



MINUTES

ORDINARY MEETING OF COUNCIL

held on

Tuesday, 16 November 2021

at the

**Shire of Morawa Council Chambers,
26 Winfield Street, Morawa**



WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Morawa for any act, omission, statement or intimation occurring during Council Meetings. The Shire of Morawa disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

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Item 1 Opening of Meeting

The President declared the meeting open at 4.32pm.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The President acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji elders past, present and future, in working together for the future of Morawa.

‘This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member’.

Item 3 Recording of Attendance**3.1 Attendance****Council**

President (Presiding Member) Councillor Karen Chappel
Deputy President Councillor Ken Stokes
Councillor Dean Carslake
Councillor Jane Coaker
Councillor Debbie Collins
Councillor Yvette Harris
Councillor Shirley Katona

Staff

Chief Executive Officer	Scott Wildgoose
Executive Manager Corporate & Community Services	Jackie Hawkins
Executive Manager Works and Assets	Paul Buist

Members of the Public

Nil

3.2 Attendance by Telephone / Instantaneous Communications

In accordance with section 14 of the *Local Government (Administration) Regulations 1996* “Meetings held by electronic means in public health emergency or state of emergency (Act s. 5.25(1)(ba))”, the President to declare that this Meeting may take place via instantaneous communication. All Councillors and staff are to be available either via telephone (teleconference) or in person.

3.3 Apologies

Nil

3.4 Approved Leave of Absence

Nil

3.5 Disclosure of Interests

Agenda Item: 11.1.4 LRCIP Morawa Golf and Bowling Club		
Name of Disclosing Member	Nature of Interest	The Nature being
Cr Ken Stokes	Proximity	Cr Stokes is a committee member for the Morawa Golf and Bowling Club.

Agenda Item: 11.1.4 LRCIP Morawa Golf and Bowling Club		
Name of Disclosing Member	Nature of Interest	The Nature being
Cr Karen Chappel	Impartiality Interest	Cr Chappel's son is the president and husband Lindsay Chappel is the Treasurer of the Morawa Golf and Bowling Club.

Item 4 Applications for Leave of Absence

Nil

Item 5 Response to Previous Questions

Nil

Item 6 Public Question Time*Important note:*

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Members of the public are also reminded that in accordance with section 6.17(4) of the Shire of Morawa Meeting Procedures Local Law 2012 mobile telephones must be switched off and not used during the meeting.'

6.1 Public Question Time

Nil

6.2 Public Statement Time

Nil

6.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 7 Questions from Members without Notice

Nil

Item 8 Announcements by Presiding Member without Discussion

President's Meetings for the month of October 2021

Date	Details of Meeting
7 October 2021	Midwest Development Commission
12 October 2021	Rural West Board Meeting
13 October 2021	Local Government House Trust
13 October 2021	State Council Meeting
14 October 2021	Shire of Morawa Council Briefing Session
14 October 2021	Joint Standing Committee Meeting- Road Safety
14 October 2021	WALGA Happy Places Dinner
18 October 2021	Art Show – Working Group Session Briefing
18 October 2021	Shire of Morawa Special Council Meeting
21 October 2021	Morawa Local Recovery Co-ordination Meeting
21 October 2021	Shire of Morawa Ordinary Council Meeting
25 October 2021	Justice of the Peace Annual Training
25 October 2021	Desert Blue Connect
26 October 2021	Office of the Auditor General Forum
29 October 2021	Mid-West Development Board Meeting

Item 9 Declaration by all Members to have given due consideration to all Matters Contained in the Business Paper before the Meeting

The Elected Members to declare that they had given due consideration to all matters contained in the agenda.

- President Councillor Karen Chappel
- Deputy President Councillor Ken Stokes
- Councillor Dean Carslake
- Councillor Jane Coaker
- Councillor Debbie Collins
- Councillor Yvette Harris
- Councillor Shirley Katona

Item 10 Confirmation of Minutes of Previous Meeting

The Minutes of the 21 October 2021 Ordinary Council Meeting were provided under separate cover via the Shire of Morawa's secure portal to all Councillors on 22 October 2021.

OFFICER'S RECOMMENDATION/RESOLUTION

211101 Moved: Cr Stokes Seconded: Cr Collins

That Council confirm that:

1. the Minutes of the Ordinary Council Meeting held 21 October 2021 are a true and correct record.
2. the Minutes of the Special Council Meeting held 18 October 2021 are a true and correct record.

CARRIED BY SIMPLE MAJORITY 7/0

Disclaimer

Members of the public are cautioned against taking any action on Council decisions, on items in this agenda in which they may have an interest, until formal notification in writing from the Shire has been received. Decisions made at this meeting can be revoked pursuant to the Local Government Act 1995.

Item 11 Reports of Officers**11.1 Chief Executive Officer****11.1.1 Actions Performed under Delegated Authority for October 2021**

Author: Executive Assistant

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author declares that they do have a conflict of interest in the building permit no 210874. The Authorising Officer declares that they do not have any conflict of interest in relation to this item.

OFFICER RECOMMENDATION/RESOLUTION

211102 Moved: Cr Harris Seconded: Cr Collins

That with respect to Actions Performed under Delegated Authority for October 2021, Council:

1. Accept the Report.

CARRIED BY SIMPLE MAJORITY 7/0

PURPOSE

To report back to Council, actions performed under delegated authority from the period 01 October to 31 October 2021.

DETAIL

To increase transparency this report has been prepared for Council and includes all actions performed under delegated authority for –

- Development Approvals;
- Building Permits;
- Health Approvals;
- One off delegations to the Chief Executive Officer;
- Dangerous Goods;
- Affixing of Common Seal;
- Other Delegations as provided for in the Delegations Register.

