

# ORDER OF BUSINESS

- 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS - COUNCIL CHAMBERS**
- 2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**
- 3 PUBLIC QUESTION TIME**
- 4 APPLICATIONS FOR LEAVE OF ABSENCE**
- 5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
  - 5.1 Shire of Kulin Ordinary Meeting – 21 August 2019
  - 5.2 Shire of Kulin OS&H Meeting – 22 August 2019
  - 5.3 Shire of Kulin Audit & Risk Committee Meeting – 18 September 2019
- 6 MATTERS REQUIRING DECISION**
  - 6.1 List of Accounts – August 2019
  - 6.2 Financial Reports – August 2019
  - 6.3 Kulin Retirement Homes Inc. – Request to Write Off Rates 2019/20
  - 6.4 Wheatbelt Secondary Freight Network Program – Formalisation of Commitment
  - 6.5 Kulin Shire Council Submission to the Select Committee into Local Government
- 7 COMPLIANCE**
  - 7.1 Compliance Reporting - General Compliance August 2019
  - 7.2 Compliance Reporting – Delegations Exercised August 2019
  - 7.3 Shire of Kulin Audit & Risk Committee – Recommendations 18 September 2019
- 8 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 9 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**
  - 9.1 Proposed Budget Amendment – Mobile Concrete Batching Plant
  - 9.2 Bitumen & Aggregate Tenders
- 10 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC**
- 11 DATE AND TIME OF NEXT MEETING**
- 12 CLOSURE OF MEETING**

# Minutes of an Ordinary Meeting of Council held in the Council Chambers on Wednesday 18 September 2019 commencing at 1.06pm

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

President West congratulated the recently elected Councillors (all unopposed), swearing in ceremony will be conducted at October meeting.

## 2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

### Attendance

BD West	President	West Ward
RD Duckworth	Deputy President	West Ward
HT McInnes	Councillor	Town Ward
B Smoker	Councillor	West Ward
R Bowey	Councillor	Town Ward
BP Taylor	Councillor	Central Ward
MS Lucchesi	Councillor	Central Ward
G Robins	Councillor	Town Ward
L Varone	Councillor	East Ward
G Yandle	Chief Executive Officer	
J Hobson	Manager of Works	

### **APOLOGIES**

C Vandenberg Deputy Chief Executive Officer

### **LEAVE OF ABSENCE**

Nil

## 3. PUBLIC QUESTION TIME

Nil

## 4. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

### **Change to Order of Business**

01/0919

Moved Cr Taylor Seconded Cr Robins that Council agree to accept the two items of urgent nature as new business, being:

Item 9.1 Proposed Budget Amendment – Mobile Concrete Batching Plant

Item 9.2 Bitumen & Aggregate Tenders; and;  
agree to changing the order of business to discuss Item 9.1 immediately.

Carried 9/0

## 9.1 Proposed Budget Amendment - Mobile Concrete Batching Plant

**RESPONSIBLE OFFICER:** Works Manager

**FILE REFERENCE:** 12.04.01 Budget

**AUTHOR:** CEO / Works Manager

**STRATEGIC REFERENCE/S:** 1.3 Accessible infrastructure and service meeting changing community needs

**DISCLOSURE OF INTEREST:** Nil

### **SUMMARY:**

For Council to consider a budget amendment to substitute a mobile batching plant into the 2019/20 Plant Budget for the originally proposed cherry picker.

### **BACKGROUND & COMMENT:**

The Shire of Kulin currently has a Hino Agitator truck with a capacity of 2 cubic meters that is used for various jobs for the shire from making headwalls for pipes, stabilised back fill for new pipes, pouring concrete for pads and other concrete jobs as required.

Currently loading the truck is undertaken via a manmade ramp which is approximately 2m high and hopper that would stand approximately 4m high and is loaded using the backhoe.

It has been raised a few times on a semi-regular basis that the safety of the current set up is a risk and the operators are reluctant to drive on the ramp.

Over the past few years, the Plant Mechanic, Denis Brandis has been investigating if he can find a mobile batching plant that would be suitable to load our agitator.

The Shire of Quairading are having a clearing sale on 18 September and there is a mobile batching plant in the auction. The Works Manager would like to investigate if it is worth the Shire showing interest in this item to complement the agitator truck we currently have. The Plant Mechanic has indicated that this may go for a price between \$10,000 - \$15,000 or potentially even cheaper.

This mobile batching plant will require a small amount of work to replace some guards, tyres and maybe a new motor.

