

Shire of Cocos (Keeling) Islands

Shire of Cocos (Keeling) Islands

Agenda

Ordinary Meeting of Council

Friday 30 June 2023, 8:00am

Council Chamber, Shire Administration Building

Lot 256 Jalan Bunga Melati, Home Island

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (Copyright Act 1968, as amended) and the express permission of the copyright owner(s) should be sought prior to the reproduction.

OUR VALUES

Service

Provide the best service we can.

We serve the community and each other.

Accountability

We take responsibility for our own actions.

We do what we say we will do.

Mistakes are an opportunity to learn.

Support

We support our team and our community.

Look for opportunities to help each other.

Respect

We respect and value others.

Our interactions are always respectful towards others.

Integrity

We will be honest and transparent with all our dealings.

Maintain confidentiality.

Trust each other.

Achievement

Being proactive and enabling the outcomes.

Be creative and think outside the square.

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1. OPENING/ANNOUNCEMENTS OF VISITORS

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4. PUBLIC QUESTION TIME

In accordance with section 5.24(1) (a) of the *Local Government Act 1995*, time is allocated for questions to be raised by members of the public, as follows:

(1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is 15 minutes.

(2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Pursuant to regulation 7(4) (a) of the *Local Government (Administration) Regulations 1996*, questions from the public must relate to a matter affecting the local government.

In accordance with section 5.25 (1)(f) of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996* regulation 11(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question will be included in the minutes of the meeting.

Where a question is taken on notice at the meeting, a summary of the response to the question will be included in the agenda for the following Council meeting.

5. LEAVE OF ABSENCE

The *Local Government Act 1995* (Section 2.25) provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. A member who is absent, without first obtaining leave of the Council, throughout three consecutive Ordinary meetings of the Council is disqualified from continuing his or her membership of the Council. Disqualification from membership of the Council for failure to attend Ordinary Meetings of the Council will be avoided so long as the Council grants leave prior to the member being absent. The leave cannot be granted retrospectively. An apology for non-attendance at a meeting is not an application for leave of absence.

5.1 LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Councillor	Date of Leave	Approved by Council
Cr Minkom	27 June 2023 – 14 July 2023	31 May 2023

5.2 APPLICATION FOR LEAVE OF ABSENCE

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

7. CONFIRMATION OF MINUTES OF PREVIOUS MEETING(S)

7.1 Ordinary Council Meeting held on 31 May 2023 - Attachment 7.1

OFFICER RECOMMENDATION

THAT COUNCIL BY SIMPLE MAJORITY, PURSUANT TO SECTIONS 5.22(2) AND 3.18 OF THE *LOCAL GOVERNMENT ACT 1995 (WA)(CKI)*, RESOLVES THAT THE MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 31 MAY 2023, AS PRESENTED IN ATTACHMENT 7.1, BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

8. ANNOUNCEMENTS BY THE PRESIDING MEMBER AND COUNCILLORS

9. DECLARATION OF INTERESTS

Councillors are to complete a Disclosure of Interest Form for each item they are required to disclose an interest in. The Form should be given to the Presiding Member before the meeting commences. After the meeting, the Form is to be provided to the Governance and Risk Coordinator for inclusion in the Disclosures Register.

Name	Item No.	Interest	Nature

10. REPORT FROM COMMITTEES AND OFFICERS

10.1 CHIEF EXECUTIVE OFFICER

10.1.1 2023 WA LOCAL GOVERNMENT CONVENTION

Report Information

Date: 23 May 2023
 Location: Cocos (Keeling) Islands
 Applicant: Chief Executive Officer
 File Ref: Nil
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire wide
 Attachments: 10.1.1.1 – LG Convention 2023 Program

Authority / Discretion

Definition

<input checked="" type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to advise Council of the dates set for the 2023 WA Local Government Convention and seek nominations and approval of elected members and staff who wish to attend.

Relevant Documents

Available for viewing at the meeting

Nil

Background

Each year, WALGA’s annual Local Government Convention brings together hundreds of Elected Members and Local Government staff from across Western Australia to discuss and examine important issues and trends facing the sector.

Themed Local Futures, this year’s Convention will explore how Local Governments can enact and drive change for the benefit of their communities and the diversity of solutions that can emerge when you start local.

There will be inspiring keynote speakers, plenary sessions delving into topical issues and, for the first time, a Supplier Showcase featuring WALGA preferred suppliers showcasing the latest innovations across service industries such as transport and waste management.

The dates for the 2023 Convention are Sunday 17 September 2023 to Wednesday 20 September 2023 and a copy of the program is attached hereto. Registrations are now open for the 2023 Convention.

Comment

The annual WALGA Convention provides an important opportunity for elected members and staff to keep abreast of innovations and information pertaining to Local Government in West Australia.

Policy and Legislative Implications

Nil

Financial Implications

Cost of attendance for elected members and staff is budgeted for each financial year.

Strategic Implications

It is good practice for elected members and staff to attend events such as this to remain strategically informed.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Increased awareness of Councils role & responsibilities by attending the conference	Not applicable	Not applicable
Health & Safety	As above	As above	As above
Reputation	As above	As above	As above
Service Interruption	As above	As above	As above
Compliance	As above	As above	As above

Property	As above	As above	As above
Environment	As above	As above	As above
Fraud	As above	As above	As above

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Simple

OFFICER RECOMMENDATION – ITEM NO 10.1.1

THAT COUNCIL, BY SIMPLE MAJORITY:

APPROVE AND NOMINATE ELECTED MEMBERS AND STAFF TO ATTEND THE 2023 WA LOCAL GOVERNMENT CONVENTION TO BE HELD AT CROWN PERTH FROM 17 TO 20 SEPTEMBER 2023.

10.1.2 DRAFT 2023-2024 ORGANISATIONAL STRUCTURE

Report Information

Date: 22 June 2023
 Location: Cocos (Keeling) Islands
 Applicant: Chief Executive Officer
 File Ref: Nil
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire wide
 Attachments: 10.1.2.1 –2023-2024 Draft Organisational Structure Chart

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
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<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to table the draft 2023 – 2024 Shire of Cocos (Keeling) Islands Organisational Structure for endorsement and approval by Council.

Relevant Documents

[Available for viewing at the meeting](#)

Background

The West Australian *Local Government Act 1995*, Part 5 Division 4 determines who a local government is to employ.

Division 4 — Local government employees

5.36. Local government employees

- (1) A local government is to employ —
 - (a) a person to be the CEO of the local government; and
 - (b) such other persons as the council believes are necessary to enable the functions of the local government and the functions of the council to be performed.

Each new financial year it is appropriate to review the organisation structure and persons employed to ensure all the functions of Council can be performed.

A draft organisational structure for the 2023 – 2024 financial year has been developed and is attached hereto (Attachment 10.1.2.1).

The main differences between the proposed draft and the current organisation structure are the inclusion of three traineeship positions and the elevation of Governance, Risk and Planning Coordinator into a management position.

The traineeship positions have been identified as essential for the long-term future of the Council and the elevation of Governance, Risk and Planning Coordinator into a management position is due to the additional responsibility and accountability of that sector.

Policy and Legislative Implications

Meets policy and legislative requirements and has no foreseeable implications.

Financial Implications

The draft structure is budgeted for in the 2023 – 2024 Shire budget.

Strategic Implications

It is strategically prudent to have an organisation structure to meet all Council requirements. The structure proposed will be a living document for the 2023 – 2024 financial year and subject to constant review.

Voting Requirements

Absolute majority

OFFICER RECOMMENDATION – ITEM NO 10.1.2**THAT COUNCIL, BY ABSOLUTE MAJORITY:**

ENDORSE AND APPROVE THE DRAFT 2023 – 2024 SHIRE OF COCOS (KEELING) ISLANDS ORGANISATIONAL STRUCTURE AS PRESENTED IN ATTACHMENT 10.1.2.1.

10.1.3 CHIEF EXECUTIVE OFFICER REPORT

Report Information

Date: 21 June 2023
 Location: Cocos (Keeling) Islands
 Applicant: Chief Executive Officer
 File Ref: Nil
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire wide
 Attachments: 10.1.3.1 – Joint Committee meeting agenda and papers 22 Jun FINAL

Authority / Discretion

Definition

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<input checked="" type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to provide Council with an update of the actions of the Chief Executive Officer for the May June 2023 reporting period.

Relevant Documents

Available for viewing at the meeting

Nil

Background

Amongst daily meetings with staff, community members, a myriad of Commonwealth and State Government agencies and their staff and visitors to the Cocos (Keeling) Islands, of note for this month's report is the following.

Runway Upgrade Meeting – convened at Shire Chief Executive Officer’s Request. Attendees included Department of Defence, Fulton Hogan, AECOM, DITRICA and this meeting is the first of planned quarterly meetings to discuss the runway upgrade project. Discussion items included:

General update – funding has been approved, contracts are being finalised, works expected to commence on material offload facility (MOF) in late 2023 and other works to follow.

