



ORDINARY MEETING OF COUNCIL

held on

Wednesday, 14 December 2016

at

3:10pm

at

Walcha Council Chambers

PRESENT: Clr EH Noakes (Chairman) Mayor together with Councillors PR Blomfield, KW Ferrier, WJ Heazlett, JM Kealey, SJ Kermode, CM Lyon and RL Wellings.

IN ATTENDANCE: Mr JG O'Hara, General Manager, Mr DJM Reeves, Director – Engineering Services, and Mrs LJ Latham, Environmental Services Manager.

1. APOLOGIES:

Nil.

MINUTES



2. CONFIRMATION OF THE ORDINARY MEETING MINUTES HELD ON WEDNESDAY, 30 NOVEMBER 2016:

88 **RESOLVED** on the Motion of Councillors Ferrier and Heazlett that the Minutes of the Ordinary Meeting held on Wednesday, 30 November 2016, copies of which have been distributed to all members, be taken as read and confirmed a **TRUE** record.

3. BUSINESS ARISING

Nil.

4. DECLARATIONS OF INTEREST

Item 6.7 Request for Donation from Lower Apsley Landcare

WO/2016/02061

Clr Noakes declared a non-serious non-pecuniary interest in this matter being a member of the Lower Apsley Landcare Group.

5. MAYORAL MINUTE

Nil.

6. SENIOR OFFICERS REPORT

89 **RESOLVED** on the Motion of Councillors Heazlett and Lyon that the Senior Officers' Reports be **RECEIVED** for further consideration.

6.1 Integrated Planning & Reporting – Community Engagement Strategy

WO/2016/02056

90 **RESOLVED** on the Motion of Councillors Ferrier and Lyon that Council place the Draft Community Engagement Strategy on public exhibition seeking community input for a period of 28 days.

6.2 Pandora Rehabilitation and Impact from Adjacent Trees WO/2016/02064

91 **RESOLVED** on the Motion of Councillors Kermode and Kealey that Council authorise the General Manager to consult with the Walcha Council Town & District Beatification & Tidy Towns Committee AND the adjoining property owners **FURTHER THAT** endorse the removal of the trees if both abovementioned parties agree to their removal.



6.3 Related Party Transactions Policy and Form

WO/2016/02661

92 **RESOLVED** on the Motion of Councillors Lyon and Kermode that Council approves the Related Party Transactions Policy as presented.

ADMINISTRATION POLICIES

Related Party Transactions Policy



PURPOSE

The purpose of this policy is to define the parameters for Related Party Transactions and the level of disclosure and reporting required for Council to achieve compliance with the Australian Accounting Standard AASB 124 - Related Party Disclosures.

INTRODUCTION

For June 2017 financial statements onwards, local governments must disclose related party relationships, transactions and outstanding balances, including commitments. This information will be audited.

A degree of judgement will be required to determine whether transactions are significant and reportable; materiality thresholds have not been defined in the Standard. As a general rule, if the transaction is likely to influence users of the financial statements, ie how would a reasonable person perceive the transaction, it should be included.

SCOPE

This policy applies to all councillors and employees (including temporary and casual employees), contractors and consultants identified as being Key Management Personnel under this policy.

OBJECTIVE

Responsibilities:

- Councillors and other Key Management Personnel for declaring all Related Parties;
- Chief Financial Officer for identifying, collating and reporting all Related Party Transactions;
- Internal Audit Committee for developing guidelines for materiality of Related Party Transactions.

Definitions:

AASB 124 - means the Australian Accounting Standards Board, Related Party Disclosures Standard.

Act - means the NSW Local Government Act 1983.

Code – means the Local Government Code of Accounting Practice and Financial Reporting, updated by Office of Local Government annually.

Close members of the family of a person - are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Council and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner; and
- c) dependants of that person or that person's spouse or domestic partner.

Entity - can include a body corporate, a partnership or a trust, incorporated association, or unincorporated group or body.



Key Management Personnel - as defined in Section 2 of this Policy.

KMP Compensation - means all forms of consideration paid, payable, or provided in exchange for services provided, and may include:

- Short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free and subsidised goods or services) for current employees;
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- Other long-term employee benefits, including long-service leave or sabbatical leave, long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit sharing, bonuses and deferred compensation;
- Termination benefits; and

Material (materiality) - means the assessment of whether the transaction, either individually or in aggregate with other transactions, by omitting it or misstating it could influence decisions that users make on the basis an entity's financial statements. For the purpose of this policy, it is not considered appropriate to set either a dollar value or a percentage value to determine materiality.

Ordinary Citizen Transaction - means a transaction that an ordinary citizen of the community would undertake in the ordinary course of business with Council.

Possible Close members of the family of a person - are those family members who could be expected to influence, or be influenced by, that person in their dealings with the Council and include:

- a) that person's brothers and sisters;
- b) aunts, uncles, and cousins of that person's spouse or domestic partner;
- c) dependants of those persons or that person's spouse or domestic partner as stated in (b); and
- d) that person's or that person's spouse or domestic partner's, parents and grandparents.

