

SHIRE OF LEONORA

**MINUTES OF THE ORDINARY
COUNCIL MEETING**



LEONORA

Star of the West

**HELD IN COUNCIL CHAMBERS,
LEONORA ON TUESDAY,
16th NOVEMBER, 2004**

SHIRE OF LEONORA

Minutes of the Ordinary Meeting held in Council Chambers, Leonora on Tuesday 16th November, 2004 commencing at 9.30 am.

1.0 DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS / FINANCIAL INTEREST DISCLOSURES

1.1 Cr Dawes declared the meeting open at 9.30am.

1.2 Financial Interests Disclosure –
Nil

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (previously approved)

2.1 PRESENT

| | |
|--------------------------------|--------------|
| President | G R Dawes |
| Deputy President | N J Johnson |
| Councillors | G R Kemp |
| | S J Heather |
| | T C Demasson |
| | P J Craig |
| | B S D Taylor |
| | L Petersen |
| Chief Executive Officer | J G Epis |
| Deputy Chief Executive Officer | J F Rowe |

2.2 APOLOGIES
Nil

2.3 LEAVE OF ABSENCE
Nil

3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE
Nil

4.0 PUBLIC QUESTION TIME
Nil

5.0 APPLICATIONS FOR LEAVE OF ABSENCE
Nil

6.0 PETTITIONS / DEPUTATIONS / PRESENTATIONS
Nil

7.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETINGS

Moved Cr Demasson seconded Cr Heather that the Minutes of the Ordinary Meeting held on Tuesday 17th October, 2004 be confirmed as a true and accurate record.

CARRIED (8 VOTES TO 0)

8.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION
Nil

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1 (A) TENDER – MID-SIZED STREET SWEEPER

SUBMISSION TO: Meeting of Council
Meeting Date: 16th November, 2004

AGENDA REFERENCE: 9.1 (A) NOV04

SUBJECT: Tender – Mid-sized Street Sweeper

LOCATION / ADDRESS: Not Applicable

NAME OF APPLICANT: Not Applicable

FILE REFERENCE: Tenders Plant 10.7

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 1st November, 2004

BACKGROUND

In accordance with Council Plant/Vehicle Replacement Policy, tenders were called on the 2nd October, 2004 for item of plant as detailed hereunder. An advertisement appeared in the West Australian on that date. Tenders closed 4.00pm Friday 29th October, 2004.

Tenders were opened by the Chief Executive Officer in the presence of the Deputy Chief Executive Officer after closing time and date.

Tender 04.02 Mid Sized Street Sweeper (Budget Change over price \$50,000.00)

| Tenderer | Make | Model | Engine | KW | Price | Trade-In | NET |
|-----------------|--------------------------------|---------------|---------------|-----------|--------------|-----------------|------------|
| Tennant | Tennant | 6650 | Kubota | 28 | 60,430 | 23,000 | 37,430 |
| Hako Aust | Hako | Citymaster 90 | Lombadini | 11 | 57,372 | 8,000 | 49,372 |
| EMJ Rosher | Karcher | KMR 17000CAT | Kubota | 14 | 49,900 | 22,750 | 27,150 |
| Sergust P/L | Outright purchase of Trade -In | | | | | | 35,000 |

The call for tender stated that the engine was to have KW rating of not less than 28. (37.5HP)

STATUTORY ENVIRONMENT

Local Government (Functions and General) Regulations 11 states that tenders are to be publicly invited before a Local Government enters into a contract for another person to supply goods or services if the consideration under the contract is expected to be worth more than \$50,000.00

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1 (A) TENDER – MID-SIZED STREET SWEEPER (continued)

POLICY IMPLICATIONS

In accordance with Council policy to replace:

- Graders/Loaders every 7 years
- Trucks every 4 years
- Other light vehicles every 2 years or 40,000kms.

FINANCIAL IMPLICATIONS

Expenditure for this item of plant, the subject of this report, is included in the current budget.

STRATEGIC IMPLICATIONS

Nil

RECOMMENDATIONS

That Council accept the following recommendations for the item of plant as specified.

- Mid –sized Street Sweeper – Tennant Company for the supply and delivery of 2004 Tennant Model 6650, the purchase price being \$60,430.00 (excluding GST).
- The outright sale of 2002 Tennant Model 6500 Sweeper to Sergust Pty Ltd, the price being \$35,000.00 (includes GST)

VOTING REQUIREMENT

Simple majority required.

Moved Cr Taylor

Seconded Cr Johnson

That Council accept the following recommendations for the item of plant as specified.

