>Authorise the CEO to negotiate minor variations with the successful tenderer.</p> <p><b>CARRIED: 3/1</b></p> <p><b>AGAINST: CR HOUGHTON</b></p>	<p><b>Voting requirement:</b> Simple Majority</p> <p><b>SECONDED: CR DENNIS</b></p>
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**11. MOTIONS BY MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12 MOTIONS FOR CONSIDERATION AT THE NEXT MEETING**

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Nil

**13. NEW BUSINESS OF AN URGENT NATURE**

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Nil

**14 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

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Nil

**15 CLOSURE**

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The Presiding Member thanked those present for attending the meeting and declared the meeting closed at 8.12pm

**To be confirmed at Ordinary Meeting on the 16 July 2019**

**Signed:.....**

**Presiding Member at the Meeting at which time the Minutes were confirmed.**