Below are photos of the proposed batching plant.



**STATUTORY ENVIRONMENT:**

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.*

Section 11 Local Government (Functions & General) Regulations 1996 – When tenders have to be publicly invited.

**POLICY IMPLICATIONS:**

APOG & Policy Manual

A5 – Budget Preparation

A22 – Procurement, Purchasing and Tenders

**FINANCIAL IMPLICATIONS:**

In the 2019/2020 Plant Budget, \$15,000 has been allocated to the purchase of a cherry picker to replace our current cherry picker that has become unsafe to be used in a Shire environment. After doing some further research on the replacement, we are looking at a figure more like \$40,000 to \$50,000 to be able to purchase a replacement cherry picker.

From the \$15,000 allocated in the budget this year it is likely that this figure would only get something the same age or slightly better condition than our existing machine.

An amendment is proposed to the 2019/20 Plant Budget to use the \$15,000 initially allocated to purchase a cherry picker, now be used for the possible purchase of the Mobile Batching Plant from an auction held in Quairading on 18 September.

Shire officers will continue to investigate prices for an appropriate cherry picker replacement. Should an appropriate machine be identified, it is likely that an additional budget amendment item will be brought to Council for decision at the time.

**COMMUNITY CONSULTATION:**

CEO  
Plant Mechanic  
DCEO

**WORKFORCE IMPLICATIONS:**

This proposed machine would provide for a safer and more efficient working environment for the Works Crew when batching concrete.

**OFFICER'S RECOMMENDATION:**

That Council:

1. Authorise a budget amendment to purchase a mobile batching plant for a maximum value of \$15,000 in substitute of the cherry picker originally proposed in the 2019/20 Plant Budget, and
2. Authorise the CEO to approve procurement of Mobile Batching via auction.

**VOTING REQUIREMENTS:**

Absolute majority.

**02/0919**

**Moved Cr Robins Seconded Cr McInnes that Council:**

1. Authorise a budget amendment to purchase a mobile batching plant for a maximum value of \$15,000 in substitute of the cherry picker originally proposed in the 2019/20 Plant Budget, and
2. Authorise the CEO to approve procurement of Mobile Batching via auction.

**Carried by Absolute Majority**

Council Meeting adjourned at 1.16pm

Council Meeting resumed 4.26pm

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

Shire of Kulin Ordinary Meeting – 21 August 2019

**03/0919**

**Moved Cr Robins Seconded Cr Smoker that the minutes of the Ordinary Council Meeting held on 21 August 2019 be confirmed as a true and correct record.**

**Carried 9/0**

Shire of Kulin OS&H – Minutes 22 August 2019

**04/0919**

**Moved Cr McInnes Seconded Cr Bowey that the minutes of the Kulin OS& H Meeting held on 22 August 2019 be confirmed as a true and correct record.**

**Carried 9/0**

Shire of Kulin Audit & Risk Committee Meeting – Minutes 18 September 2019

**05/0919**

**Moved Cr Duckworth Seconded Cr Lucchesi that the minutes of the Shire of Kulin Audit & Risk Committee Meeting held on 18 September 2019 be confirmed as a true and correct record.**

**Carried 9/0**

## **6 MATTERS REQUIRING DECISION**

### **6.1 List of Accounts – August 2019**

**RESPONSIBLE OFFICER:** DCEO  
**FILE REFERENCE:** 12.06  
**AUTHOR:** DCEO  
**STRATEGIC REFERENCE/S:** 12.01  
**DISCLOSURE OF INTEREST:** Nil

**SUMMARY:**

Attached is the list of accounts paid during the month of August 2019 for Council's consideration.

**BACKGROUND & COMMENT:**

Nil

**FINANCIAL IMPLICATIONS:**

Nil

**STATUTORY AND PLANNING IMPLICATIONS:**

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires local governments to prepare each month a statement of financial activity reporting on the revenue and expenditure of funds for the month in question.

**POLICY IMPLICATIONS:**

Nil

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Nil

**OFFICER'S RECOMMENDATION:**

That August payments being cheque no.'s 250 (Trip), 412 - 413 (Trust), 37147 – 37153; EFT No's 15563 - 15650, DD7008.1 - DD7026.10 (Municipal), credit card payments, creditor payments, payroll and other vouchers from the Municipal Fund totalling \$412,439.24 be received.

**VOTING REQUIREMENTS:**

Simple majority required.