Shire discussion points:

Commencement and siting of MOF – Department of Defence has recently surveyed the site of the MOF and the sit-down area at the Ports area. Further details to be provided once surveyors report has been finalised.

Sydney Highway and Traffic Management Plan – still being developed and waiting on report from West Australia Department of Transport. Details to be provided once this information is received.

Accommodation Camp – Final details regarding the development of the camp are still being worked out. Fulton Hogan indicated that at the completion of the project the camp will be demobilised and taken from the Island. There may be opportunity for the desalination plant to be left as a legacy to community.

Update on actual runway project – Final details are still being developed and will be available in due course.

CHARMAP – It has been identified that further investigation needs to occur to consider the CHARMAP implications on the project and meetings will occur on island in the future to determine the way forward.

Disaster Management – AECOM and Fulton Hogan have contacted the Shire of Cocos (Keeling) Islands Disaster Management Coordinator to ensure they have appropriate plans in place to cover all disaster management possibilities.

Indigenous Procurement Policy – AECOM/Fulton Hogan stated that this project sat outside the normal guidelines for an Indigenous Procurement Policy (IPP) however they will utilise as much local labour as possible and look to support the local economy as widely as possible throughout the project.

Telstra – meeting with Telstra Enterprise representative Caleb Rigby, regarding data and connectivity for the Shire of Cocos (Keeling) Islands. Shire’s Communications Coordinator also attended, and discussions centred on business challenges. IT Infrastructure and networking, mobility, and general state of the Shire’s account with Telstra. Further meetings will continue as part of a Telecommunications Strategy to be developed during the 2023 – 2024 financial year.

Civic Legal – meetings and discussions held with Anthony Quahe regarding the Kampong Leasing and community consultation process. Council Workshop on 3 June 2023 progressed this matter and notes and briefing have been held with Civic Legal team to progress community consultation content.

Sport and Recreation – attended a meeting with the Community Development Coordinator, Adim Hajat and Melanie Eastough and Kylie Severin of WA Sport and Recreation on the

viability and uptake of community sporting programs delivered by Shire staff. Also discussed future funding and grant opportunities for the Shire Programs. What came out of this meeting and subsequent feedback from community members is the need to review the role of the Community Development Team and the role they play for the Shire. It is anticipated this will occur along with the review of the Shire's Integrated Strategic Planning to be tabled at the July 2023 Ordinary Meeting of Council.

IOT Waste Management Strategy – attended a Teams meeting run by GHD and DITRICA to discuss approval of the Indian Ocean Territories Waste Management Strategy. It was felt that the Strategy did not contain sufficient detail to be “approved in principle” and bring to Council for endorsement. GHD are going to take comments and feedback to the drawing board to come back again with another final draft as soon as possible.

Community Meeting – convened and attended a community at the Home Island Disaster Management Shelter regarding the waste management fees and charges for 2023 – 2024. The meeting was extremely well attended, and feedback was almost unanimous for a change of presentation and for no increase in any fees. All community feedback from both Home and West Island community meetings and any received direct to the Shire will be tabled at the waste management fees and charges workshop held on 21 June 2023.

Canberra visit – with the Shire President, travelled to Canberra to meet with various Ministers, their advisors, and the Federal Member for Lingiari, Marion Scrymgour. We received a very warm welcome from the Ministers, their ministerial advisors, and the Federal Member for Lingiari Marion Scrymgour.

The opportunity to discuss face to face, the many important issues facing Cocos (Keeling) Islands and its residents, including climate change, flooding, emergency management, land trusts, a UN delegation visiting Cocos for the 40th anniversary of the Act of Self Determination Day in 2024, telecommunications, funding for coastal damage and kampong flooding, historical documents such as the 1990 MOU signed by then Prime Minister BOB Hawke and of course the ill-fated boat ramp on West Island was a very positive and important step forward for the Shire.

Many of the issues discussed require follow up to be done by the Shire Chief Executive Officer and staff and this will be done as a matter of expediency and sent back to the relevant Ministers and Member for Lingiari.

For the Cocos Malay people of the Islands, some of the meetings were especially important as there were indications of support for funding for additional housing, the housing land trust to be wound up and land tenure to be granted. There was support for a UN delegation to travel to the Islands for the 40th Anniversary of ASDD along with a panel of Members of Parliament. Inclusive in this visit, it was proposed by the Federal Member for Lingiari to start a process for the Cocos Malay to hopefully in the future have some form of sovereignty/title akin to native title holders.

We have commitments from all we met with to continue to work with the Shire and the member for Lingiari, Marion Scrymgour will visit our Islands hopefully in late July this year to keep discussion and actions happening.

Joint Committee IOT Supply Chain Review - attended a team's meeting as a committee member the June 2023 meeting of the Joint Committee Indian Ocean Territories Supply Chain Review. Discussion items as per agenda attachment 10.1.3.1 and various surveys of committee members carried out. Next meeting to be scheduled for about end of July 2023.

Department of Premier and Cabinet – attended a team's meeting with Shane Jaffar, Manager, Indian Ocean Territories, Intergovernmental Relations – Department of Premier and Cabinet to discuss an invitation for the Premier of Western Australia to visit the Cocos (Keeling) Islands and meet with Council. Also present in the meeting was Peter Wood, Principal Planning Officer, Land Use and Planning, Department of Planning Lands and Heritage.

General discussion regarding anomalies in funding between Cocos (Keeling) Islands, West Australia, and the Commonwealth. Discussions also included CHARMAP and the Airport Runway Upgrade Project. Representation to the Commonwealth to be made regarding the funding anomaly by Shane Jaffar and regular monthly meetings to be held in moving forward.

Policy and Legislative Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple majority

OFFICER RECOMMENDATION – ITEM NO 10.1.3

THAT COUNCIL, BY SIMPLE MAJORITY, NOTE AND RECEIVES THE CHIEF EXECUTIVE OFFICER JUNE 2023 REPORT.

10.1.4 COMMUNITY DEVELOPMENT REPORT

Report Information

Date: 19 June 2023
 Location: Cocos (Keeling) Islands
 Applicant: Community Development Coordinator
 File Ref: Community Development
 Disclosure of Interest: Nil
 Reporting Officer: Community Development Coordinator
 Island: Cocos (Keeling) Islands
 Attachments: Nil

Authority / Discretion

Definition

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<input checked="" type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

To provide Council with an update of the programs and projects of the Community Development team for the months of April/May 2023

Relevant Documents

Available for viewing at the meeting

Department of Veterans' Affairs Letter of Offer
 Copy of Nek Callum's Hours on the Small Jukong Restoration
 School Holiday Program
 Football West Community and School Activation Statistics

Background

Sport Coaching

Football West organised soccer clinics for the community from the 6th to the 13th of June. The statistics from the clinics are as follows:

- Home Island community session (Wednesday 7th) = 4 participants (2 adults and 2 children aged 4 years)
- Home Island community session (Saturday 10th) = 30 participants (26 kids aged 3 to 13 years, 4 adults)
- West Island community session (Sunday 11th) = 0 participants

Youth Affairs Council of WA

Stefaan Bruce Truglio from the Youth Affairs Council of Western Australia (YACWA) and Fatema from the Multicultural Youth Advocacy Network of Western Australia (MYAN WA) visited Cocos from Friday 16th – Tuesday 20th June.

The Youth Affairs Council of Western Australia is the peak body in Western Australia that represents the interests of young people and the youth sector to government. YACWA auspices MYAN WA, who provides a voice for young people from multicultural backgrounds.

Stefaan and Fatema delivered a workshop for the young people aged year 4 to Year 10 and members of the Youth Advisory Council on Cocos Keeling Islands on Saturday the 17th of June from 10.30am – 2.00pm in the Council Chamber on Home Island. 20 youths attended the workshop. Made up of 4 from West Island and 16 from Home Island.

The workshop covered the following key items:

- Leadership and teamwork.
- What is advocacy and how to make change on issues you care about
- Storytelling.
- Exploring issues that are important to young people on Cocos Keeling Islands
- Coming up with solutions or ideas to address these issues.

As part of the workshop plan the trainers asked young people questions about:

- Issues they are passionate about on the island and why this is important to them and the community.
- What they are proud of about Cocos Keeling Islands.
- How can people who make decisions better engage with and involve young people on Cocos Keeling Islands?
- What is a key change they would like to see in their community? What would this change look like and who would be involved?
- How can young people get community and leaders to support them to make change?
- What key messages would young people like decision makers to be hearing?

The information collect in this first consultation will be used for providing a report to the Office of Multicultural Interests, as well as reports and advocacy by YACWA and MYAN WA. No identifying information will be included within this. Talking part in this program is their choice. The Shire advocates the voices and fully supports all youth related activities on the Cocos Keeling Islands.