- *Mid –sized Street Sweeper – Tennant Company for the supply and delivery of 2004 Tennant Model 6650, the purchase price being \$60,430.00 (excluding GST).*
- *The outright sale of 2002 Tennant Model 6500 Sweeper to Sergust Pty Ltd, the price being \$35,000.00 (includes GST)*

CARRIED (8 VOTES TO 0)

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1 (B) DISPOSITION OF LAND

SUBMISSION TO: Meeting of Council
Meeting Date: 16th November, 2004

AGENDA REFERENCE: 9.1 (B) NOV04

SUBJECT: Disposition of Land

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: John Henry Rich and Bernice Ann Rich

FILE REFERENCE: Lands Department – Industrial 6.5

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 2nd November, 2004

BACKGROUND

Lots 50, 51 and 52 Otterburn Street, Leonora were offered for sale by Public Auction on the 21st August, 2002. Lots 51 and 52 were both sold on that day.

In anticipation of additional industrial land being sought in the near future, and to save lengthy delays at that time, Council resolved at its meeting on the 19th November, 2002 that Lot 50 Otterburn Street, Leonora be offered for sale at any time in accordance with Section 3.58(3) of the Local Government Act 1995 should any person express an interest in purchasing the land.

John Henry and Bernice Ann RICH did on the 29th October, 2004 make an offer of \$20,000.00 (excluding GST) for Lot 50 Otterburn Street, Leonora. This offer reflects the current market value of the property as provided by the Valuer General's Office.

The Shire of Leonora did provide public notice of their intention to dispose of the property. The public notice appeared in the Kalgoorlie Miner on the 1st November, 2004. Submissions in regards this disposition have been invited however the 14 day statutory period in which submissions can be accepted does not expire until the close of business on Monday 15th November, 2004.

STATUTORY ENVIRONMENT

Section 3.58 (2) of the Local Government Act states that a local government can only dispose of property to –

- a) the highest bidder at public auction; or
- b) the person who at public tender called by the Local Government makes what is, in the opinion of the Local Government, the most acceptable tender, whether or not it is the highest tender.

Section 3.58(3) of the Local Government Act states that a local government can dispose of property other than mentioned above if, before agreeing to dispose of the property –

- a) It gives State-wide public notice of the proposed disposition –
 - (i) Describing the property concerned.
 - (ii) Giving details of the proposed disposition; and
 - (iii) Inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given.

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1 (B) DISPOSITION OF LAND (continued)

- b) It considers any submissions made to it before the date specified in the notice and, if its decision is made by the council, the decision and the reason for it are recorded in the minutes of the meeting at which the decision was made.

Section 3.58(4) of the Local Government Act 1995 states the details of a proposed disposition that are required –

- a) The names of all other parties concerned
- b) The consideration to be received by the Local Government for the disposition; and
- c) The market value of the disposition as ascertained by a valuation carried out not more than 6 months before the proposed disposition.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

When the current budget was adopted, income from the sale of industrial land was not considered due to the down turn in local business and the lack of land purchase inquiries; however an amount of \$25,000.00 was included in the 2003/2004 budget.

STRATEGIC IMPLICATIONS

Nil

RECOMMENDATIONS

Should no submission be received in regards the disposition of land, then the offer submitted by John Henry and Bernice Ann RICH for the purchase of Lot 50 Otterburn Street, Leonora at the market price of \$20,000.00 plus GST of \$2,000.00 be accepted and that Documentary Services Pty Ltd be instructed to prepare and finalise settlement.

VOTING REQUIREMENT

Simple majority required.

Moved Cr Johnson Seconded Cr Demasson

That Council Should no submission be received in regards the disposition of land, then the offer submitted by John Henry and Bernice Ann RICH for the purchase of Lot 50 Otterburn Street, Leonora at the market price of \$20,000.00 plus GST of \$2,000.00 be accepted and that Documentary Services Pty Ltd be instructed to prepare and finalise settlement.

CARRIED (8 VOTES TO 0)

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1(C) MT WELD RARE EARTHS PROJECT

SUBMISSION TO: Meeting of Council
Meeting Date: 16th November,2004

AGENDA REFERENCE: 9.1 (C) NOV04

SUBJECT: Mt Weld Rare Earths Project

LOCATION / ADDRESS: Not Applicable

NAME OF APPLICANT: Lynas Corporation Ltd

FILE REFERENCE: Developments – Mt Weld 14.30

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 9th November, 2004

BACKGROUND

The Mt Weld Rare Earths project was formally assessed as a Public Environmental Review in 1992 and environmental approval was granted by the Minister for the Environment and Heritage in November 1992.

The Shire of Leonora at its meeting of Council on the 20th May, 2003 resolved that as the proposed changes at that time from the previously Approved Project did not impact negatively on the Leonora environment, that no objection be raised to the proposal submitted by Lynas Corporation Ltd.

Subsequent to that date, approval has been renewed on several occasions and non-substantial changes to the original plan approved. Lynas now wishes to make final modifications and simplification to the currently approved plan and requests a letter from the Shire of Leonora to the Department of Environment giving approval to the changes described below.