**06/0919**

**Moved Cr Bowey Seconded Cr Duckworth that August payments being cheque no.'s 250 (Trip), 412 - 413 (Trust), 37147 – 37153; EFT No's 15563 - 15650, DD7008.1 - DD7026.10 (Municipal), credit card payments, creditor payments, payroll and other vouchers from the Municipal Fund totalling \$412,439.24 be received.**

**Carried 9/0**

## **6.2 Financial Reports – August 2019**

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**RESPONSIBLE OFFICER:** DCEO

**FILE REFERENCE:** 12.01

**AUTHOR:** DCEO

**STRATEGIC REFERENCE/S:** 12.01

**DISCLOSURE OF INTEREST:** Nil

**SUMMARY:**

Attached are the financial reports for the period ending 31 August 2019.

**BACKGROUND & COMMENT:**

Nil

**FINANCIAL IMPLICATIONS:**

Nil

**STATUTORY AND PLANNING IMPLICATIONS:**

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires local governments to prepare each month a statement of financial activity reporting on the revenue and expenditure of funds for the month in question.

**POLICY IMPLICATIONS:**

Nil

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Nil

**OFFICER'S RECOMMENDATION:**

That Council endorse the monthly financial statements for the period ending 31 August 2019.

**VOTING REQUIREMENTS:**

Simple majority required.

**07/0919**

**Moved Cr Lucchesi Seconded Cr Robins that Council endorse the monthly financial statements for the period ending 31 August 2019.**

**Carried 9/0**

**6.3 Kulin Retirement Homes Inc. – Request to Write Off Rates 2019/20**

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**NAME OF APPLICANT:** Kulin Retirement Homes Inc.  
**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 25.02  
**AUTHOR:** CEO  
**DISCLOSURE OF INTEREST:** Nil

**SUMMARY:**

In past years the Kulin Retirement Homes has requested a refund of rates for their property in Gordon Street and Price St, Kulin. All service charges applicable for the property are to be paid by the committee.

**BACKGROUND & COMMENT:**

This year the committee has written to Council requesting that Council waive rates for both Kulinda Estate and the Workman Estate.

**FINANCIAL IMPLICATIONS**

The write off is allowed for in annual budget.

**STATUTORY AND TOWN PLANNING IMPLICATIONS:**

Nil

**FINANCIAL IMPLICATIONS:**

Nil

**STATUTORY AND PLANNING IMPLICATIONS:**

Nil

**POLICY IMPLICATIONS:**

Nil

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Nil

**RECOMMENDATION:**

That Council rates levied to Kulin Retirement Homes totalling \$2,860.51 for assessment number A1422, charged against Workman Estate; and \$6,992.36 for assessment number A95, charged against Kulinda, be donated back to the organisation as they continue to operate as a not for profit community organisation.

**VOTING REQUIREMENTS:**

Simple majority required.

**08/0919**

**Moved Cr McInnes Seconded Cr Smoker that Council rates levied to Kulin Retirement Homes totalling \$2,860.51 for assessment number A1422, charged against Workman Estate; and \$6,992.36 for assessment number A95, charged against Kulinda, be donated back to the organisation as they continue to operate as a not for profit community organisation.**

**Carried 9/0**

## 6.4 Wheatbelt Secondary Freight Network Program – formalisation of commitment

**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 28.19  
**AUTHOR:** CEO  
**STRATEGIC REFERENCE/S:**  
**DISCLOSURE OF INTEREST:** Nil

### SUMMARY:

It is requested by the Wheatbelt Secondary Freight Network Steering Committee that the associated 42 Local Governments formalise their commitment to WSNF Program, to be eligible for future funding and project consideration, via a formal resolution of Council.

### BACKGROUND & COMMENT:

42 Local Governments of the Wheatbelt region have worked collaboratively for over 4 years to secure funding to improve secondary freight network routes on Local Government Roads in the Wheatbelt. The Wheatbelt Secondary Freight Network (WSFN) Program has successfully been allocated \$70 million of Federal funding (ROSI) and this has been matched with State funding of \$17.5 million (reflecting the 80/20 funding agreement). The State funding will be sourced two thirds from the State and one third from the Local Governments whose assets are being upgraded. The available \$87.5M will not be sufficient to upgrade all the identified 80 routes and good governance of this program, and ongoing collaboration between all parties, will be critical in securing additional funding.