The following outlines the actions performed within the Shire relative to Delegated Authority from the period 01 October to 31 October 2021 ('the period') and are submitted to Council for information.

Bushfire

No delegated decisions were undertaken by Shire pursuant to bushfire matters during the period.

Caravan parks and campgrounds

No delegated decisions were undertaken by Shire pursuant to caravan parks and camping grounds during the period.

Common Seal

No Common Seal actions were undertaken by the Shire during the period.

Dangerous Goods Safety Act 2004

No delegated decisions were undertaken by Shire pursuant to Dangerous Goods Safety matters during the period.

Food Act 2008

No delegated decisions were undertaken by Shire pursuant to the Food Act matters during the period.

Hawkers, traders, and stall holders

No delegated decisions were undertaken by Shire pursuant to Hawkers, traders, and stall holders during this period.

Liquor Control Act 1988

No delegated decisions were undertaken by Shire pursuant to liquor matters during the period.

Lodging houses

No delegated decisions were undertaken by Shire pursuant to lodging house matters during the period.

Public Buildings

No delegated decisions were undertaken by Shire pursuant to public buildings matters during the period.

Septic Tank Approvals

No delegated decisions were undertaken by Shire pursuant to the Health Act 1911 and Health (Treatment of Sewage and Disposal of Effluent Waste) Regulations 1974 during the period.

Planning Approval

No delegated decisions were undertaken by Shire pursuant to *Planning & Development Act 2005* during the period.

Building Permits

<i>Date of decision</i>	<i>Decision Ref.</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
1/10/2021	210916- Withdrawn.	Approval to build new carport	62 Arranooka Rd, Canna	

15/10/2021	210874	Approval to build new shed	21 Gill Street, Morawa	
19/10/2021	210966	Demolishment of main dwelling and cottage	5006 Mullewa-Wubin Road, Canna	
27/10/2021	210985	Re roof residential dwelling, demolish and rebuild carport and verandah due to cyclone damage	690 Fitzgerald Road, Pintharuka	

Other Delegations

No other delegated decision was undertaken by Shire pursuant to this category during the period.

LEVEL OF SIGNIFICANCE

Low – report provided to Council for information purposes.

CONSULTATION

Nil

LEGISLATION AND POLICY CONSIDERATIONS

Building Act 2011

Bushfire Act 1954

Dangerous Goods Safety (Explosives) Regulations 2007

Health Act 1991

Health Act 1911

Health (Public Buildings) Regulations 1992

Liquor Control Act 1988

Local Government Act 1995

Planning & Development Act 2005

Shire of Morawa Local Planning Scheme No. 2

Shire of Morawa Cemeteries 2018 - Local Law

Shire of Morawa Dogs 2018 - Local Law

Shire of Morawa Extractive Industries 2018 - Local Law

Shire of Morawa Fencing 2018 Local Law

Shire of Morawa Health 2004 - Local Law

Shire of Morawa Public Places and Local Government Property 2018 - Local Law

Shire of Morawa Meeting Procedures 2012 - Local Law

Shire of Morawa Waste 2018 - Local Law

Shire of Morawa Delegations Register (2020)

Strategic Community Plan 2018 to 2028 (Desktop Reviewed June 2020)

Outcome 4.3 A local government that is respected, professional and accountable.

FINANCIAL AND RESOURCES IMPLICATIONS

There are no known financial implications relating to this Item.

RISK MANAGEMENT CONSIDERATIONS

There are no known risk management implications relating to this Item.

ATTACHMENTS

Nil

At this stage the event plan for the 2022 version of the event has the project expenditure budgeted to be approximately \$70,000.

As a guide the main budget expenditure is:

Collecting and Curating Artwork	\$11,000
Venues and Hosting	\$6,000
Opening Night	\$11,000
Awards/Prizes	\$20,000
Marketing	\$10,000
Staff, event management and other	\$15,000

This new budget position considers four (4) years' worth of escalating costs and the withdrawal of significant sponsorship funding from Karara Mining Ltd.

It is expected that the cost to the Shire of delivering the event with no new sponsorship would be \$65,000, with income from opening night tickets, event entry and sale commissions expected to be between \$8,000 - \$11,000 to offset some of the \$70,000+ expenditure.

The Chief Executive Officer and Shire President will endeavour to connect with new potential sponsors for the event to reduce the Shire's overall contribution, however at this stage these funds cannot be guaranteed.

For the Shire to proceed planning and advertising the event scheduled for an opening night on Friday 5 Augusts 2022, the event manager needs some certainty that the Shire will underwrite the expenditure for the event regardless of external funding sources.

The Shire has a \$20,000 budget in this years (2021/2022) budget for the Art Show, but Council will need to be comfortable that the allocation for next year may need to be \$40,000 - \$45,000 to ensure the sustainability of the event in lieu of outside contributions. Whilst this report does not represent a formal budget allocation it provides a clear directive to the administration to move ahead with the delivery of the event on the basis that Council will cover costs if no sponsors are forthcoming.

To attract high quality submissions for the show the Shire needs to try and maintain prize money at its current levels and not be seen to move backwards. Cuts could be made in other areas, but it will ultimately flow through to the product being delivered.

LEVEL OF SIGNIFICANCE

Medium – The Biennial art show stands as one of Morawa's premier events and offers a somewhat unique offering in Country WA.

CONSULTATION

Senior Management Team
Event Manager (external consultant) Art Show Working Group

LEGISLATION AND POLICY CONSIDERATIONS

Nil

Strategic Community Plan 2018 to 2028 (desktop Review June 2020)

Outcome 3.4.1 Continue to support Morawa Biennial Arts Awards and Exhibition

FINANCIAL AND RESOURCES IMPLICATIONS

Unlikely to impact on this year's budget but may require enhanced funding in next years budget.