Saluting Their Service Grant – Emden Memorial Restoration Project

The Shire has received a grant from the Department of Veterans' Affairs under the Saluting Their Service Funding. The DVA approved the grant of \$32,231 for the restoration of the 100th Anniversary Memorial of the battle between the HMAS *Sydney* and the German SMS *Emden* during the first World War.

The funded items are for the replacement of the balustrades and fretworks, freight costs and paint work on the memorial. In working with the Infrastructure Manager, the project will commence as soon as practicable.

Regional Arts Network

Meeting with Dr Pilar Kasat, Chief Executive Officer from Regional Arts Network. Discussed a number of items including support for local art and craft programs. Support for the annual Arts Exhibition which is run by the Community Arts Group by way of providing an artist in residence initiative.

Kids Art and Craft Classes

The CEO and CDC met with a parent who was interested in organising art classes as an after-school program. An organised art classes for kids on both Home and West Island which utilises the Art Rooms at the Cocos Islands District High School.

The Shire is fully supportive of the initiative and has provided financial support by way purchasing the art supplies and cost of freight. The Shire on behalf of the volunteer has completed the Third-Party Use of School Property for the two art rooms on Home and West Island. Volunteers participating in the art classes will require to have a current Working with Children Check.

Small Jukong Restoration

It has taken Nek Callum since July 2022 to restore the small jukong which had been displayed in the Shire's foyer for many years. It has taken 254-man hours for the restoration.

The work consisted of replacing several timber pieces, removal of the hull filler, replacing the rudder pins, sanding, repainting, and varnishing and fabricating chocks.

The jukong was made in 1934, by Nek Dari who is Nek Callum's late father-in-law. It is now proudly displayed in the Home Island Museum. Historical boats such as these require the community's full attention and to acknowledge the art of shipwrighting. Nek Callum is one of a few remaining local elders that can build and restore jukongs. Community Development supports our elders in restoring jukongs for community sailing as part of our Heritage Programs. The funds provide a small incentive to attract other community members to participate in jukong restoration projects.

Comment

The community development programs are aligned with the following plans and through feedback from several meetings with community groups and relevant key agencies. The Community development section adheres to the following Shire Plans for guidance and direction.

Shire's Corporate Business Plan
Shire's Strategic Community Plan

Policy and Legislative Implications

Strategic Community Plan

3.1.2 - *Protects the Islands environment*

4.1.1 - *To provide leadership to the community*

2.1.3 - *Maintain the cultural heritage*

Corporate Business Plan

S2.1.2.3 *Develop and implement a volunteer support program to encourage, incentivise, acknowledge, and thank our volunteers*

Financial Implications

Nil.

Strategic Implications

Shire's Corporate Business Plan – ED 1.1.3.3

Shire's Strategic Plan – E 1.12

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Cost of labour hours and use of plant and equipment increase	Moderate 6	Increase in budget allocation for the following financial year.
Health & Safety	Community activities and events.	Moderate 6	Risk assessment plan conducted prior to commencing events and activities
Reputation	Shire to take a leading role and setting high standards.	Low 3	Transparency and management of programs in accordance with Policies and Strategic direction.
Service Interruption	Nil	Nil	Nil
Compliance	Programs undertaken by Shire to adhere to Work, Health & Safety Policy.	Low 3	Risk assessment, JSA and HR policies.
Property	Programs and events conducted on Shire owned property or land (where possible)	Low 3	Written permission and follow procedures when undertaken

			events on non-Shire property.
Environment	Adhere to Shire’s Strategic Plan – environment.	Low 3	Consult with parks Australia North on environmental impacts.
Fraud	Compliance with Shire’s Policy and Procedures.	Low 3	Void program and investigate cause.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Simple majority.

OFFICER RECOMMENDATION – ITEM NO 10.1.4

THAT COUNCIL, BY SIMPLE MAJORITY, NOTE AND RECEIVES THE COMMUNITY DEVELOPMENT COORDINATOR JUNE 2023 REPORT.

10.1.5 REGULATION 17 REVIEW 2023

Report Information

Date: 26 June 2023
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Location: Not Applicable
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire Wide
 Attachments: 10.1.5.1 - Regulation 17 Internal Audit Review – Paxon Group

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

To present the Regulation 17 Internal Audit Review Report for consideration by the CEO to Council on behalf of the Audit and Governance Committee.

Relevant Documents

Available for viewing at the meeting

Nil

Background

Regulation 17 of the *Local Government (Audit) Regulations 1996 (WA) (CKI)* requires Local Government Chief Executive Officers (CEOs) to review the appropriateness and effectiveness of their local government's systems and procedures at least once every three financial years. The three systems specified in Regulation 17 are risk management, internal controls and legislative compliance.

The following is an extract from the Local Government (Audit) Regulations 1996 (WA) (CKI) (the Regulations):

17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

(a) risk management; and

(b) internal control; and

(c) legislative compliance.

(2) The review may relate to any or all matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

The last Shire of Cocos (Keeling) Islands Regulation 17 Report was formally presented to the Shire of Cocos (Keeling) Islands Audit and Governance Committee on 18 June 2020. This requires the next review to be reported to the Audit and Governance Committee by June 2023.

This year the Shire appointed Paxon Group to undertake the Regulation 17 Review for the Shire. The objective of the Paxon Group Regulation 17 Review is to provide a report, based on their understanding of the Shire of Cocos (Keeling) Islands, to assist the CEO in reporting to the Audit and Governance Committee on the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control, and legislative compliance.

Comment

The Regulation 17 Review focussed on the risk that the Shire's systems and procedures relating to risk management, internal control and legislative compliance are not appropriate and effective.

The fieldwork was performed in February and March 2023 and focussed on the processes and controls in place at that time, or their last point of operation.

Paxon group have issued a Report highlighting that several key areas are not in place within the Shire's processes and controls frameworks or are not active. This includes:

- Risk management
- Business continuity and disaster recovery

- Fraud and Integrity Framework, and
- Record Keeping

The Report recommend that the Shire develop action plans for the remediation of these areas and reported to Audit and Governance Committee along with previously raised findings. This practice was commenced in 2022 but does not appear to be a standing agenda item at all Committee meetings.

The report recommends that management action plans within the comments section of each detailed finding should establish a balance between putting effective processes and controls in place and setting an expectation of delivery that cannot be achieved.

Potential enhancements to fraud and misconduct reporting were also noted.

Delegated authority not been reviewed within the Shire since 2021. This finding has been included within the Regulation 5 Financial Management report, a review which Paxon has also performed and so is not duplicated within this report.

Findings are summarised and documented in detail within the Report.

Policy and Legislative Implications

Local Government (Audit) Regulations 1996 (WA)(CKI) 1996.

Financial Implications

Improvements to systems and processes as identified in this action plan will require human and financial resources; however, these will either be managed within current resource allocations or, where they require an additional allocation, an appropriate request will be formally presented to Council.

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 -2037.

Objective L1: To be involved, respectful and inclusive and to facilitate diversity and representation within the decision-making process.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Revenue loss to the Shire.	Low (2)	Managed to ensure good practices.
Reputation	Disruption to current service.	Low (2)	Ensure IT and other services are managed professionally.
Service Interruption	Potential for IT and administrative disruption.	Low (1)	Ensure changes are managed professionally.

Compliance	Not compliant with legislation.	Low (2)	Review legislation regularly.
Fraud	High risk actions may remain outstanding, putting the Shire's financial controls at risk, and open to fraudulent action.	Moderate	Close out all actions as soon as possible and look for continuous improvement opportunities.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Conclusion

As per Regulation 17 of the *Local Government (Audit) Regulations 1996 (WA)(CKI) 1996*, the CEO has conducted the review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control, and legislative compliance and hereby presents The Shire of Cocos (Keeling) Islands Regulation 17 Review Report to the Council for consideration.

Voting Requirements

Simple Majority

AUDIT AND GOVERNANCE COMMITTEE RECOMMENDATION – ITEM NO 10.1.5

THAT COUNCIL, BY SIMPLE MAJORITY:

1. NOTE THAT THE REGULATION 17 REVIEW HAS BEEN CONDUCTED AND THAT THE REPORT HAS BEEN PRESENTED TO THE AUDIT AND GOVERNANCE COMMITTEE.
2. NOTE THE REVIEW REQUIRED BY THE *FINANCE REGULATIONS 1996 (WA) (CKI)* HAS BEEN COMPLETED AND IT RECEIVES THE ASSOCIATED REPORT WITH THE SIX FINDINGS TO BE ADDRESSED AND REPORTED TO THE AUDIT AND GOVERNANCE COMMITTEE THROUGH THE AUDIT ACTIONS STATUS REPORT.

10.1.6 REGULATION 5 FINANCIAL MANAGEMENT REVIEW 2023

Report Information

Date: 26 June 2023
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Location: Not Applicable
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire Wide
 Attachments: 10.1.6.1 - Regulation 5 Internal Audit Review – Paxon Group

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

To present the Regulation 5 Internal Audit Review Report for consideration by the CEO to Council of behalf of the Audit and Governance Committee.