Attached is Program Governance Plan (PGP) which identifies how key governance and administrative aspects will be undertaken to ensure successful delivery of the program. It will assist to outline the structure and processes for decision making and consultation within the Wheatbelt Region Regional Road Groups (WR RRG) and Local Governments. The PGP will provide a framework and guidelines for all members of the WSNF Program to operate within. The PGP will be used to communicate to all stakeholders how the program will be governed. This PGP should be read in conjunction with the attached Program Delivery Plan and the Multi-criteria Analysis (MCA) Methodology documents that provide operational details about how on-ground capital works will be delivered for Stage 1 and beyond.

Now that the initial funding for the delivery of on-ground capital works for Stage 1 has been confirmed, it is proposed that all 42 Local Governments formalise their commitment to WSNF Program, to be eligible for future funding and project consideration. It is requested by the WSNF Steering committee that this formal commitment from all 42 Councils be via a formal resolution of Council, which will entail the presentation and acknowledgement of the following WSNF program documents:

- Project Governance Plan
- Program Delivery Plan
- Multi Criteria Analysis Methodology.

The 42 Council resolutions will be collated as addendums to a formal agreement that the Regional Road Group will sign with the Federal and State Governments on behalf of all 42 LGs associated with the WSNF program formalising the ongoing commitment to the program.

In order to demonstrate best outcomes and value for money it is necessary to develop a transparent process to identify which routes have the highest priority for the limited available funding. A prioritisation of the Wheatbelt Secondary Freight Network routes via a multi-criteria analysis (MCA) will be developed to score each route based on the available data submitted by Local Governments and the Revitalising Agricultural Region Freight (RARF) strategy being coordinated by the WA State Government. The criteria upon which each route will be assessed in the MCA includes:

Data Set	Description
ROSMA KSI Rate	ROSMA data will be supplied by Main Roads WA. It captures the rate of 'Killed or Serious Injury' (KSI) incidents on a route.
Seal Width	The seal width of the road described as a percentage of the route length, allowing an average seal width will be applied across the route. Seal width will be compared to a minimum seal width of 7m as per a Type 5 road.
Road Condition	Shire's have assessed road condition on a one to five scale, which has been applied as a direct metric. Five indicating very poor condition
ADT Counts	Average Daily Traffic counts provide data on the average number of total vehicles traveling on a road per day over the measurement period, capturing both heavy and light vehicle use.
ESA Counts	An Equivalent Standard Axle is defined as a dual tyred single axle transmitting 8.2 tonne to the pavement. ESA counts are therefore reflective of the total number and load of heavy vehicles that impact a road.

On-ground works for the WSNF program are expected to commence in financial year 2020/21 and be staged over a 3 to 5 year period depending upon Federal Government stipulations.

For the year 2019/20 the WSNF have identified 2 x pilot projects to begin on-ground works and refine project delivery methodologies and processes. These will be \$1 million dollars each and have been identified for the following Shires:

- Wheatbelt North
  - Shire of Victoria Plains
  - Lancelin to Meckering Route
  - Mogumber - Yarawindah Road
  - Project value \$1M
- Wheatbelt South
  - Shire of Quairading
  - Cunderdin to Kweda Route
  - Cunderdin - Quairading Road
  - Project Value \$1M

**STATUTORY ENVIRONMENT:**

Local Government Act 1995  
Section 3.18 Performing Executive Functions

**POLICY IMPLICATIONS:**

Nil

**FINANCIAL IMPLICATIONS:**

Local Governments with projects approved over the course of the WSNF program will be required to contribute approximately 7% of each individual project's total cost. The remaining funding will be provided by Federal Government 80% and State Government 13%.

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Officers from LGs with prioritised projects will be essential to ensure successful delivery of individual projects. This will provide a great opportunity for knowledge sharing and collaboration across the region. It will allow members of the PTT to undertake both informal and formal training of LGA staff to upskill and improve their technical capacity. Where possible neighbouring LGs will be encouraged to share technical, workforce and plant resources to assist in the efficient on-ground delivery of individual projects.

- Individual Shires will provide the following to the Steering Committee for approval before any funding will be released
  - Scope
  - Budget
  - Methodology
  - Delivery
- WSNF 5 Year Plan incorporated in their LTFFP.
- Individual Shires incorporate into Council Budgets Annually.
- Funding will be distributed to LGs via MRWA in accordance with Governance Plan.