RISK MANAGEMENT CONSIDERATIONS

An event manager has been employed to manage the risks associated with event deliver and whilst and significant event investment always comes at a risk, the reputational risk of not delivering the event should also be considered.

CONCLUSION

The Shire will be actively trying to attract greater sponsorship to minimise the overall contribution from the Shire's budget but to deliver a large event of this type it is not unreasonable to expect that it will cost the Shire \$50,000 even with sponsorship.

ATTACHMENTS

Nil

11.1.3 Adoption of Ordinary Meeting of Council Dates for 2022

Author: Chief Executive Officer

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author/Authorising Officer declares that he does not have any conflicts of interest in relation to this item.

OFFICER RECOMMENDATION/RESOLUTION

211104 Moved: Cr Collins Seconded: Cr Stokes

That with respect to Adoption of Ordinary Meeting of Council Dates for 2022, Council:

1. Resolve to set the Ordinary Council Meeting dates as follows:

- Thursday 17 February 2022
- Thursday 17 March 2022
- Thursday 21 April 2022
- Thursday 19 May 2022
- Thursday 16 June 2022
- Thursday 21 July 2022
- Thursday 18 August 2022
- Thursday 15 September 2022
- Thursday 20 October 2022
- Thursday 17 November 2022
- Thursday 15 December 2022

2. Resolve that all Ordinary Council Meetings will be held at the Council Chambers, Shire Administration Centre, 26 Winfield Street, Morawa and commence at 5.30pm. Except the Council meeting scheduled for Thursday 15 September 2022 which will commence at 1:30pm and representatives from the Morawa District High School will be invited to attend.

3. Direct the Chief Executive Officer to give public notice of the Ordinary Council Meetings to be held in 2022 as per the above dates, provided the date, time and location of all meetings to meet legislative requirements.

CARRIED BY SIMPLE MAJORITY 7/0

PURPOSE

Council is requested to select the Ordinary Meeting dates for 2022.

DETAIL

The proposed motion sets Council meeting dates for 2022, with all meetings set for the third Thursday of the month, in line with recent Council practices. Suggested meeting dates are listed below:

- Thursday 17 February 2022
- Thursday 17 March 2022
- Thursday 21 April 2022
- Thursday 19 May 2022
- Thursday 16 June 2022
- Thursday 21 July 2022
- Thursday 18 August 2022
- Thursday 15 September 2022
- Thursday 20 October 2022
- Thursday 17 November 2022
- Thursday 15 December 2022

Recent practice has been to hold all Council meetings at 5:30pm to ensure they are accessible to Councillors and community members who have work commitments during the day. It is proposed that all meetings except the September meeting remain at 5:30pm. With the September 2022 meeting being brought forward to 1:30pm to allow attendees from the Morawa District High School to be invited to attend and gain understanding around civic governance.

S5.25 of the Local Government Act 1995 requires the giving of public notice of the date and agenda for Council or Committee meetings and the Local Government (Administration) Regulations requires this notice to be given before the beginning of the year in which the meetings are to be held.

It should be noted that there may be instances where a meeting is to be scheduled early in the month and where the Financial Statements for the previous month are still being determined.

In this regard, Staff will advise Council of those instances and the outcome could be that the Statements are referred to the following month.

LEVEL OF SIGNIFICANCE

Medium – Compliance with legislation

CONSULTATION

Senior Management Team

Principal Morawa District High School

LEGISLATION AND POLICY CONSIDERATIONS

Local Government (Administration) Regulations Regulation 12

12. *Publication of meeting details (Act s. 5.25(1)(g))*

(1) *In this regulation — meeting details, for a meeting, means the date and time when, and the place where, the meeting is to be held.*

(2) *The CEO must publish on the local government’s official website the meeting details for the following meetings before the beginning of the year in which the meetings are to be held —*

(a) *ordinary council meetings;*

(b) *committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public.*

(3) *Any change to the meeting details for a meeting referred to in sub regulation (2) must be published on the local government’s official website as soon as practicable after the change is made.*

(4) *If a local government decides that a special meeting of the council is to be open to members of the public, the CEO must publish the meeting details for the meeting and the purpose of the meeting on the local government’s official website as soon as practicable after the decision is made.*

Local Government Act 1995:

Division 2 — Council meetings, committees and their meetings and electors’ meetings

Subdivision 1 — Council meetings

5.3. *Ordinary and special council meetings*

(1) *A council is to hold ordinary meetings and may hold special meetings.*

(2) *Ordinary meetings are to be held not more than 3 months apart.*

(3) *If a council fails to meet as required by subsection (2) the CEO is to notify the Minister of that failure.*

5.4. *Calling council meetings*

An ordinary or a special meeting of a council is to be held —

(a) *if called for by either —*

(i) *the mayor or president; or*

(ii) *at least 1/3 of the councillors,*

in a notice to the CEO setting out the date and purpose of the proposed meeting; or

(b) *if so decided by the council.*

5.5. *Convening council meetings*

(1) *The CEO is to convene an ordinary meeting by giving each council member at least 72 hours’ notice of the date, time and place of the meeting and an agenda for the meeting.*

(2) *The CEO is to convene a special meeting by giving each council member notice, before the meeting, of the date, time, place and purpose of the meeting.*

Strategic Community Plan 2018 to 2028 (desktop Review June 2020)

Outcome 4.3 A local government that is respected, professional and accountable.

FINANCIAL AND RESOURCES IMPLICATIONS

Cost of advertising meeting dates (budgeted).

RISK MANAGEMENT CONSIDERATIONS

There is a risk of non-compliance if the public are not notified of meeting dates, times and location.

CONCLUSION

That meeting dates be considered and advertised as per resolution of Council.