Related Party - defined in Section 3 of this Policy.

Related Party Transaction - is a transfer of resources, services or obligations between a Council and a related party, regardless of whether a price is charged.

Significant (significance) - means likely to influence the decisions that users of the Council's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Council and related party outside a local council/ ratepayer relationship.

1. Policy Statement

Related Party relationships are a normal feature of commerce and business. For example, entities frequently carry on parts of their activities through subsidiaries, joint ventures and associates. In those circumstances, there is the possibility of the entity having the ability to affect the financial and operating policies of Council through the presence of control, joint control or significant influence.

A Related Party relationship could influence the normal business operations of Council. In some instances, Council may enter into transactions with a Related Party that unrelated parties would not. For example, goods are supplied to Council on terms that might not be offered to other customers.

The normal business operations of Council may be affected by a Related Party relationship even if Related Party Transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the Council with other parties. Alternatively, one party may refrain from



trading with Council because of the significant influence of another—for example, a local supplier may be instructed by its parent not to engage in supplying goods to Council.

For these reasons, knowledge of Council’s transactions and outstanding balances (including commitments and relationships with Related Parties) may affect assessments of Council’s operations by users of financial statements, including assessments of the risks and opportunities facing the Council.

2. Identification of Key Management Personnel (KMP)

AASB 124 defines KMPs as “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity”.

KMPs for the Council are considered to include:

- Councillors (including the Mayor);
- General Manager;
- Director of Engineering Services;
- Manager of Environmental Services.

3. Identification of Related Parties

A person or entity is a related party of Council if any of the following apply:

- a) They are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- b) They are an associate or belong to a joint venture of which Council is part of.
- c) They and Council are joint ventures of the same third party.
- d) They are part of a joint venture of a third party and council is an associate of the third party.
- e) They are a post-employment benefit plan for the benefit of employees of either Council or an entity related to Council.
- f) They are controlled or jointly controlled by Close members of the family of a person.
- g) They are identified as a close or possibly close member of the family of a person with significant influence over Council or a close or possibly close member of the family of a person who is a KMP of Council.
- h) They, or any member of a group of which they are a part, provide KMP services to Council.

For the purposes of this Policy, related parties of Council are:

- a) Entities related to Council;
- b) Key Management Personnel (KMP) of Council
- c) Close family members of KMP;
- d) Possible close family members of KMP's; and
- e) Entities or persons that are controlled or jointly controlled by KMP, or their close family members, or their possible close family members.

4. Review of Related Parties

A review of KMPs and their related parties will be completed every 6 months. Particular events, such as a change of Councillors, General Manager or Director or an organisational restructure, will also trigger a review of Council’s related parties immediately following such an event.

The method for identifying the close family members and associated entities of KMP will be by KMP self-assessment.

5. Identification of Control or Joint Control

A person or entity is deemed to have control if they have:



- a) power over the entity;
- b) exposure, or rights, to variable returns from involvement with the entity; and
- c) the ability to use power over the entity to affect the amount of returns.

To jointly control, a person or entity must have contractual rights or agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

6. Required Disclosures and Reporting

AASB 124 provides that Council must disclose the following financial information in its financial statements for each financial year period:

1. Disclosure of any related party relationship - must disclose in the annual financial statements its relationship with any related parties or subsidiaries (where applicable), whether or not there have been transactions within the relevant reporting period.
2. KMP Compensation Disclosures - must disclose in the annual financial statements KMP for each of the categories of compensation (as defined in the definitions of this Policy) in total.

7. Related Party Transactions Disclosures

Related Party Transactions are required to be disclosed, regardless of whether a price is charged. Such transactions may include:

- Purchase or sale of goods;
- Purchase or sale of property and other assets;
- Rendering or receiving services;
- Leases;
- Quotations and/or tenders;
- Commitments; and
- Settlements of liabilities on behalf of Council or by Council on behalf of the related party.

Council must disclose all material and significant Related Party Transactions in its annual financial statements and include the following detail:

- (i) The nature of the related party relationship; and
- (ii) Relevant information about the transactions including:
 - a. The amount of the transaction;
 - b. The amount of outstanding balances, including commitments, and
 - Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement; and
 - Details of any guarantee given or received
 - c. Provision for doubtful debts related to the amount of outstanding balances; and
 - d. The expense recognised during the period in respect of bad or doubtful debts due from related parties.

The following matters must be considered in determining the materiality and significance of any related party transactions:

- (a) Significance of transaction in terms of size;
- (b) Whether the transaction was carried out on non-market terms;
- (c) Whether the transaction is outside normal day-to-day business operations, such as the purchase and sale of assets;
- (d) Whether the transaction is disclosed to regulatory or supervisory authorities;
- (e) Whether the transaction has been reported to senior management; and
- (f) Whether the transaction was subject to Council approval.



Regard must also be given for transactions that are collectively, but not individually significant.

Disclosures that Related Party Transactions were made on terms equivalent to those that prevail in arm's length transactions can only be made if such terms can be substantiated.