**OFFICER'S RECOMMENDATION:**

That Council:

1. Formalise their commitment to the program the Wheatbelt Secondary Freight Network Program enabling them to be eligible for future funding and project consideration.
2. Receive the following WSNF Program documents which outline how the WSNF Steering Committee propose to administer the WSNF Program:
  - Program Governance Plan
  - Program Delivery Plan
  - Multi Criteria Analysis Methodology.
3. Endorse the processes and procedures outlined in the Program Governance Plan which enables the Wheatbelt North and Wheatbelt South Regional Road Groups and the WSNF Steering Committee to make decisions in accordance with in the Program Governance Plan.

**VOTING REQUIREMENTS:**

Simple Majority



09/0919

Moved Cr Bowey Seconded Cr Robins that Council:

1. Formalise their commitment to the program the Wheatbelt Secondary Freight Network Program enabling them to be eligible for future funding and project consideration.
2. Receive the following WSFN Program documents which outline how the WSFN Steering Committee propose to administer the WSFN Program:
  - Program Governance Plan
  - Program Delivery Plan
  - Multi Criteria Analysis Methodology.
3. Endorse the processes and procedures outlined in the Program Governance Plan which enables the Wheatbelt North and Wheatbelt South Regional Road Groups and the WSFN Steering Committee to make decisions in accordance with in the Program Governance Plan.

Carried 9/0

## 6.5 Kulin Shire Council Submission to the Select Committee into Local Government

**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 14.03 Local Government and Regional Development  
**AUTHOR:** CEO  
**STRATEGIC REFERENCE/S:** 4.1 Provide good strategic decision making, governance, leadership and professional management

**DISCLOSURE OF INTEREST:** Nil

### SUMMARY:

The Legislative Council passed a motion to establish a Select Committee into Local Government. Kulin Shire Council have provided a written submission.

### BACKGROUND & COMMENT:

Council, via a letter submission co-signed by President Barry West and CEO Garrick Yandle, provided the following comments regarding the key issues affecting regional local governments in Western Australia, specifically Kulin Shire Council based upon the Terms of Reference of the Committee.

- (a) Whether the *Local Government Act 1995* and related legislation is generally suitable in its scope, construction and application;
- The Local Government Act 1995 currently functions well, but could have some refinement.
  - Council is of the assumption that the current Act review process will address any issues that require refinement.
- (b) The scope of activities of Local Governments;
- Local Governments are the first point of contact with local communities and are the key drivers within local communities and with local stakeholders regarding economic and community development.
  - In regional Western Australia there are efficiencies gained by smaller Councils being integral parts of the community in the delivery of economic and community development.
  - Small regionally based Councils are often the most significant employer within the local community as well as the most significant developer in the community.
  - Local Governments are also being increasingly relied upon to deliver ancillary services historically delivered by either State or Federal Governments without additional funding or resources.
- (c) The role of the Department of State administering the *Local Government Act 1995* and related legislation;
- In recent years it appears that the Department has become more of an investigative and prosecution body rather than providing assistance, advice or administrative support to local governments.
  - Such roles seem to have passed to WALGA, but without any jurisdiction or full understanding of the Act to provide an appropriate level of support or advice.
  - The recent changes involving the Auditor General in Audits has added additional cost and resourcing to an already arduous, costly and time consuming process.
- (d) The role of Elected Members and Chief Executive Officers/employees and whether these are clearly defined, delineated, understood and accepted;
- The recent introduction for mandatory training for Elected Members has created significant angst regarding time, resourcing and cost requirements.

- Council suggests that any mandatory training be streamlined to be delivered in a practical, pragmatic, low cost, affordable and accessible manner via an initial 1 day maximum long seminar that could be conducted onsite at Council.
- Other non-mandatory training could also be conducted via webinars like the recent WALGA conducted 1 hour sessions that could also be presented onsite as part of Council Concept Forums.

(e) The funding and financial management of Local Governments; and

- In the Local Government Operational Guidelines Number 18 the Department described the Operating Surplus Ratio as a financial performance ratio which is a key indicator of a local government's financial sustainability.
- A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.
- The depreciation expense posted each year has a significant impact on our operating result and we consistently post a loss based on this expense. In order to achieve the basic standard of this ratio we need a profit result equal to or higher than 10% of our own source revenue. The first challenge will be posting a profit result, the second will be achieving a profit level high enough to achieve the minimum standard.
- Council is required to regularly review our Asset Management Plan and our Long Term Financial Plan.
- In conjunction to this Council is required to regularly conduct revaluations on each of the levels of assets.
- The ongoing challenge of the asset management and revaluation review processes is to determine appropriate depreciation rates which ensure the rates we are currently using are correct and to ensure that depreciation isn't overstated.
- Such processes are still work in progress, especially with regard to the accuracy and meaningfulness of the data, as such many Councils are grappling with how this ultimately affects their long term financial sustainability.
- Council also has significant road infrastructure assets requiring ongoing maintenance and renewal, which is a significant portion of the annual budget.