ATTACHMENTS

Nil

11.1.3 LRCIP – Morawa Golf and Bowling Club

Author: Planning Officer

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

Cr Stokes declares that he has a Proximity interest in relation to this item and has left the meeting at 4.36pm.

Cr Chappel declares that she has a Impartiality Interest in relation to this item and has made the necessary declaration and will vote accordingly.

OFFICER RECOMMENDATION/RESOLUTION

211105 Moved: Cr Coaker

Seconded: Cr Collins

That Council:

- 1. Adopts an increase of \$30,000 to the adopted budget for the Renovation of Sport Precinct Clubhouse making the new project budget \$172,000.**
- 2. Acknowledges the contribution of \$30,000 from the Morawa Golf and Bowling Club towards the Shire's Cyclone insurance excess and ultimately the significant renovation of the Shire facility from which they operate.**

CARRIED BY SIMPLE MAJORITY 6/0

PURPOSE

Provide a project status update and for Council to adopt a budget variance.

DETAIL

On 22 May 2020 the Australian Government announced a new \$500 million Local Roads and Community Infrastructure Program (LRCIP). This program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

In October 2020, the Australian Government announced a \$1 billion Phase 2 extension of the LRCI Program. Under the extension, the Shire received \$283,669. When announcing the funding it was required that applications were to be made after 1 January 2021 and projects must be completed by 31 December 2021. As such this provided limited time for scoping,

design, costing, and project delivery. The funding was allocated to two (2) priority projects, which are still scheduled to be completed by 31 December 2021.

One of those projects was the renovation of the Sport Precinct Clubhouse (Morawa Golf and Bowling Club) with the external woodwork, kitchen facility, flooring, painting and air conditioning in need of repair and upgrade.

The Renovation of the Clubhouse is progressing well and is expected to be delivered on time. The scope of works includes:

- External works
 - Repair and paint fascia, barge, gutter, windows, down pipes, and veranda poles
- Internal works
 - Kitchen renovation
 - New stainless steel commercial kitchen
 - New commercial tiling
 - New commercial flooring
 - Repair and paint walls and ceilings
 - Club room – new flooring and blinds throughout, painting of brick walls and window frames
 - Kids room – New flooring and painting and ceiling repairs.
 - New ducted air-conditioning throughout

A few items/variations have put upward pressure on the budget notably:

- The extent of repair and painting to the outer fascia of the facility took extra time and work to complete, it was difficult to assess the exact requirements prior to sanding back of the wood, plus to ensure the project was on time the Shire used its own labour for this task.
- New kitchen tiling – the open nature of commercial steel benches meant that extra tiling was needed to improve aesthetics and meet health and safety requirements.
- Extra crack repairs were needed to walls/ceilings especially in kids' room
- Painting, commercial kitchen steel, and flooring all quoted at a cost higher than originally anticipated when designing the project. In fact steel prices continue to increase weekly.

Unfortunately, the Shire is trying to deliver projects at a time when the Western Australian economy, especially in building trades, is experiencing a high level of price inflation. Over the last few months, the cost of materials has seemed to increase on a fortnightly basis, at this stage the project is expected to go significantly over budget.

The administration did make a few decisions in the interest of delivering an improved community outcome that incurred slightly higher costs such as:

- the quality/number of the air conditioners used
- removing the old kitchen tiling which was heavily worn and replacing with new tiling and tiling other areas of the kitchen for an improved finish
- choosing to replace more of the flooring to ensure the hallway and adjoining kids room flowed with the new décor
- replacing the aged curtains once the substantial contrast against the new flooring etc. was evident.

On reflection these improvements could have been forgone to reduce the budget deficit but this would have impacted on the end product and would likely have led to negative community comments out the standard of the finish. Council could still choose to forego some of these changes to the flooring and blinds but this is not recommended.

At this stage the project budget deficit/variation is as per below:

Area	Original Budget	Predicted Final Cost	Variance
External Works	\$15,000	\$25,000	\$10,000
Kitchen Renovation	\$30,000	\$40,000	\$10,000
Airconditioning	\$30,000	\$30,000	\$0
Painting	\$25,000	\$30,000	\$5,000
Flooring	\$30,000	\$34,000	\$4,000
Electrical	\$10,000	\$10,000	\$0
Contingency	\$2,000	\$3,000	\$1,000
Total	\$142,000	\$170,000	\$30,000

To date the air-conditioning upgrade is complete, the exterior works are complete, prep work for the new kitchen is complete and the steel frames have been ordered, flooring and wall prep is complete or underway.

The two options available moving forward to address the budget deficit are reduce the scope for finishing's such as painting, blinds, flooring etc. or increase the budget allocation.

The Morawa Golf and Bowling Club are funding the internal painting of the club room ceiling as well as new commercial ovens for the kitchen.

As well as the major internal works being undertaken at the facility the Bowling Club are also having to contend with the bowling green playing surface having sustained subgrade damage due to the cyclone. The Shire's insurance of this facility is allowing the Shire to fund the replacement works under normal insurance processes and in line with our existing Cyclone insurance excess of \$100,000.

The Golf and Bowling Club had maintained some insurance cover for the site and have received a \$30,000 payment that has been contributed towards the Shire's insurance excess costs.

This contribution is gratefully received and given the Shire had already budgeted to cover the full cyclone insurance excess triggered prior to being aware of the damage to the green, it has freed up funds in the Shire's budget. As such the Shire can fund the \$30,000 budget variance for the club house renovation, in essence utilising funds provided by the club.

The unanticipated financial pressure on the project is correlated with the ongoing increase in construction costs associated with the country's ongoing construction boom, and whilst the Shire could reduce the scope of works to fit the project within budget allocations, this is unlikely to deliver the best outcome for the Morawa community.