Relevant Documents

Available for viewing at the meeting

Nil

Background

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 states:
 “The CEO is to –

undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.”

The previous review was conducted in June 2020. This year the Shire appointed Paxon Group to undertake an independent financial management review for the Shire. The objective of this review was to perform a review to meet the requirements of Regulation 5. This included review of processes and key controls within the following areas:

- *Proper collection of all money owing to the local government.*
- *Safe custody and security of all money collected or held by the local government.*
- *Maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process).*
- *Ensure proper accounting for all income, expenditure, assets, liabilities of the municipal or trust funds.*
- *Ensure proper authorisation for the incurring of liabilities and the making of payments.*
- *Maintenance of payroll, stock control and costing records.*
- *Preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

Comment

The Shire appointed Paxon Group to undertake an independent financial management review for the Shire. The review focused on the risk that the Shire’s financial management systems and procedures are not appropriate and effective. The review covered the period from 1 January 2022 to 31 December 2022.

Paxon group have issued a Report outlining the scope, methodology and audit findings. Management have provided comments to the audit findings within this report and outlined subsequent actions to be undertaken where necessary.

These actions will be included in the Audit Actions – Improvement Tracking list with updates to be provided to the Audit Committee on a regular basis.

This report has been tabled for the Audit and Governance Committee given the remit of the committee in both financial controls and governance matters as per the terms of reference. The review will also be formally put to Council at the June 2023 Ordinary Council Meeting to receive the report as per the regulations.

Policy and Legislative Implications

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996.

Financial Implications

The cost of the independent review has been met within the audit expenses area of the 2022/23 budget.

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 -2037.

Objective L1: To be involved, respectful and inclusive and to facilitate diversity and representation within the decision-making process.

Conclusion

The Financial Management Review is presented under Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 for noting by the Council.

Voting Requirements

Simple Majority

AUDIT AND GOVERNANCE COMMITTEE RECOMMENDATION – ITEM NO 10.1.6

THAT COUNCIL, BY SIMPLE MAJORITY:

- 1. NOTE THAT THE FINANCIAL MANAGEMENT REVIEW HAS BEEN CONDUCTED AND THAT THE REPORT HAS BEEN PRESENTED TO THE COMMITTEE.**
- 2. NOTE THE REVIEW REQUIRED BY THE *FINANCE REGULATIONS 1996 (WA) (CKI)* HAS BEEN COMPLETED AND IT RECEIVES THE ASSOCIATED REPORT WITH THE FIVE FINDINGS TO BE ADDRESSED AND REPORTED TO THE AUDIT & GOVERNANCE COMMITTEE THROUGH THE AUDIT ACTIONS STATUS REPORT.**

10.1.7 AUDIT ACTIONS STATUS REPORT – JUNE 2023

Report Information

Date: 26 June 2023
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Location: Not Applicable
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire Wide
 Attachments: 10.1.7.1 - Confidential Attachment - Audit Actions Status Report – June 2023

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

For the Council to receive a report on the status of Audit Actions presented by internal and external auditors and other improvements as identified by officers.

Relevant Documents

Available for viewing at the meeting

Nil

Background

Local governments are required by the *Local Government Act* and associated regulations to carry out a number of audits/reviews, being:

- Annual financial audit – conducted by the Office of the Auditor General (s7.12AB)
- Systems and Controls Audit (LG Audit Regulation 17.)
- Review of Financial Management Systems and Procedures (LG Financial Management Regulation 5.) – conducted internally or by external consultant/auditor
- Other supplementary or performance audits as directed by the Office of the Auditor General (s7.12AF/s7.12AJ)

Some local governments are additionally utilising a formal internal audit program to ensure risk is managed, and opportunities for continuous improvement are identified.

At the conclusion of any of these audits, the auditor/reviewer, where required, will issue a management report, outlining any identified issues/risks and in most cases a recommendation for improvement. It is then up to management to determine the solution to be implemented and carry out the action.

Comment

It is important for the Audit Committee to maintain oversight of the status of any required actions, ensuring risks are managed effectively. For many councils, it is common practice that audit actions (be it internal or external audits) statuses are reported to the Committee to ensure that actions are closed out. To date, the Shire of Cocos (Keeling) Islands reports to the Committee at the conclusion of each Audit the management letter and any issues identified, provide comment, however where actions may not have been closed out, these can fall away and remain open/unactioned for a many reasons.

Officers have reviewed all Audit reports going back three years, collated all issues/actions listed and provided an update to the status as contained in Confidential Attachment 10.1.7.1. By incorporating this as a regular report to the Audit Committee it will ensure that accountability and transparency is maintained, and the Committee maintains oversight, identifying any high risks to the Shire.

This is a new process for the Shire and officers, and actions will be progressed as a matter of importance, however it must be noted that this will require a change management focus within the organisation and the process and report will continue to evolve over time.

Policy and Legislative Implications

Section 7.12A of the Local Government Act (WA) (CKI)

Local Government (Audit) Regulations 1996

17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
(a) risk management; and

(b) internal control; and
(c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

Local Government (Financial Management) Regulations 1996

5. CEO's duties as to financial management

(1) Efficient systems and procedures are to be established by the CEO of a local government —

(a) for the proper collection of all money owing to the local government; and
(b) for the safe custody and security of all money collected or held by the local government; and

(c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and

(d) to ensure proper accounting for municipal or trust —

(i) revenue received or receivable; and
(ii) expenses paid or payable; and
(iii) assets and liabilities; and

(e) to ensure proper authorisation for the incurring of liabilities and the making of payments; and

(f) for the maintenance of payroll, stock control and costing records; and

(g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

(2) The CEO is to —

(a) ensure that the resources of the local government are effectively and efficiently managed; and

(b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and

(c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Financial Implications

Nil

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 – 2037

Objective L1: To be involved, respectful and inclusive and to facilitate diversity and representation within the decision-making process.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	High risk actions may remain outstanding, putting the Shire’s financial controls at risk, and open to fraudulent action.	Moderate	Close out all actions as soon as possible and look for continuous improvement opportunities.
Reputation	Consecutively not completing audit recommendations can result in reputation risk to the Shire, and Local Government.	Moderate (6)	Providing the report to the Committee will ensure that transparency and accountability is maintained.
Fraud	High risk actions may remain outstanding, putting the Shire’s financial controls at risk, and open to fraudulent action.	Moderate	Close out all actions as soon as possible and look for continuous improvement opportunities.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Conclusion

That the Audit Committee receive the Audit Actions Status report for June 2023.

AUDIT AND GOVERNANCE COMMITTEE RECOMMENDATION – ITEM NO 10.1.7

- 1. THAT COUNCIL RECEIVE THE AUDIT ACTIONS STATUS REPORT FOR JUNE 2023 AS CONTAINED IN CONFIDENTIAL ATTACHMENT 10.1.7.1.**
- 2. THAT THE AUDIT ACTIONS STATUS REPORT BE PRESENTED TO EACH MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE TO MONITOR THE IMPLEMENTATION STATUS OF AUDIT, REGULATION 5 AND REGULATION 17 ACTIONS.**

10.2 MANAGER FINANCE AND CORPORATE SERVICES

10.2.1 MONTHLY FINANCIAL REPORT – MAY 2023

Report Information

Date: 14 June 2023
 Location: Not Applicable
 Applicant: Not Applicable
 File Ref:
 Disclosure of Interest:
 Reporting Officer: Manager Finance & Corporate Services
 Island: Shire Wide
 Attachments: 10.2.1.1 - Monthly Financial Report – May 2023

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to provide a monthly financial report for May 2023, which includes rating, investment, reserve, debtor, and general financial information to Elected Members in accordance with Section 6.4 of the *Local Government Act 1995 (WA) (CKI)*.

This report is a summary of the financial activities of the Shire as at the reporting date.

Relevant Documents

Available for viewing at the meeting.

Nil

Background

The reporting of monthly financial information is a requirement under section 6.4 of the *Local Government Act 1995 (WA) (CKI)*, and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* and provides oversight of the Shire's finances to Council.

Comment

The period of review is May 2023. The current closing municipal surplus for this period is \$1,340,774 compared to a budget position of \$824,664.

Income for the period year to date is \$7,630,096 which is made up \$6,811,883 in operating revenues and \$818,213 in non-operating grants, contributions, and subsidies. The budget estimated \$7,800,368 would be received for the same period. The variance to budget is (\$170,272).

Expenditure for the period year to date is \$8,350,106. This is made up of \$5,852,306 in operating expenditure and \$2,497,800 in capital expenditure. The budget estimated \$9,104,091 would be spent for the same period. The variance to budget is \$753,985

Details of all significant variances against the current budget are provided in the notes to the Monthly Financial Report contained within Attachment 10.2.1.1.

Policy and Legislative Implications

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires all Local Governments to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure for the month.