(f) Any other related matters the Select Committee identifies as worthy of examination and Report.

- Local Government continues to work closely with all forms of government, industry and local communities to deliver the best available services to local communities.
- Regional Local Governments also work closely together to collaborate and share ideas and resources for mutual benefit across the region, the Wheatbelt Secondary Freight Network Program is a successful working example of this collaboration where 42 Wheatbelt Shires have successfully worked together and lobbied to receive nearly \$90M in funding to upgrade significant local roads within the region.

Council also supports other submissions to the Committee as follows:

- Central Country Zone
- WALGA.

#### **STATUTORY ENVIRONMENT:**

Local Government Act 1995 is a topic of discussion as part of the submission.

#### **POLICY IMPLICATIONS:**

Nil

#### **FINANCIAL IMPLICATIONS:**

Nil

#### **COMMUNITY CONSULTATION:**

Nil

#### **WORKFORCE IMPLICATIONS:**

Nil

#### **OFFICER'S RECOMMENDATION**

That Council endorse the Kulin Shire Council submission to the Select Committee into Local Government as submitted by the CEO 13 September 2019.

#### **VOTING REQUIREMENTS:**

Simple Majority.

**10/0919**

**Moved Cr Duckworth Seconded Cr Varone that Council endorse the Kulin Shire Council submission to the Select Committee into Local Government as submitted by the CEO 13 September 2019.**

**Carried 9/0**

# 7 COMPLIANCE

## 7.1 Compliance Reporting – General Compliance August 2019

**NAME OF APPLICANT:** CEO  
**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 12.05 Compliance 12.06 – Accounting Compliance  
**STRATEGIC REFERENCE/S:** CBP 4.1 Civic Leadership, 4.1.8 Compliance methods  
**AUTHOR:** CEO  
**DISCLOSURE OF INTEREST:** Nil

### SUMMARY:

This report addresses General and Financial Compliance matters for August 2019. This process is not definitive, each month additional items and/or actions may be identified that are then added to the monthly checklist. Items not completed each month e.g. quarterly action - will be notations.

The report provides a guide to the compliance requirements being addressed as part of staff workloads and demonstrates the degree of internal audit being completed.

### BACKGROUND & COMMENT:

The Compliance team and works staff commence the monthly compliance effort immediately after the Shire meeting each month. At that time, the Executive Support Officer will email the assigned staff member their compliance requirements for the coming month. As the month progresses, staff in conjunction with their manager, the CEO or DCEO will determine the extent of work/action needed to complete items. During Agenda week, the Compliance Team again meets to ensure the monthly report/list is reviewed and that compliance items are completed. In preparing the Agenda report, the CEO or DCEO will sign off on completed items.

Prior month items not completed previously will be reported in the following month so Council remains aware.

#### Outstanding April 2019

Records Management Disaster Plan – *completed Sept 2019*

#### Outstanding May 2019

Review of Equal Opportunity Employment Plan

#### Outstanding June 2019

Staff Performance Reviews & KRA's – commenced

#### Outstanding July

Disability Access and Inclusion Plan Review

LEMC Reporting

### FINANCIAL IMPLICATIONS:

In terms of meeting compliance - normal administration expense. There may be items that require additional administrative effort to complete or require external assistance to resolve. In those cases, individual financial implications will be reported.

### STATUTORY AND PLANNING IMPLICATIONS:

Nil

### POLICY IMPLICATIONS:

Identified as necessary – this report Nil

### COMMUNITY CONSULTATION:

Nil

### WORKFORCE IMPLICATIONS:

Nil

### OFFICER'S RECOMMENDATION:

That Council receive the General & Financial Compliance Report for August 2019 and note the matters of non-compliance.

### VOTING REQUIREMENTS:

Simple majority required.

11/0819

Moved Cr Duckworth Seconded Cr Lucchesi that Council receive the General & Financial Compliance Report for August 2019 and note the matters of non-compliance.

Carried 9/0

## 7.2 Compliance Reporting – Delegations Exercised – July 2019

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**NAME OF APPLICANT:** CEO  
**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 12.05 - Compliance  
**STRATEGIC REFERENCE/S:** CBP 4.1 Civic Leadership, 4.1.8 Compliance methods  
**AUTHOR:** CEO  
**DISCLOSURE OF INTEREST:** Nil

### **SUMMARY:**

To report back to Council actions performed under delegated authority for the period ending 30 June 2019.