All transactions involving Related Parties will be captured and reviewed to determine materiality or otherwise of such transactions, if the transactions are Ordinary Citizen Transactions (OCTs), and to determine the significance of each of the transactions.

8. Review of Related Party Transactions

A review of all Related Party Transactions will be completed every 6 months



6.4 Walcha Recycled Water Policy

WO/2016/02052

93 **RESOLVED** on the Motion of Councillors Ferrier and Kermode that Council **ADOPT** the Walcha Recycled Water Policy as presented.

SEWERAGE SERVICES POLICIES



Walcha Recycled Water Policy

Introduction

To provide a framework for the delivery of Recycled Water from the Walcha Sewerage Treatment Plant to end users.

Policy

Walcha Council is committed to managing the Walcha Recycled Water Scheme effectively. Council will provide fit-for-purpose recycled water that consistently meets the requirements of the Australian Recycled Water Guidelines 2006, other regulatory requirements and recycled water user agreements. To achieve this, in partnership with recycled water users, relevant agencies and other stakeholders, Council will:

- manage recycled water quality through a multiple barrier approach encompassing all points along the delivery chain from wastewater catchment to point of supply;
- implement and maintain a risk-based Recycled Water Management Plan consistent with the Australian Guidelines for Recycled Water;
- establish regular monitoring of the quality of recycled water and report performance to regulators, recycled water users and other stakeholders;
- maintain appropriate contingency planning and incident response capability; and
- continually improve practices through reviewing our performance against our commitments, stakeholder expectations and best practice.
- all staff and contractors involved in the supply of recycled water are responsible for understanding, implementing, maintaining and continuously improving the Recycled Water Management Plan.

Review of Walcha Recycled Water Policy

A review of all Walcha Recycled Water Policy every four years.

6.5 Walcha Community Centre Management Committee – Request to Amend Rules of Management (Constitution)

WO/2016/02059

94 **RESOLVED** on the Motion of Councillors Ferrier and Wellings that Council agree to the request to amend the Walcha Community Centre Management Committee Rules of Management as requested:

- ◆ Amend Clause 4 – Membership of Committee from two (2) representatives from the Parent’s & Citizens Association to two (2) representatives from the Parents & Citizens Association or other community organisation, either service or sporting groups;



- ◆ Amend Clause 11(b) – Number of Meetings to be held annually – change the minimum number of meetings from four to two meetings per year.

FURTHER THAT Council seek formal approval of the Minister via the Director of Education in Armidale.

6.6 Bergen Bridge Widening and Design and Construct Tender Update

WO/2016/02063

The Report was **NOTED** by Council.

6.7 Request for Donation from Lower Apsley Landcare

WO/2016/02061

95 **RESOLVED** on the Motion of Councillors Ferrier and Kermode that Council agree to the request and donate \$1,000 towards the project **FURTHER THAT** Council congratulate the Lower Apsley Landcare Group on the initiative.

6.8 Walcha Council Drought Management Plan for Adoption

WO/2016/02044

96 **RESOLVED** on the Motion of Councillors Ferrier and Kermode that Council **ADOPT** the “Walcha Council Drought Management Plan September 2016” as presented.

6.9 Pecuniary Interest Primary Return for New Councillors & Designated Persons

WO/2016/02060

97 **RESOLVED** on the Motion of Councillors Lyon and Ferrier that Council formally records that the Primary Return of Pecuniary Interest required to be submitted by Councillors and Designated Staff, within the three month period after becoming a Councillor on 10 September 2016 and within the three month period that Designated Staff have been appointed, have been submitted as required and have been tabled in accordance with the provisions of Section 450A(2)(a) of the Local Government Act, 1993.

6.10 Review of “Payment of Expenses and Provision of Facilities for Councillors & Staff” Policy for Adoption

WO/2016/02051

98 **RESOLVED** on the Motion of Councillors Ferrier and Kealey that Council **ADOPT** the “Payment of Expenses and Provision of Facilities for Mayors, Councillors & Staff” Policy as presented.

LATE REPORTS:

1. Purchase of Bicycles for Visitor Information Centre

WO/2016/02092

99 **RESOLVED** on the Motion of Councillors Wellings and Lyon that Council purchase two adult and two children sized bicycles and a trailer that would



accommodate two children up to the age of six (6) and helmets to be placed at the Visitor Information Centre for use by tourists.

7. NOTICE OF MOTION

Nil.

8. MATTERS OF URGENCY

Nil.

9. MANAGEMENT REVIEW REPORTS **WO/2016/02043**

100 **RESOLVED** on the Motion of Councillors Lyon and Ferrier that items included in the Management Review Report, numbered 1 to 16 inclusive, be **NOTED** by Council.

10. COMMITTEE REPORTS

Nil.

11. DELEGATE REPORTS

11.1 Minutes of the Namoi Councils Joint Organisation Meeting held on Thursday, 1 December 2016 at Tamworth Regional Council WI/2016/08167

12. COMMITTEE OF THE WHOLE

Nil.

THERE BEING NO FURTHER BUSINESS THE CHAIRMAN DECLARED THE MEETING CLOSED AT 4:00PM.