Financial Management Regulation 34 also requires this statement to be accompanied by:

- a. An explanation of the composition of the net current assets, less committal assets and restricted assets (Reserves);
- b. An explanation of material variances; and
- c. Such supporting information that is relevant to the Local Government

Strategic Implications

Nil

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	That budget allocations are significantly exceeded.	Moderate (6)	Variances are monitored and highlighted to Council on a monthly basis for corrective action.
Reputation	The monthly financial statements are open to public scrutiny.	Low (3)	Procedures in place to ensure all expenditure is justifiable.
Compliance	The report is to be presented to Council within two months in order to comply with relevant legislation.	Low (3)	There are processes in place to ensure compliance with legislation.
Fraud	That the report is manipulated.	Low (3)	Interim and end of year audits.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Conclusion

That the Monthly Financial Report for the period ending 31 May 2023, including explanations of material variances, be received.

OFFICER RECOMMENDATION – ITEM NO 10.2.1

THAT COUNCIL:

- 1. BY SIMPLE MAJORITY, PURSUANT TO THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996 RECEIVES THE MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2023, AS CONTAINED IN ATTACHMENT 10.2.1.1; AND;**
- 2. ACCEPTS THE EXPLANATIONS FOR MATERIAL VARIANCES FOR THE PERIOD ENDING 31 MAY 2023, AS CONTAINED IN ATTACHMENT 10.2.1.1.**

10.2.2 SCHEDULE OF ACCOUNTS PAID FOR THE PERIOD MAY 2023

Report Information

Date: 16 June 2023
 Location: Not applicable
 Applicant: Not Applicable
 File Ref:
 Disclosure of Interest:
 Reporting Officer: Senior Finance Officer
 Island: Shire Wide
 Attachments: 10.2.2.1 - Schedule of Accounts paid

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to present to Council a list of accounts paid under delegated authority for the period May 2023, as required by the *Local Government (Financial Management) Regulations 1996*.

Relevant Documents

Available for viewing at the meeting.

Nil

Background

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the Shire's Municipal and Trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996* a list of accounts paid is to be provided to Council, where such delegation is made.

Comment

The following table summarises the payments for the period by payment type, with further details of the accounts paid contained within Attachment 10.2.2.1.

Payment Type	Amount (\$)
EFT Payments #9766 to #9859	\$650,701.34
Direct Debit Payment	\$65,148.17
Cheque Payment 11709 to 11713	\$7,109.55
Total Payments	\$722,959.06

Contained within Attachment 10.2.2.1 is a detailed transaction listing of payments, including credit card expenditure as per the Summary table above.

Policy and Legislative Implications

Nil

Strategic Implications:

Nil

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	That budget allocations are significantly exceeded.	Moderate (6)	Variances are monitored and highlighted to Council monthly for corrective action.
Reputation	The accounts paid report is open to public scrutiny.	Low (3)	Procedures in place to ensure all expenditure is justifiable.
Compliance	The report is to be presented to Council in order to comply with relevant legislation.	Low (3)	There are processes in place to ensure compliance with legislation.
Fraud	That the report is manipulated.	Low (3)	Interim and end of year audits along with sequence checks.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Conclusion

It is recommended that Council receives the reports provided for the period May 2023.

OFFICER RECOMMENDATION – ITEM NO 10.2.2

THAT COUNCIL:

1. BY SIMPLE MAJORITY, PURSUANT TO REGULATION 13(1) OF THE *LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996* RECEIVES THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO PAYMENTS MADE FROM MUNICIPAL OR TRUST FUNDS FOR THE PERIOD MAY 2023 TOTTALLING \$722,959.06 AS CONTAINED IN ATTACHMENT 10.2.2.1.
2. RECEIVES THE DETAILED TRANSACTION LISTING OF CREDIT CARD EXPENDITURE FOR THE PERIOD MAY 2023, AS CONTAINED IN ATTACHMENT 10.2.2.1.

10.2.3 2023/2024 ANNUAL BUDGET

Report Information

Date: 24 June 2023
 Location: Cocos (Keeling) Islands
 Applicant: Cocos (Keeling) Islands
 File Ref: N/A
 Disclosure of Interest: Nil
 Reporting Officer: Manager Finance & Corporate Services
 Island: Shire wide
 Attachments: 10.2.3.1–2023-2024 Statutory Budget – Shire of Cocos (Keeling) Islands (includes Schedule of Fees & Charges)
 10.2.3.2 – 2023-2024 Budget – Additional Information
 10.2.3.3– 2023-2024 Councillor Workshop - Fees and Charges
 10.2.3.4 – Budget Variation Process Map

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is for Council to consider and adopt the proposed budget for Municipal, Trust and Reserve Funds for the 2023/2024 financial year, together with supporting schedules, including imposition of rates and minimum payments, adoption of fees and charges, setting of Elected Members fees for the year, and other consequential matters arising from the budget papers.

Relevant Documents

Available for viewing at the meeting

Nil

Background

The presented budget for 2023/2024 is a balanced budget. This Budget document has been prepared in accordance with the *Local Government Act 1995 (WA) (CKI)*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

Comment

The following information is provided in support of the Budget being presented for consideration.

2022/2023 Forecast Carried Forward Surplus

The estimated surplus to be carried forward from 2022/2023 into this budget is \$701,971. The surplus is a combination of savings against budget expectations, and projects and services budgeted in 2022/2023 not yet completed. These projects and services have been re-budgeted in 2023/2024 for completion.

Project	Amount to Carry forward	
Fisheries Service Agreement (Unspent Funding)	\$127,064 / (\$127,064)	Operating Income / Operating Expenditure
Saluting Our Service Grant	\$32k	Capital Income
Emden Memorial Refurbishment	\$42k	Capital Expenditure
2x Light Vehicle Replacement	\$118k	Capital Expenditure / Reserve Transfer
Home Island Retail Precinct	\$45k	Capital Expenditure
Studio Unit Lot 198 HI	\$25k	Capital Expenditure
Depot Storage fit out	\$16k	Capital Expenditure
Kampong House renewals	\$30k	Land Trust Contribution

Major Projects, Services and Programs

The major projects, services and programs that have been included in the 2023/2024 Budget include:

Project/Initiative	Budget Allocation (\$)
Plant Replacement	\$718,000
New Plant & Equip – Roll Out Boat Ramp Matting	\$100,000
New Plant & Equip – (Fuel Tank & Crusher Bucket)	\$112,000
Home Island Retail Precinct Completion	\$507,297
Direction Island – Emden Memorial and other capital works	\$168,043
IT & Communications Equip renewals / upgrades	\$81,500
Road Reconstruction – Home Island	\$418,161
Kampong Rental Housing - Renewals	\$343,586
Shire Admin Office – roof repair / replacement	\$198,660
Sandbagging – Home Island Cemetery	\$43,616
Waste Management (excl. Off-Island disposal, excl. depreciation)	\$960,453
Off Island Disposal of Waste	\$553,117

Road Maintenance	\$235,098
Parks and Reserves (including playgrounds) maintenance	\$761,419
Other Property Maintenance (Public halls, museum, toilets, beach shelters, BBQ's, Depot, cemetery, boat ramps)	\$719,916
Community Development, events, programs, community funding programs & heritage	\$564,504

Proposed Rates

At the Ordinary Council Meeting held on 31 May 2023 Council resolved to provide local public notice of its intention to adopt differential rates and minimum payments for the 2023/2024 financial year. Ratepayers were provided 21 days to make a submission. No submissions were received by the Manager Finance & Corporate Services during the submission period.

The proposed rate in the dollar (RiD) equates to an approximate 3.5% increase from the 2022/23 RiD and minimum payments across all categories.

Once adopted the proposed rates would yield revenue of \$505,255.

The following rating categories, rates in the dollar and minimum payments for 2023/2024 are recommended for adoption:

RATING CATEGORY	RATE IN \$ 2023/24	MINIMUM RATE 2023/24
GRV General Developed	0.1202	\$780
GRV Vacant Land	0.2399	\$880
GRV Business	0.1268	\$780

The Shire continues to charge the reduced penalty interest rate of 7% in accordance with the Local Government (COVID-19 Response) Amendment order extension gazetted by the Minister for Local Government for the 2022/23 year.

Capital Expenditure

Total Shire capital expenditure for 2023/2023 is budgeted to be \$2.3 million, with \$847,764 funded from non-operating grants and contributions, \$702,500 from reserve funds, \$500 from sale of assets and the balance of \$801,448 funded from municipal funds. A number of capital works projects are carried forward from 2022/23 with additional projects focusing on renewal or upgrade of existing assets and infrastructure. Should resources become available throughout the year, new projects can be considered by Council. Details of the capital works program for 2023/24 is attached in 10.2.3.2 – 2023-2024 Budget Additional Information.

Schedule of Fees and Charges

In providing facilities and services, Council must consider a range of 'Best Value' principles including service cost and quality standards, value for money and community expectations. Council must balance affordability and accessibility of services with its financial capacity and in the interests of long-term financial sustainability.