To provide a comprehensive report listing of the delegations able to be exercised following adoption of a more substantial array of delegations in June 2017.

### **BACKGROUND & COMMENT:**

This report is prepared for Council detailing actions performed under delegated authority by the respective officers under each of the delegation headings:

### **ADMINISTRATION**

#### **Policy Delegation**

	<b>Officers</b>
A1 Acting Chief Executive Officer	(CEO)
A2 Agreements for Payments of Debts to Council	(CEO/DCEO)
A3 Casual Hirer's Liability	(CEO)
A4 Complaint Handling	(CEO)
A5 Fees & Charges – Discounts	(CEO/DCEO/MW/MLS/CRC)
A6 Investment of Surplus Funds	(CEO/DCEO)
A7 IT & Social Media – Use of	(CEO)
A8 Legal Advice, Representation & Cost Reimbursement	(CEO)
A9 Payments from Municipal and Trust Funds	(CEO-to numerous staff – purchase orders)
A10 Use of Common Seal	(CEO)
A11 Writing Off Debts	(CEO)
A12 Housing	(CEO)
A13 Procedure for Unpaid Rates Finance	(CEO)

### **GOVERNANCE**

G1 Applications for Planning Consent	(CEO)
G2 Building Licences and Swimming Pools	(EHO/Building Surveyor)
G3 Cemeteries Act 1986	(CEO)
G4 Health Act 1911 Provisions	(EHO)

### **HUMAN RESOURCES**

H1 Grievance Procedures	(CEO)
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### **COMMUNITY SERVICES**

CS1 Bushfire Control – Shire Plant for Use of	(CEO)
CS2 Bushfire Control – Plant Use for Adjoining Shires	(CEO)
CS3 Bushfire Prohibited / Restricted Burning Periods – Changes	(Shire President/CEO)
CS4 Bushfire Training Administration	(CEO)
CS5 Cat Ownership Limit – Cat Control	(CEO)
CS6 Dog Control – Attacks	(CEO)
CS7 Dog Ownership Limit – Dog Control	(CEO)
CS8 Sea Containers Use of – Town Planning	(CEO)
CS9 Second Hand Dwellings	(CEO)
CS10 Temporary Accommodation	(CEO)
CS11 Unauthorised Structures – Building Control	(CEO)
CS13 Freebairn Recreation Club Committee	(FRC Club Committee)
CS14 Kulin Child Care Centre Management Committee	(KCCC Mgmt. Committee)
CS15 General – Community Services Practices	(CEO)
CS20 Seed Collection	(CEO)

### **WORKS**

W1 Gravel Supplies	(MW)
W2 Roads – Clearing	(CEO)
W3 Roads – Damage to	(MW)

W4	Roads – Roadside Markers – Management of	(MW)
W5	Stormwater Drainage	(MW)
W6	Street Trees	(CEO)
W7	Streetscape – Improvements	(CEO)
W8	Roadside Burning	(MW)
W9	Temporary Road Closures	(MW)
W10	General – Works Practices Approvals	

**COMMENT:**

The following details the delegations exercised within the Shire relative to the delegated authority for the month of September 2019 and are submitted to Council for information (excluding delegations under A9, Payments – refer to individual order and payment listed in Accounts paid).

**A7 IT & Social Media**

Updates to website and Facebook pages

**CS6 Dog Control - Attacks**

Infringement issued for dog attack

**W1 Gravel Supplies**

Sourced gravel for various capital works projects

**STATUTORY ENVIRONMENT:**

*Building Act 2011*  
*Bushfires Act 1954*  
*Cemeteries Act 1986*  
*Health (Asbestos) Regulations 1992;*  
*Health (Miscellaneous Provisions) Act 1911;*  
*Local Government Act 1995*  
*Public Health Act 2016*  
*Shire of Kulin TPS2*  
*Town Planning Development Act*  
*Town Planning Scheme*  
*Trustees Act, Part III,*  
*Criminal Procedure Act 2004;*

**FINANCIAL IMPLICATIONS:**

Nil in terms of exercising delegation and reporting to Council though there may be financial implications in the case of each delegation exercised.

**STATUTORY AND PLANNING IMPLICATIONS:**

Sections 5.18 and 5.46 of the Local Government Act 1995

**POLICY IMPLICATIONS:**

There are no known policy implications relating to this report.