It is noted that Council already took a pro-active approach with the other LRCIP building project at the old road board building, allocating \$30,000 of Shire funds above the grant allocation to cover finishing touches and expected cost escalations.

LEVEL OF SIGNIFICANCE

Medium – Project completion and delivery planned for 31 December 2021

CONSULTATION

Senior Management Team

Golf and Bowling Club President

LEGISLATION AND POLICY CONSIDERATIONS

Nil

FINANCIAL AND RESOURCES IMPLICATIONS

Project is expected to go significantly over budget and additional funds are required to complete the project to the proposed standard. Unbudgeted contribution from the Golf and Bowling club of \$30,000 should offset any overspend. This budget modification has been factored into the November 2021 budget review and still delivers a balanced budget.

RISK MANAGEMENT CONSIDERATIONS

The risk of any further overruns is expected to be minimal as most of the site prep work has been completed and purchase orders have already been raised for materials so further price increases aren't expected to be passed on to the Shire.

CONCLUSION

That Council supports the budget / project variation to ensure a high standard of accomplishment. Community facilities provide for the health, welfare, social, educational, spiritual, recreational, leisure and cultural needs of the community. They also play an important role in the development of vibrant neighbourhoods by creating a sense of place and providing opportunities for people to meet and interact socially.

The renovation will see a significant updating of this building and the LRCIP grant funding is still expected to account for 80% of the cost.

ATTACHMENTS

Nil

Cr Ken Stokes returned to meeting 4.37pm

11.2 Executive Manager Corporate & Community Services

11.2.1 Statement of Financial Activity – October 2021

Author: Corporate & Community Services Officer

Authorising Officer: Executive Manager Corporate and Community Services

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION/RESOLUTION

211106 Moved: Cr Stokes Seconded: Cr Carslake

That Council receive;

- 1) the Statement of Financial Activity for the period ending 31 October 2021.
- 2) the Bank Reconciliation Report for period ending 31 October 2021
- 3) the attached List of Payments for the period ending 31 October 2021
- 4) with respect to the Chief Executive Officer authorisations and reporting to Council;
 - 4.1) information presented to this meeting in regard to reimbursement applications made by the Chief Executive Officer for the period ending 31 October 2021.
 - 4.2) information presented to this meeting that the Chief Executive Officer has taken approved leave from 28 October 2021 to 2 November 2021 since the Ordinary Council Meeting held on 21 October 2021.

CARRIED BY SIMPLE MAJORITY 7/0

PURPOSE

The Statement of Financial Activity is prepared to provide Council with a comprehensive report on the financial position on a monthly basis.

The Statement of Financial Activity Report will include the Monthly Financial Report, Bank Reconciliation Report and the List of Payments made.

DETAIL

In accordance with the provisions of Section 6.4 of the *Local Government Act 1995* and Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*, a local government is to prepare each month a Statement of Financial Activity (**Attachment 1**) reporting on the revenue and expenditure as set out in the Annual Budget each month.

Under the regulations the report must include the following items,

- Annual Budget estimates
- Budget estimates to the end of the month to which the statement relates,
- Actual amounts of expenditure, revenue, and income.
- Material variances between budget and actual
- Net current assets
- The report is to be accompanied by documents containing an explanation of the net current assets, material variances and other relevant supporting documentation.

As part of the monthly report a bank reconciliation report will be completed and included as **Attachment 2**. The summary of the report for 31 October is as follows:

Account	Balance
Municipal Account	2,113,637.99
Municipal Online Account	1,027,013.38
Trust Account	3,342.41
Reserve Account	3,438,642.29
Term Deposits (Reserves)	2,100,000.00
Total Cash & Investments	\$8,682,636.07

Pursuant to Section 5.42 of the *Local Government Act 1995*, Council has resolved to delegate to the Chief Executive Officer the authority to make payments from the municipal and trust funds.

As a result of this delegation there is a requirement under the *Local Government (Financial Management) Regulations 1996* – Reg 13(3) for a list of payments to be prepared and presented to Council.

The list of accounts paid for the period 1 September 2021 to 31 October 2021 is presented as an attachment to this report (**Attachment 3**) and is summarised in the table below.

Bank	Payment Description	Amount
Municipal	Electronic Funds Transfers (EFT)	484,370.97
Municipal	Cheques No: 12023	0.00
Municipal	Direct Debit Transactions	19,016.03
Municipal	Bank Transfers / Payroll / Other Payments	111,653.95
Municipal	Corporate Credit Cards	1,649.18
Trust	Electronic Funds Transfers (EFT)	0.00
	TOTAL	\$616,690.13

Reimbursement Applications

There have been \$760.74 of reimbursements claimed by the Chief Executive Officer during the month of October, this reimbursement was in relation to expenses incurred linked to attendance at the WALGA Convention and Aboriginal Engagement Forum.

Leave Applications

The Chief Executive Officer has taken leave for the period between 28 October and 2 November 2021. The leave and has been taken as approved accrued pro-rata annual leave and was for a total of 4 days.

LEVEL OF SIGNIFICANCE

Low significance - report is presented to Council for information purposes only.

CONSULTATION

Chief Executive Officer
Executive Manager Corporate & Community Services

OFFICER'S COMMENTS

The Corporate credit card payment amount for August is listed in the List of Accounts Paid report as the September payment was included last month in error.

LEGISLATION AND POLICY CONSIDERATIONS

Section 5.42 *Local Government Act 1995* Delegation of some powers and duties to the CEO.

Section 2.7 of the *Local Government Act 1995* states:

Role of council

- (1) The council —
 - (a) governs the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to —
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

Local Government (Financial Management) Regulations 1996

Regulations 34(1)

- (1) A local Government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d) for each month.