Feasibility studies over the past twelve months have shown that economic viability of the Mt Weld Rare Earth Project can be considerably enhanced by adoption of a plan for an integrated flotation concentrator and rare earths cracking plant in Shandong Province, China. Essentially, the lower costs at the Shandong site for process reagents, power, infrastructure and labour, roughly compensate for the higher costs of directly exporting the ore, consisting mainly of iron oxide and rare earth phosphates, to China.

A major additional advantage of the Shandong site, arising from proximity of extensive industrial infrastructure, is the ability to obtain value for all components of the ore including iron oxide and phosphate by-products that would otherwise be voided to tailings at Mt Weld.

All aspects of the mining plan remain unchanged; access route, contract mining regime, rate of mining, pit dimensions, life of project etc. The major changes to be made to the post-mining phase of the project are;

- Installation of a road train weigh station at Mt Weld to ensure road load limits are not exceeded.
- Increase in road train haulage from Mt Weld to Leonora via Laverton from 31,000 tonnes per year (rare earth concentrate) to 110,000 tonnes per year (iron oxide and rare earths phosphate ore.)

9.0 REPORTS OF OFFICERS

9.1 CHIEF EXECUTIVE OFFICER

9.1(C) MT WELD RARE EARTHS PROJECT (continued)

- Removal of the 110,000 tonne per annum flotation beneficiation plant and associated infrastructure; power plant, communications tower, concentrate storage etc.
- Reduction in radioactivity of transported material by approximately 50% to negligible public exposure levels.
- Elimination of the need for a process tailings dam at Mt Weld.
- Reduction in area to be cleared (no plant site, tailings dam etc)
- Elimination of road transport of process chemicals from Kwinana to Mt Weld.
- Reduction in fuel transport to site (no process plant power required, mobile campaign mining fleet and crusher only)

The iron oxide and rare earths ore will be road transported by quad road trains with 14 x 8 tonne covered kibbles aggregating 112 tonnes of ore. The kibbles will be the same as those currently used for transport of nickel concentrates to the Leonora rail siding. Approximately 20 loaded road trains per week will travel to Leonora siding and the same number return empty to Mt Weld. This compares with previous road train cycles of concentrate, flotation reagents and fuel of 8 – 9 movements per week.

The Mt Weld mine is scheduled for commencement of mining in the second quarter of 2005 with a major pre-strip operation. Ore mining, crushing and stockpiling will be underway in the third quarter and first trucking and shipment of ore commences in the fourth quarter. The first road train movements around Leonora are planned for October, 2005.

STATUTORY ENVIRONMENT

Sections 2.7 and 3.1 of the Local Government Act 1995 relating to general function provisions apply.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Could possibly provide employment and business opportunities for those in the district that express an interest.

RECOMMENDATION

As the recent proposed changes from the previously Approved Project do not impact negatively on the Leonora environment, that Council resolve in principal not to impose any objection to the proposal outlined, however, options for having the quad road trains bypass Leonora from the Laverton road to the Leonora rail siding needs to be investigated thoroughly.

VOTING REQUIREMENT

Simple majority required.

Moved Cr Craig

Seconded Cr Kemp

As the recent proposed changes from the previously Approved Project do not impact negatively on the Leonora environment, that Council resolve in principal not to impose any objection to the proposal outlined, however, options for having the quad road trains bypass Leonora from the Laverton road to the Leonora rail siding needs to be investigated thoroughly.

CARRIED (8 VOTES TO 0)

9.0 REPORTS OF OFFICERS

9.2 DEPUTY CHIEF EXECUTIVE OFFICER

9.2 (A) MONTHLY FINANCIAL STATEMENTS – OCTOBER 2004

SUBMISSION TO: Meeting of Council
Meeting Date: 16th November 2004

AGENDA REFERENCE: 9.2(A) NOV04

SUBJECT: Monthly Financial Statements – October, 2004

AUTHOR: J F Rowe

POSITION: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 8th November, 2004

COMMENT: Quarterly Statements submitted for adoption include:
(a) Financial Position as at 8th November, 2004
(b) Operating Statement Summary 31st October, 2004
(c) Operating Statement - Detail – 31st October, 2004
(d) Operating Statement - Nature/Type– 31st October, 2004
(e) Balance Sheet as at – 31st October, 2004
(f) Statement of Fixed Assets – 31st October, 2004
(g) Statement of Outstanding Debtors – 31st October, 2004

RECOMMENDATION

The Monthly Financial Statements for the month ended 31st October, 2004 consisting of Operating Statements (3), Balance Sheet, Statement of Fixed Assets, Lists of Outstanding Debtors, and the Financial Position as 8th November, 2004 showing balances of:-

| | \$ | |
|--|----------------|--------|
| Municipal | \$2,287,248.99 | Credit |
| Long Service Leave Reserve | \$59,666.64 | Credit |
| Fire Disaster Reserve | \$4,444.37 | Credit |
| Building Reserve | Nil | Credit |
| Plant Replacement Reserve | Nil | Credit |
| Community Amenities Reserve- Swimming Pool | \$ 905,218.60 | Credit |
| Municipal Investment | Nil | Credit |

be adopted.