A major review of the Waste Management Fees and Charges has occurred as part of the budget process. Proposed waste collection and transfer station gate fees have been workshopped with stakeholders and discussed extensively by Council. Several submissions

were submitted to the CEO from local residents and ratepayers and have been provided to Council. All submissions have been responded to and have been considered in the amended proposed schedule.

Shire services are provided on the basis of one of the following pricing methods;

1. Market Price
2. Full Cost Recovery
3. Subsidised Price

For further information regarding the pricing methods, a copy of the Fees & Charges Councillor Workshop slides are attached at 10.2.3.3 – 2023-2024 Budget Councillor Workshop -Fees and Charges

The Schedule of Fees Charges form part of the Statutory Budget report and can be found on page 26 of the attached 10.2.3.1 –2023-2024 Statutory Budget – Shire of Cocos (Keeling) Islands.

Council has discussed implementing small business grants to potentially subsidise waste fees for small businesses that directly service Cocos Island residents. An allowance for this community funding is provided for under ‘Other Expenditure’ in the 2023/24 Annual Budget.

Cash Backed Reserves

The Shire’s Plant and Building reserves have been utilised to fund capital projects totalling \$884,033. The Shire proposes to cash-back depreciation in the Plant Replacement Reserve, Building Reserve and Furniture Reserve in order to smoothly fund future renewals.

Transfer in % of current year depreciation

Transfer out – current year capital renewals

Reserve funds are held in a term deposit with interest earned being distributed to the relevant Reserves.

The Shire also proposed to create a new Reserve account for the purposes of restricting income generated from Waste fees to funding waste operations.

Budget Variation Report to Council Process Map

A process map that details when budget variations are required to be presented to Council is provided in Attachment 10.2.3.4. This will assist Shire Officers to determine when Council are required to approve any budget variations that arise during the 2023/2024 financial year.

This is in accordance with the Officer Recommendation included in this report, where Shire Officers recommend a reporting material variance of 10% or \$20,000, whichever is the greater, that will be used in the monthly financial statements of financial activity. Any budget variations where a Council resolution is not required will still be included in the budget variations note that is included in the monthly financial statements of financial activity for transparency and balancing purposes.

Policy and Legislative Implications

This Budget has been prepared in accordance with the *Local Government Act 1995 (WA) (CKI)*, the *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

Section 6.2 of the *Local Government Act 1995 (WA) (CKI)* requires Council to prepare an annual budget.

Section 6.16 of the *Local Government Act 1995 (WA) (CKI)* Imposition of fees and charges

Financial Implications

The proposed budget is a balanced budget for the 2023/2024 financial year.

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 – 2037:

Objective L1: to be involved, respectful and inclusive and facilitate diversity and representation within the decision-making process

Objective L2: to ensure that Shire resources are utilised in a manner that represents the best interest of the whole community.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	The budget does not accurately reflect actual expenditure and revenue	Low (3)	The budget has been prepared with sufficient rigour to provide a high level of confidence in estimates
Reputation	The budget does not reflect community aspiration and priority	Moderate (3)	The budget has been prepared to align with the CBP
Compliance	The budget does not comply	Low (4)	The budget has been prepared in accordance with all legislative requirements

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Absolute Majority

Conclusion

Officers submit the Shire's 2023/2024 Annual Budget for adoption as required under Section 6.2 of the *Local Government Act 1995 (WA) (CKI)*.

OFFICER RECOMMENDATION – ITEM NO 10.2.3

THAT COUNCIL, BY ABSOLUTE MAJORITY:

1. PURSUANT TO SECTION 6.2 OF THE *LOCAL GOVERNMENT ACT 1995 (WA) (CKI)* AND PART 3 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, RESOLVES TO ADOPT THE 2023/2024 BUDGET, INCLUDING THE STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE, STATEMENT OF CASH FLOWS, STATEMENT OF FINANCIAL ACTIVITY, SUPPORTING NOTES TO AND FORMING PART OF THE STATUTORY BUDGET, CAPITAL EXPENDITURE BUDGET BY PROJECT AND TRANSFERS TO/FROM RESERVE FUNDS FOR THE YEAR ENDING 30 JUNE 2024, AS DETAILED IN ATTACHMENT 10.2.3.1 AND ATTACHMENT 10.2.3.2.
2. PURSUANT TO SECTIONS 6.32, 6.34, 6.35, 6.37 AND 6.38 OF THE *LOCAL GOVERNMENT ACT 1995 (WA) (CKI)* AND REGULATION 54 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, RESOLVES TO ADOPT THE 2023/2024 GENERAL RATE AND MINIMUM PAYMENT FOR THE SHIRE OF COCOS (KEELING) ISLANDS AS FOLLOWS:

RATING CATEGORY	RATE IN \$ 2023/24	MINIMUM RATE 2023/24
GRV General Developed	0.1202	\$780
GRV Vacant Land	0.2399	\$880
GRV Business	0.1268	\$780

3. RATES INSTALMENTS

ENDORSE THE DUE DATES FOR PAYMENT OF INSTALMENT OPTIONS AS:

- a. ONE (1) INSTALMENT OPTION – MONDAY 28 AUGUST 2023: AND
- b. FOUR (4) INSTALMENT OPTION - FIRST INSTALMENT MONDAY 28 AUGUST 2023, SECOND INSTALMENT MONDAY 6 NOVEMBER 2023, THIRD INSTALMENT MODAY 22 JANUARY 2024, AND FOURTH INSTALMENT MONDAY 25 MARCH 2024;

4. INSTALMENT ADMINISTRATION FEE

PURSUANT TO SECTIONS 6.45 AND 6.50 OF *THE LOCAL GOVERNMENT ACT (WA) (CKI) 1995* AND REGULATION 67 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996 RESOLVES TO ADOPT AN INSTALMENT ADMINISTRATION CHARGE WHERE THE OWNER HAS ELECTED TO PAY RATES (AND SERVICE CHARGES) BY WAY OF AN INSTALMENT OPTION OF \$5 FOR EACH INSTALMENT AFTER THE INITIAL INSTALMENT IS PAID, BEING \$15.00;

5. INSTALMENT INTEREST

PURSUANT TO REGULATION 68 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, RESOLVES TO ADOPT AN INSTALMENT INTEREST RATE OF 5.5% WHERE THE OWNER HAS ELECTED TO PAY RATES AND SERVICE CHARGES THROUGH AN INSTALMENT OPTION;

6. PENALTY INTEREST

PURSUANT TO SECTIONS 6.51(1) AND 6.51(4) OF *THE LOCAL GOVERNMENT ACT (WA) (CKI) 1995* AND REGULATION 70 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, RESOLVES TO ADOPT AN INTEREST RATE OF 7% PER ANNUM FOR RATES AND CHARGES THAT REMAIN UNPAID AFTER BECOMING DUE AND PAYABLE;

7. PURSUANT TO THE PROVISIONS OF THE *WASTE AVOIDANCE AND RESOURCE RECOVERY ACT 2007* PART 6, DIVISION 3, SECTION 67:

- a. LEVY A CHARGE OF \$580 IN RESPECT OF THE REMOVAL OF THE CONTENTS OF ONE 240L REFUSE BIN FROM RESIDENTIAL PROPERTY UP TO TWICE PER WEEK; AND
- b. APPLY A PENSIONER DISCOUNT RATE IN RESPECT OF THE REMOVAL OF THE CONTENTS OF ONE 240L REFUSE BIN FROM RESIDENTIAL PROPERTY UP TO TWICE PER WEEK BEING \$380 FOR A SINGLE PENSION HOUSEHOLD AND \$392 FOR A COUPLE PENSION HOUSEHOLD; AND
- c. LEVY A MINIMUM CHARGE OF \$2962 IN RESPECT OF THE REMOVAL OF THE CONTENTS OF ONE 240L REFUSE BIN FROM COMMERCIAL PROPERTY UP TO TWICE PER WEEK; AND
- d. LEVY A MINIMUM CHARGE OF \$4,938 IN RESPECT OF THE REMOVAL OF THE CONTENTS OF ONE 240L REFUSE BIN FROM A PUBLIC AGENCY PROPERTY UP TO TWICE PER WEEK,

ANY ADDITIONAL BINS OR COLLECTIONS WILL RESULT IN ADDITIONAL CHARGES;

8. PURSUANT TO SECTION 6.11 OF THE *LOCAL GOVERNMENT ACT 1995 (WA) (CKI)*, CREATE A NEW RESERVE FUND CALLED 'WASTE MANAGEMENT RESERVE' WITH THE PURPOSE OF RESTRICTING REFUSE COLLECTION AND TRANSFER STATION GATE FEES TO FUNDING WASTE MANAGEMENT OPERATIONS.