Regulation 13

- (1) If the local government has delegated authority to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month.
- (3) A list prepared under sub regulation (1) or (2) is to be –
 - (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
 - (b) recorded in the minutes of that meeting

Procurement Policy

Use of Corporate Credit Card Policy

CEO Leave Authorisations and Other Approvals Policy

- Strategic Community Plan 2018-2028

Outcome 4.3 A local government that is respected, professional and accountable.

Outcome 4.5 Long Term Financial Viability

FINANCIAL AND RESOURCES IMPLICATIONS

As presented.

RISK MANAGEMENT CONSIDERATIONS

The risks identified as part of this report being inaccurate information is mitigated by Council receiving financial statements on a monthly basis and in the form that is in accordance with the Local Government Act 1995 and associated regulations in the format called Statutory Reporting and is considered Low Risk.

CONCLUSION

Council is requested to receive the attached the Statement of Financial Activity, the Bank Reconciliation report, the list of accounts paid by the Chief Executive Officer and the list of any work related expenses/reimbursements submitted by the Chief Executive Officer.

ATTACHMENTS

Attachment 1 – 11.2.1 Monthly Financial Report for the period ending 31 October 2021.

Attachment 2 – 11.2.1 Bank Reconciliation for the period ending 31 October 2021.

Attachment 3 – 11.2.1 List of Accounts Paid for the period ending 31 October 2021.

11.2.2 November 2021 Budget Review

Author:	Executive Manager Corporate & Community Services
Authorising Officer:	Chief Executive Officer
Disclosure of Interest:	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION/RESOLUTION

211107 Moved: Cr Collins Seconded: Cr Carslake

That Council:

- 1. Adopt the November 2021 Budget Review based on the financials for the period ending 30 September 2021 and all budget amendments in their entirety as presented in the Report and Attachment 1**
- 2. Direct the Chief Executive Officer to implement the budget changes and update the amended budget in reports moving forward.**

CARRIED BY ABSOLUTE MAJORITY 7/0

PURPOSE

For Council to consider and adopt a review of the Annual budget and the associated account amendments.

DETAIL

Under Regulation 33A of the Local Government (Financial Management) Regulations 1996, Council is obliged to undertake a review of the annual budget between 1 January and 31 March each financial year, based on financials as at no earlier than 31 December.

Whilst this November Budget Review is not deemed a requirement under regulatory obligations the Shire administration agreed with Council during budget development that it made prudent financial management sense to implement more than one budget review each financial year. To ensure that no expenditure is incurred without advance resolution in line with Section 6.8 of the Local Government Act.

These review points also provide an opportunity for the administration to represent to Council any changes, more accurately, that have come to light after the adoption of the Annual Budget. A review of the 2021-2022 Annual Budget has been undertaken by the Chief Executive Officer and other senior staff using the monthly financial statements as of 30 September 2021 and other knowledge related to operational activities.

The November 2021 Budget Review (Attachment 1) document details the examination undertaken and all budget movements.

Statutory Budget

The Statutory Budget Review Template varies from that of the Monthly Statements that are supplied to Council. This template is provided to Councils in WA by Moore with the approval of the Auditor General. The variations in the templates may cause some confusion so the following will explain what each note is meant to achieve.

Statement of Budget Review

There are 2 statements included one being by Nature and Type (page 2) the other by Program (page 3) and are included in all financial reporting that comes to council. The version of these reports in the Budget Review template combines details from the Rates Setting Statement that is provided in the Budget and Annual Financial Report.

These included rate Setting details are the inclusion of the Net Current Assets at start of the year, the removal of the rates income from the Revenue from operating activities and the inclusion of the rates income at the bottom of the page under Budget deficiency before general rates.

Both these report pages should balance back to Note 3 Net Current Funding Position.

Note 2 - Summary Graphs – Budget Review

The inclusion of these summary graphs (page 5) is a quick way for Council to see what Council originally adopted in the budget against actuals year to date and then the predicted year end balance.

The operating expense graph shows that the actuals have been running below budget in July to September with a slight drop in October to then run on budget to the end of the year.

The operating revenue was above the budget slightly in August with a drop below budget in October/November then back on track from December to year end.

Both capital expenditure and income are running on budget and are expected to continue to do so until year end.

Note 3 – Net Current Funding Position

This report is used to show the budgeted deficiency of Council. The report shows the items that are excluded from the budget as they are not used to fund budgeted expenditure.

The Closing funding surplus / (deficit) should be the same as that shown in the Statement of Budget Review by Nature and Type, by Program and Note 5.

Note 4 - Predicted Variances

This note (page 8) reports on the Budget Review changes made by Nature and Type with balances for Operating Revenue, Operating Expenses, Capital Revenue, Capital Expenses, and the total predicted variances. This total does not differentiate between income and expenditure and shows the total variances of \$168,293. If the note did take the income from the expenditure then the total would show the surplus of \$6,007.

Note 5 – Budget Amendments

It is a requirement that a running total of changes made to the budget be listed at general ledger account level. This note shows every account line that has been predicted to be altered with this budget review and ends with the expected overall balance of a surplus that matches what is shown in the Statements of Budget Review and Note 3 Net Current Funding Position. These changes can also be seen in the attached schedules with the account changes highlighted for easier viewing.

Summarised below are the major variations included in the Budget Review: Increase in Operating Revenue

Various operating revenue accounts have been modified to rectify under allocations in the budget with the significant changes being:

- Increase \$6,500 in Youth grants income to align with actual figures expected for 2021/2022
 - Youth Advisory Council of WA grant application successful – notified early November.
- Inclusion of \$20,000 income to be received from the Morawa Yalgoo Road Road User Agreement in place with Egan Rothsay/Silverlake Mining to be spent on projects and activities for community benefit – not included in the original budget.
- Inclusion of \$30,000 contribution from the Golf/Bowling Club – not included in the original budget.
- Increase water sales income by \$30,000 to align with the actual income as at 10 November 2021 – aligned to CBH stand pipe use.