VOTING REQUIREMENTS

Simple Majority

Moved Cr Demasson Seconded Cr Johnson

The Monthly Financial Statements for the month ended 31st October, 2004 consisting of Operating Statements (3), Balance Sheet, Statement of Fixed Assets, Lists of Outstanding Debtors, and the Financial Position as 8th November, 2004 showing balances of:-

| | \$ | |
|---|-----------------------|---------------|
| <i>Municipal</i> | <i>\$2,287,248.99</i> | <i>Credit</i> |
| <i>Long Service Leave Reserve</i> | <i>\$59,666.64</i> | <i>Credit</i> |
| <i>Fire Disaster Reserve</i> | <i>\$4,444.37</i> | <i>Credit</i> |
| <i>Building Reserve</i> | <i>Nil</i> | <i>Credit</i> |
| <i>Plant Replacement Reserve</i> | <i>Nil</i> | <i>Credit</i> |
| <i>Community Amenities Reserve- Swimming Pool</i> | <i>\$ 905,218.60</i> | <i>Credit</i> |
| <i>Municipal Investment</i> | <i>Nil</i> | <i>Credit</i> |

be adopted.

CARRIED (8 VOTES TO 0)

9.0 REPORTS OF OFFICERS

9.2 DEPUTY CHIEF EXECUTIVE OFFICER

9.2 (A) MONTHLY FINANCIAL STATEMENTS – OCTOBER 2004

| SHIRE OF LEONORA | | |
|---|------------|--------------------------|
| FINANCIAL POSITION AS AT 8th NOVEMBER, 2004 | | |
| | | MUNICIPAL |
| | | \$ |
| Balance as at 31 st October, 2004 | | \$ 2,308,247.87 |
| Receipts to 7 th November, 2004 | | \$ 11,522.16 |
| Balance | | \$ 2,319,770.03 |
| Less Accounts since 31 st October, 2004 | | \$ 32,521.04 |
| Balance 8th November, 2004 | | \$ 2,287,248.99cr |
| AMOUNT HELD ON TERM DEPOSIT - NATIONAL AUSTRALIA BANK | | |
| | | \$ |
| A) PLANT REPLACEMENT RESERVE | Nil | CREDIT |
| B) LONG SERVICE LEAVE | 59,666.64 | CREDIT |
| C) FIRE DISASTER RESERVE | 4,444.37 | CREDIT |
| D) BUILDING RESERVE | Nil | CREDIT |
| E) COMMUNITY AMENITIES RESERVE | 905,218.60 | CREDIT |
| F) MUNICIPAL INVESTMENT | Nil | CREDIT |

9.2 DEPUTY CHIEF EXECUTIVE OFFICER
9.2 (B) ACCOUNTS FOR PAYMENT – OCTOBER, 2004

SUBMISSION TO: Meeting of Council
Meeting Date: 16th November, 2004

AGENDA REFERENCE: 9.2(B) NOV04

SUBJECT: Accounts for Payment

AUTHOR: J F Rowe

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 8th November, 2004

COMMENT:

Attached statement consists of Vouchers **V322 to V451 plus Direct Bank Transactions** and totalling **\$563,070.08** attached.

RECOMMENDATION

That accounts as represented by Vouchers **V322 to V451 plus Direct Bank Transactions** and totalling **\$563,070.08** attached. be authorised for payment.

VOTING REQUIREMENTS

Simple Majority

moved Cr Petersen seconded Cr Taylor

That accounts as represented by Vouchers V322 to V451 plus Direct Bank Transactions and totalling \$563,070.08 attached. be authorised for payment.

CARRIED (8 VOTES TO 0)

10.0 NEW BUSINESS FO AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.

A. ELECTED MEMBERS

Nil

B. OFFICERS

Nil

The meeting adjourned for morning tea at 10.02am and resumed at 10.21am with attendance identical to that at Item 2.1.

At 10.21am Marius Olsen attended and reported on proposals for development at Agnew Hotel with Council giving In Principal support.

The meeting adjourned at 11.15am to inspect the Swimming Pool/ Skate Park/ Memorial and Old Battery Projects and the meeting resumed at 12.07pm.with attendance identical to that at Item 2.1.

11.0 NEXT MEETING

The next Ordinary meeting was set for 9.30am on Tuesday 21st December, 2004 at Council Chambers, Leonora.

12.0 CLOSURE OF MEETING

Cr Dawes declared the meeting closed at 12.07pm .