9. ELECTED MEMBERS' FEES AND ALLOWANCES

PURSUANT TO SECTION 5.99 OF THE *LOCAL GOVERNMENT ACT 1995 (WA) (CKI)*, RESOLVES TO SET THE ANNUAL ATTENDANCE FEE FOR ALL COUNCILLORS TO \$5,500 AND THE SHIRE PRESIDENT'S ALLOWANCE TO \$5,500 FOR THE 2023/2024 FINANCIAL YEAR.

10. FEES AND CHARGES

PURSUANT TO SECTION 6.16 OF THE *LOCAL GOVERNMENT ACT 1995 (WA) (CKI)*, ADOPTS THE FEES AND CHARGES SET OUT ON PAGE 26 OF THE STATUTORY BUDGET REPORT ATTACHMENT 10.2.3.1.

11. MATERIAL VARIANCE FOR 2023/2024 FINANCIAL YEAR

PURSUANT TO REGULATION 34(5) OF THE *LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996* ADOPTS THE LEVEL TO BE USED IN THE MONTHLY STATEMENTS OF FINANCIAL ACTIVITY IN 2023/2024 FOR REPORTING MATERIAL VARIANCES TO BE THE GREATER OF:

- I) 10%; OR
- II) \$20,000;

APPLICABLE TO EACH REVENUE AND EXPENDITURE ITEM WITHIN THE NATURE AND TYPE CLASSIFICATION AND CAPITAL INCOME AND EXPENDITURE.

10.3 MANAGER INFRASTRUCTURE

10.3.1 INFRASTRUCTURE REPORT

Report Information

Date: 18 June 2023
 Location: Cocos (Keeling) Islands
 Applicant:
 File Ref: Nil
 Disclosure of Interest: Nil
 Reporting Officer: Infrastructure Manager
 Island: Cocos (Keeling) Islands
 Attachments: Nil

Authority / Discretion

Definition

<input checked="" type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input checked="" type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to provide Council with an update on the status of key capital works projects and the operations of the infrastructure team over the reporting period.

Relevant Documents

Nil

Background

The Shire had an ambitious capital works program to deliver in 2022/2023 in addition to ongoing maintenance and private works projects.

This report is provided to outline known status progress on works, budget allocation, forecast and variant implications for the Council approved capital projects. Some of these projects are those that have been rolled over into this financial year's budgets. With these continuances we have seen some completions, positive advancement of works for some and unavoidable delays on others.

CAPITAL PROJECTS

New Houses

The new houses are complete with occupation commencing early December.

Final cost for the project was \$1,547,579.

Retail Precinct

Stage 2 of the retail precinct commenced in late October with significant progress made since then.

Extensions to the east and west of the existing building have progressed with electrical and plumbing work underway. A Contractor has been engaged to install internal/external cladding and ceilings to these areas.

Works on the demolition of the restaurant are complete and reconstruction underway.

The master metering panel has arrived, and we are awaiting approval from IOTPS for a network extension. Materials for the bakery have arrived ready for installation pending IOTPS approval.

Works are planned to continue with a completion date of December 2023.

The current budget for the remainder of the project is \$829,376. Expenditure to date is \$403,000 with \$160,000 committed. It is likely that approximately \$380,000 will need to be carried over.

With the need to purchase materials for the project and extended time for completion, the draft budget for 23/24 has provision for an additional \$100,000 expenditure.

Road Works – Jalan Bunga Mawar

Works completed in November 2023. Pavers have been purchased in preparation for the works planned on Jalan Raya for 23/24.

Re-sheeting of Bungalows

The cladding replacement on the two bungalows commenced in March with the first one substantially completed prior to Ramadan.

Works on the second Bungalow is now also complete.

Additional minor works on the two Bungalows are intended to progress at the completion of routine rental inspections.

Studio Unit

Christmas Island Maintenance Services (CIMS) has been engaged to undertake the project of installing the studio unit on LOT198 Jalan Edit, Home Island. Preliminary works have commenced with the installation of footings on the allotment.

CIMS are now awaiting the transport of the unit from West Island. It is hoped this can be achieved when unloading of the current ship is complete.

Allocated budget for this project is \$32,500. With connection to services excluded from the current contract, it is likely that the budget will be exceeded by up to \$5,000.

Once onsite, completion within 3 weeks is anticipated. The project will need to be carried over to 23/24.

Shelter at The Spot

Construction of the shelter was completed late last year. The BBQ is now operational. Blue bollards have been installed to separate shelter from the parking area and planting of native vegetation has occurred. Works are complete.

Kampong Bathroom Renewal

Works are complete.

Kampong Kitchen and Window Renewal

The budget allocated for this project is \$196,553 to renew kitchen and windows for Shire rental properties. Property inspections commenced on 22 May 23 which will identify and confirm prioritisation which properties will receive the renewals. Once we determine which properties will be affected, we will work with occupiers to formalise scheduling of the works.

Given the current committed schedule of works for other projects and resources this project will be carried forward to 2023/2024.

Works will be undertaken by building maintenance staff and casuals under the direction of the Senior Building Officer.

Plant Replacement Program

In this financial year Council accepted and approved allocation an extensive plant replacement program. Listed in table below plant purchases.

PLANT	BUDGET	PURCHASE AMOUNT	STATUS	ESTIMATED DELIVERY
SELF PROPELLED ROLLER	\$180,000	\$174,830	Delivered	Delivered
SIDE/REAR TIPPER TRUCK	\$250,000	\$242,631.35	Delivered to Zentner for June ship	July
EXCAVATOR	\$ 366,411	\$348,411	Delivered	Delivered
RUBBISH TRUCK	\$234,180	\$209,180	Delivered	Delivered
SKID STEER	\$136,780	\$87,045	Delivered	Delivered
TRACTOR AND FLAIL MOWER	\$100,000		Removed from replacement program	N/A
LIGHT FLEET – Can Ams	\$100,000	\$64,000	Ordered for deliver to Zentner for June ship	July
LIGHT FLEET - Mitsubishi	\$180,000	\$125,700	Purchase order raised. One vehicle received. Arrive in Perth late June.	August

Sandbag Wall Maintenance and Construction

Private works on a sandbag wall the site of the cable landing are complete.

Works are also complete on the extension of the seawall at the southern end of the airstrip.

Maintenance works on the existing seawalls at Sydney Highway and William Keeling Cres are complete. Works to repair the wall at the Fuel Farm have commenced and is intended for completion by the end of June.

A Contract has also been entered into with the Commonwealth for the supply of additional sandbags to have 'in stock' for future maintenance works. These are planned for delivery to Perth before the end of June.

OPERATIONAL WORKS

Maintenance Grading

Maintenance grading of the roads on West Island have commenced and will be ongoing when the conditions are suitable.

Public Bin Surrounds

New bin surrounds have bene installed at the Spot-on West Island and Kampong Atas and the Foreshore at Home Island.

Verge Trimming

Trimming of roadside vegetation is complete on the South End Road and Jalan Balok Mem.

Waste Management

Off island Disposal

- Tyres on Home Island have been placed on pallets ready for loading into containers
- One load of batteries has been shipped off island
- The old Home Island rubbish truck has been returned to the mainland.

Waste Education

- Waste education sessions were held with the Cocos Keeling Islands District high School on both West Island and Home Island.
- Beach cleanup was held with the Senior Group at Kampong Atas.

Drink Tap Water

- “We refill here stickers” are being distributed to any business that would like to participate and offer water for anyone that would like to refill their bottles. Stickers are also on water bubblers
- Map been put together of all water refill sites also

Comment

This report outlines several projects that should be complete this financial year, however with limited qualified trades staff and no project management staff there is some risk of project delays.

Policy and Legislative Implications

Nil

Financial Implications

Project finances are monitored to ensure wherever possible works are done within scope and set allocated budget. Should there be any unforeseen variances such as increase in freight and shipping these will identified earlier rather than later for each of the projects that are yet to commence.

Strategic Implications

Projects will continue to be delayed and not delivered on time if issues of staffing or external trades staff are resolved.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Projects exceed budget allocation	Moderate	Ensure projects are delivered in schedule time and finances are monitored.
Health & Safety	Staff do not comply with Work Health and Safety requirements	Moderate	Adequate training all for staff and constant monitoring by WHS Representatives, Supervisors and Managers that requirements are adhered to.
Reputation	Projects are not delivered and up to required standard	Moderate	Works are scheduled and project updates are provided accordingly
Service Interruption	Loss of key personnel to undertake project	Moderate	Ensure adequate staff is available for project delivery – limit number of projects to be delivered each FY
Compliance	Non-compliant with regulations and codes	Low	Ensure Supervisors and Managers have the necessary knowledge in standards, regulations and codes.
Property	Damage to property	Moderate	Ensure staff are aware of their surroundings and to avoid damage to property as necessary.
Environment	Damage to environment and surroundings	Moderate	Ensure minimal impact on environment at every means possible. Rehabilitation and replanting of area at the completion should it be impacted by project.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Simple majority.

OFFICER RECOMMENDATION – ITEM NO 10.3.1

THAT COUNCIL, BY SIMPLE MAJORITY, NOTE AND RECEIVES THE MANAGER INFRASTRUCTURE JUNE 2023 REPORT.