Overall increase in operating revenue through budget review is \$87,150 as per note 4.

Operating Expenditure

Various operating expenditure accounts have been modified to rectify under or over allocations in the budget with the significant changes being:

Reduction:

- There has been a reallocation of depreciation to better reflect where the actual depreciation allocation's go during the year as well as updating the amounts based on the asset revaluation carried out in the 2020/2021 financial year. These movements are deemed non- cash items.
- Reduction in budget for Council election expenses of \$4,500 – reduced cost of running the election and advertising as more online options available.
- Loss on sale of asset reduced by \$40,000 – CEO vehicle was included as a \$0 disposal however formal disposal/hand over is to occur and the vehicle is to remain as a Shire asset.
- Reduction in the caravan park caretaker wages of \$7,473 as the Caretaker was not onsite for the full budgeted period.

Increase:

- Inclusion of \$20,000 expenditure in relation to the income received from the Morawa Yalgoo Road RUA Community Benefit Agreement.
- Increase of \$10,000 to other youth expenses to cover labour hire expenses incurred whilst the Shire had no CDO.

- Increase standpipe water expenditure by \$11,943 based on actual expenditure as at 10 November 2021.
- Increase \$6,000 to Postage & Freight charges as actuals are running significantly higher than budgeted.

Overall reduction in operating expenditure through the budget review is \$6,857 as per note 4.

It should be noted that the insurance expenditure account 14609 listed on page 72 is currently showing the majority of Council's insurance expenses. This account has since been reallocated against the appropriate insurance accounts across the schedules as would be expected/budgeted. This reallocation occurred in October and is currently showing a balance of \$29,014 which is slightly under budget.

Depreciation

During the 2020/2021 financial year the Shire undertook a revaluation of all Council owned land, buildings, and other infrastructure. During the preparation of the Annual Financial Statements, it was found that there were various misallocations of depreciation expenditure to general ledger accounts and that some assets that should have had a residual value against them did not. These findings had not been included in the original budget as they were found after budget adoption so have been included in this budget review to give Council a more accurate representation of depreciation at program level.

Currently not all depreciation up to 30 September has been allocated as the normal practice is to wait until the adoption of the year end financials in case there are any changes to asset values.

A more in depth review of depreciation rates is programmed to be carried out during 2021/2022 financial year.

Capital Expenditure

LRCIP Phase 2

Sport Precinct Clubhouse Project will likely go overbudget – please see Agenda Item 11.1.4 for full background. \$30,000 of extra funds have been allocated to this project to cover cost escalations – this aligns to operational income increase by way of Golf/Bowling Club Contribution.

Building Renewals

Doctor's Surgery – The doctor has already replaced the carpets at the surgery and has asked for a 50% contribution from the Shire. The facility is also in need of painting. Carpet replacement and repainting added @ \$20,000.

Staff Housing – The Shire originally budgeted \$20,000 for staff housing renewal capital works, the Shire's leading hand town has since left the Shire and the White Ave house he vacated has not received any significant works for over 7 years. As such the house needs painting, new flooring and curtain replacement. It is predicted that an additional \$10,000 is needed to carry out these works based on current market quotes.

Other Housing – New air conditioning required at Dreghorn Street Units and Yewers Avenue house

\$20,000. These air conditioners have needed to be replaced for the past couple of years and are breaking down on a regular basis.

Shire Administration – New blinds needed on the front windows as the current ones are damaged/broken in parts and do not set the right image for the Shire’s front of house. Current market quotes suggest \$8,000 will be sufficient to cover these works.

Overall increase in capital expenditure through the budget review of \$88,000 as per note 4.

A list of all capital projects included in the original budget and those that are part of this budget review are listed on page 10 and 11.

Final Position

With the budget review movements presented in Attachment 1 the Shire’s end of year closing position is expected to improve from a balanced budget to a \$6,007 surplus.

The Shire will undertake the required midyear budget review in February based on 31 December 2021 financials with a report to be presented to Council in March 2022

LEVEL OF SIGNIFICANCE

High – Sound financial management is the cornerstone of a well run organisation and the proposed amendments will allow council to continue to renew assets and manage expenditure in line with strategic goals.

CONSULTATION

Shire President Senior Staff

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

6.8 Expenditure from municipal fund not included in Annual Budget

(1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —

a) is incurred in a financial year before the adoption of the annual budget by the local government; or

b) is authorised in advance by resolution; or*

c) is authorised in advance by the mayor or president in an emergency.

** Absolute majority required.*

(1a) In subsection (1) — additional purpose means a purpose for which no expenditure estimate is included in the local government’s annual budget.

(2) Where expenditure has been incurred by a local government —

(a) pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and

(b) pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.

Local Government (Financial Management) Regulations 1996 33A. Review of budget

(1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*

(2A) *The review of an annual budget for a financial year must —*

(a) *consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*

(b) *consider the local government's financial position as at the date of the review; and*

(c) *review the outcomes for the end of that financial year that are forecast in the budget.*

(2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*

(3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**Absolute majority required.*

(4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.”*

FINANCIAL AND RESOURCES IMPLICATIONS

The Shire of Morawa November 2021 Budget Review outcome is that Council is expected to have a surplus of \$6,007 at 30 June 2022. This is based on a variety of specified general ledger movements as listed in Note 5.

RISK MANAGEMENT CONSIDERATIONS

Reviewing budget expectations at regular intervals represent a significant risk management tool. It is designed to embed a culture of regular review into the administration and provides Council with a clear snapshot on how the Shire is progressing in more detail than standard monthly financial reporting.