- 11. MINUTES TO BE RECEIVED**
- 12. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 13. MOTIONS WITHOUT NOTICE WITH LEAVE OF COUNCIL**
- 14. MATTERS BEHIND CLOSED DOOR**
- 15. MATTERS RELATING TO THE LAND TRUSTS**



MATTERS RELATING TO THE LAND TRUST 1979 AND LAND TRUST 1984

The Australian Government transferred ownership of portions of land on the Cocos (Keeling) Islands, under two separate deeds, to the Territory's local government being the Cocos (Keeling) Islands Council. On 1 July 1992, the Territories Law Reform Act came into effect by which the Commonwealth Government applied Western Australian laws to the Cocos (Keeling) Islands. The *Local Government (Transition) Ordinance 1992* established the Shire of the Cocos (Keeling) Islands by absorbing the Cocos (Keeling) Islands Council. By this arrangement, the body corporate called the Shire of Cocos (Keeling) Islands became the Trustee for both Land Trusts. Decisions relating to the Trust are made by Council as the decision-making arm of the body corporate.

The 1979 Deed: The 1979 Trust Deed applies to all of the land above the high-water mark on Home Island, except Lot 13, Lot 14 and Pulu Gangsa (Cemetery Island). The Deed states that the land is to be held 'upon trust for the benefit, advancement and wellbeing of the community formed by the Kampong residents.' No other terms were expressed in the Deed. 'Kampong residents' were described in the 1979 Trust Deed as 'the residents from time to time of the Kampong area'.

The 1984 Deed: The 1984 Trust Deed applies to all parcels of land situated and being above high-water mark within the Cocos (Keeling) Islands, including North Keeling Island, but not including parcels of land as described in the First Schedule of the 1984 Trust Deed. This transferred land was to be held by the Council (and later, by its successor, the Shire) 'upon trust for the benefit, advancement and wellbeing of the Cocos (Keeling) Islander's resident in the Territory on land owned by the Council.'

15.1 TRUSTS ADMINISTRATION

15.2 TRUSTS LEASES

15.2.1 APPLICATION FOR NEW LEASE PART LOT 45 HOME ISLAND, LIGHT INDUSTRIAL AREA SHED 3

Report Information

Date: 27 June 2023
 Location: Part Lot 45 Home Island LIA Shed 3
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Disclosure of Interest:
 Reporting Officer: Leasing & Policy Development Officer
 Island: Shire Wide
 Attachments: Nil

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

To seek approval for Council to enter into a new lease for Part Lot 45 Home Island Light Industrial Area (LIA) Shed 3.

Relevant Documents

Available for viewing at the meeting.

Background

The previous lease for Part Lot 45 HI LIA Shed 3 commonly known as the workshop was terminated due to non-payment of lease fee. An expression of interest was advertised to the public in the Atoll, Facebook and Shire’s website. The Shire received many interests from the public however only one (1) candidate submitted an application.

Comment

The submission Shire received for this EOI is from the Cocos Island Cooperative Society Pty Ltd (Cocos Coop). Cocos Coop is an independent business provider on Cocos (Keeling) Islands offering a range of vital services and employment opportunities to the local bringing a positive economic outcome for the community. Their services include but not limited to stevedoring, carpentry services, mechanical servicing of their plants, operating of a hardware store and local supermarket are amongst some examples.

This application has been assessed based on the Shire’s current eligibility criteria. As there is only one submission, officers were unable to compare the application.

Policy and Legislative Implications

Section 3.58 of the *Local Government Act 1995 (WA) (CKI)*.

Financial Implications

Progressing with the EOI to formal lease arrangements will result in revenue to the Shire with an annual payment of \$4,275.00, noting the fee would be subject to annual CPI review, market review at the commencement of option of any further term.

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 – 2033. Economic E2: To Work alongside local businesses to facilitate employment, growth, and development.

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Reputation	Not progressing with the lease in a timely manner could result in uncertainty for a key stakeholder who provides a good community service.	Moderate (8)	This item is being progressed as quickly as possible, while still observing legislative requirements.
Service Interruption	Without a lease, a demand of this service for the community could be disrupted.	Moderate (6)	This item is being progressed as quickly as possible, while still observing legislative requirements.

Compliance	The process for leasing does not comply with legislation.	Low (3)	The process outlined in this report is consistent with legislative requirements.
Property	The property is being used other than what it has been intended for.	Low (3)	Property inspection to be conducted annually.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Simple majority

Conclusion

It should be noted that Council, in this instance, is acting in its capacity as the Trustee of the 1979 Land Trust as the Land (Part Lot 45) is held in Trust. Council, in making any decision in relation to the Trust, must give due consideration of the purpose of the Trust, that is “for the benefit, advancement and wellbeing of the community formed by the Kampong residents” and ensure their decision-making is guided by this objective. Council, acting in its capacity as Trustee, has the authority to consider matters relating to Land held in Trust.

The request for a new lease is presented to the Trust for consideration and the officer’s recommendation the EOI is awarded to the Cocos Island Cooperative Society Pty Ltd being the only submission received from the public.

OFFICER RECOMMENDATION – ITEM NO 15.2.1

THAT COUNCIL, ACTING IN ITS CAPACITY AS TRUSTEE OF THE 1979 LAND TRUST DEED, BY SIMPLE MAJORITY, PURSUANT TO SECTION 3.58 OF THE LOCAL GOVERNMENT ACT 1995 (WA) (CKI) RESOLVES:

- 1. TO GIVE LOCAL PUBLIC NOTICE OF THE INTENT (INCLUDING INVITING PUBLIC SUBMISSIONS) TO DISPOSE BY WAY OF LEASE FOR PART LOT 45 HOME ISLAND LIA SHED 3 TO THE COCOS ISLAND COOPERATIVE SOCIETY PTY LTD ON THE CONDITION THAT;-**
 - a. THE LEASE FEE BE SET AS PER THE RECOMMENDED VALUATION BY AN INDEPENDENT VALUER IN THE AMOUNT OF \$4,725.00 PER ANNUM. THE ANNUAL LEASE FEE IS SUBJECT TO AN ANNUAL CPI REVIEWS AND A ONE-OFF LEASE PREPARATION FEE OF \$257;**
 - b. THE LEASE TERM BEING TEN (10) YEARS WITH A FIVE (5) YEARS OPTION;**

- c. THAT THE PROSPECTIVE LESSEE IS ADVISED THAT THEY WILL BE RESPONSIBLE FOR ALL MAINTENANCE OF THE BUILDING PER THE LEASE CONDITIONS;**
- 2. THE PURPOSE OF THE LEASE IS TO UTILISE THE SPACE AS A WORKSHOP;**
- 3. THAT SHOULD NO OBJECTIONS BE RECEIVED DURING THE PUBLIC NOTICE PERIOD; THE CHIEF EXECUTIVE OFFICER IS AUTHORISED TO ENTER INTO THE LEASE AS PER THE SHIRE'S NEW RETAIL LEASE TEMPLATE AND WITH THE CONDITIONS AS OUTLINED ABOVE;**
- 4. THAT IF OBJECTIONS ARE RECEIVED, TO CONSIDER ALL PUBLIC SUBMISSIONS AT THE FIRST ORDINARY MEETING OF COUNCIL FOLLOWING THE CLOSE OF THE PUBLIC SUBMISSION PERIOD;**
- 5. THAT REGULAR INSPECTIONS OF COMMERCIAL TENANCY BE UNDERTAKEN;**
- 6. ALL EXISTING SUNDRY AND RATES DEBTS RELATED TO THE PROSPECTIVE LESSEE ARE PAID IN FULL PRIOR TO ENTERING INTO A NEW LEASE; AND**
- 7. THE SHIRE PRESIDENT AND OR CHIEF EXECUTIVE OFFICER TO SIGN AND AFFIX THE SHIRE OF COCOS (KEELING) ISLAND COMMON SEAL TO THE LEASE AGREEMENT DOCUMENT.**

15.2.2 REQUEST TO AMEND LEASE – EXTEND PHASE ONE MILESTONE FOR PORTION OF LOT 103 HOME ISLAND – ISLAND POWER CO PTY LTD

Report Information

Date: 27 June 2023
 Location: Portion of Lot 103 Home Island
 Applicant: Island Power Co Pty Ltd
 File Ref:
 Disclosure of Interest:
 Reporting Officer: Chief Executive Officer
 Island: Home Island
 Attachments: CONFIDENTIAL - Circulated under separate cover

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
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<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

This report is confidential under Section 5.23 (2) of the Local Government Act 1996 and is circulated under a separate cover.

(2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following– (b) the personal affairs of any person –

(e) a matter that if disclosed, would reveal –

(iii) information about the business, professional, commercial, or financial affairs of a person,

15.3 TRUSTS FINANCE

16. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING (LATE ITEM)

17. CLOSURE