CONCLUSION

The review has considered all operational and capital areas of council and compared 30 September actual figures to projected 30 June figures as well as incorporating known knowledge of events occurring or upcoming at the date of the review to ensure accounts are tracking in line with budget. Where changes and variations are known these changes have been incorporated to ensure that the desired financial result is achieved by Council.

The net effect of the projected income and expenditure to 30 June 2022 is that Council is expected to have a surplus of \$6,007 at year end.

ATTACHMENTS

Attachment 1 – 11.1.4 November 2021 Budget Review

Item 12 Reports of Committees

Nil

Item 13 Motions of Which Previous Notice Has Been Given

Nil

Item 14 New Business of an Urgent Nature

Nil

Item 15 Matters for Which the Meeting May Be Closed (Confidential Items)**15.1 Closure of the Meeting to the Public**

Author: Chief Executive Officer

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The CEO has a conflict of interest in relation to this item given it is a review directly related to his performance, however the regulations stipulate that the process should be by agreement.

OFFICER'S RECOMMENDATION/RESOLUTION

211108 Moved: Cr Stokes

Seconded: Cr Harris

That Council closes the meeting to the public under section 5.23 (2)(a) and (c) of the *Local Government Act 1995* and the *Shire of Morawa Meeting Procedures Local Law 2012* sso that it can consider the following Items:

- **15.2 CEO Performance Review Process**

CARRIED BY SIMPLE MAJORITY 7/0

PURPOSE

This item seeks Council's approval under s5.23 (2) of the *Local Government Act 1995* to move into camera or closed session to consider confidential matters:

DETAIL

Under s5.23 (2) of the *Local Government Act 1995*, Council must resolve to move into camera or closed session. The following Items are considered to be 'confidential matters' as addressed below:

- **15.2 Confidential Item – CEO Performance Review Process.**

LEVEL OF SIGNIFICANCE

High – Confidential Items

CONSULTATION

Senior Management Team

LEGISLATION AND POLICY CONSIDERATIONS***Local Government Act 1995***

Under section 5.23 (2) of the *Local Government Act 1995*, part of a council meeting may be closed, if the meeting deals with any of the following:

- (a) *a matter affecting an employee or employees;*

- (b) *the personal affairs of any person;*
- (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*
- (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*
- (e) *a matter that if disclosed, would reveal —*
 - (i) *a trade secret;*
 - (ii) *information that has a commercial value to a person;*
 - (iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government;*
- (f) *a matter that if disclosed, could be reasonably expected to —*
 - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*
 - (ii) *endanger the security of the local government’s property;*
 - (iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety;*
- (g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
- (h) *such other matters as may be prescribed.*

Shire of Morawa Meeting Procedures Local Law 2012

The key parts include:

6.2 Meetings not open to the public

- (1) The CEO may, at any time, recommend that a meeting or part of a meeting be closed to members of the public.
- (2) The Council or a committee, in one or more of the circumstances dealt with in the Act, may at any time, by resolution, decide to close a meeting or part of a meeting.
- (3) If a resolution under subclause (2) is carried— (a) the presiding member is to direct everyone to leave the meeting except— (i) the members; (ii) the CEO; and (iii) any officer specified by the presiding member; and (b) the meeting is to be closed to the public until, at the conclusion of the matter justifying the closure of the meeting to the public, the Council or the committee, by resolution, decides otherwise.
- (4) A person who fails to comply with a direction under subclause (3)(a) may, by order of the presiding member, be removed from the meeting.
- (5) While the resolution under subclause (2) remains in force, the operation of clause 8.9 is to be suspended until the Council or the committee, by resolution, decides otherwise.
- (6) A resolution under this clause may be made without notice.
- (7) Unless the Council resolves otherwise, once the meeting is reopened to members of the public, the presiding member is to ensure that any resolution of the Council made while the meeting was closed is to be read out including a vote of a member to be included in the minutes.

Strategic Community Plan 2018 to 2028 (desktop Review June 2020)

Outcome 4.3 A local government that is respected, professional and accountable.

FINANCIAL AND RESOURCES IMPLICATIONS

Any known financial implications are addressed in the respective reports.

RISK MANAGEMENT CONSIDERATIONS

There are no known risk management considerations.

CONCLUSION

That Council closes the meeting to the public under section 5.23 (2) of the *Local Government Act 1995* and the *Shire of Morawa Meeting Procedures Local Law 2012* s 6.2 so that it can consider the reports as addressed.

ATTACHMENT

Nil

15.2 CEO Performance Review Process

Author: Chief Executive Officer

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The CEO has a conflict of interest in relation to this item given it is a review directly related to his performance, however the regulations stipulate that the process should be by agreement.

OFFICER'S RECOMMENDATION/RESOLUTION

211109 Moved: Cr Stokes Seconded: Cr Coaker

That Council

- 1. Resolve to appoint Strategic Leadership Consulting to undertake the CEO Performance Review for a period constituting two annual reviews.**
- 2. Accept in agreement with the CEO that the process proposed by Strategic Leadership Consulting is acceptable by both parties and sufficient to meet all requirements associated with the performance review process.**

CARRIED BY SIMPLE MAJORITY 7/0

15.3 Reopening of the Meeting to the Public**OFFICER'S RECOMMENDATION/RESOLUTION**

211110 Moved: Cr Harris Seconded: Cr Carslake

That Council reopens the meeting to the public.

CARRIED BY SIMPLE MAJORITY 7/0

Item 16 Closure

16.1 Date of Next Meeting

The next ordinary meeting of Council will be held on Tuesday, 16 December 2021 commencing at 5.30pm.

16.2 Closure

There being no further business, the President declared the meeting closed at 4.41pm.