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Nil

**OFFICER'S RECOMMENDATION:**

That Council receive the Delegation Exercised Report for August 2019.

**VOTING REQUIREMENTS:**

Simple majority required.

12/0819

**Moved Cr McInnes Seconded Cr Robins that Council receive the Delegation Exercised Report for August 2019.**

**Carried 9/0**

## 7.3 Shire of Kulin Audit & Risk Committee - Recommendations 18 September 2019

**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 12.05 & 04.04  
**AUTHOR:** CEO  
**STRATEGIC REFERENCE/S:** Corporate Business Plan, Civic Leadership 4.1.1 a; CEO KRA 3.3 Financial Management, 3.5 Integrated Planning  
**DISCLOSURE OF INTEREST:** Nil

### SUMMARY:

The below recommendations were presented to the Shire of Kulin Audit and Risk Committee Meeting held on Wednesday 18 September 2019.

Minutes from this meeting are included in this agenda at Item 5.3 for further information and recommendation reports.

### SUMMARY:

The 2017-18 Audit Report received from Byfields Business Advisors identified two matters which they regarded as significant, these were:

- 1.) An audit qualification due to the ineffective system of internal control over cash income/receipts in relation to the Kulin Bush Races; and
- 2.) A significant adverse trend in the financial position of the Shire with specific regard to the Operating Surplus Ratio being below the Department of Local Government, Sport and Cultural Industries (the Department) standard for the past three years.

Section 7.12 (4) of The Local Government Act 1995 requires a Local Government to prepare a report addressing matters identified as significant by the auditors and to state what action the local government has taken or intends to take with respect to each of those matters.

### BACKGROUND & COMMENT:

#### Kulin Bush Races

The Kulin Bush Races committee, in the past, have been a sub-committee of Council. The event raises a significant amount of revenue and almost all of the income comes from cash received on the day. There are no point of sale computers or reports to verify this income and very little stocktake and inventory checks are run to verify stock on hand. All expenditure is verifiable with invoices however the committee did not always use the same purchasing controls imposed by policy for the rest of the Shire. The Kulin Bush Races (KBR) event has long been identified as a risk by Council and, as such, we have ceased our association with the committee. KBR have incorporated and are now running their event in their own right.

#### Operating Surplus Ratio

In the Local Government Operational Guidelines Number 18 the Department described the Operating Surplus Ratio as a financial performance ratio which is a key indicator of a local government's financial sustainability.

The Operating Surplus Ratio is calculated by:

$$\frac{(\text{Operating Revenue} - \text{Operating Expenditure})}{\text{Own Source Revenue}}$$

A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.

Standard:

Basic Standard between 1% and 15% (0.01 and 0.15) Advanced Standard > 15% (>0.15).

Comment:

The depreciation expense posted each year has a significant impact on our operating result and we consistently post a loss based on this expense. In order to achieve the basic standard of this ratio we need a profit result equal to or higher than 10% of our own source revenue. The first challenge will be posting a profit result, the second will be achieving a profit level high enough to achieve the minimum standard.

2017/2018

	2018	2017	2016
Operating Surplus Ratio	(0.46)	(0.13)	(0.39)

**Action:**

During the 2019/2020 we are reviewing our Asset Management Plan and our Long Term Financial Plan. In addition to this, and in conjunction with the review of our Asset Management Plan, we will be conducting revaluations on each of the levels of assets. We will do some analysis on appropriate depreciation rates to ensure the rates we are currently using are correct and to ensure that our depreciation isn't overstated.

Further to this, we will apply a higher level of scrutiny to our larger outlays of maintenance type work which we expense during the year. From time to time we make improvements to assets through a maintenance program and these expenditures are considered to be operating in nature rather than capital. When these expenditures are a genuine capital expense they will be moved to the balance sheet rather than expensed through the operating statement. While this additional scrutiny (and any consequent change in expense classification) will have a positive impact on our net result, the impact will be minimal with regards to the Shire achieving the basic standard of this ratio.

**STATUTORY ENVIRONMENT:**

Local Government Act 1995

- Section 7.12 (4) of The Local Government Act 1995 requires a Local Government to prepare a report addressing matters identified as significant by the auditors and to state what action the local government has taken or intends to take with respect to each of those matters.

**POLICY IMPLICATIONS:**

Nil

**FINANCIAL IMPLICATIONS:**

Nil

**COMMUNITY CONSULTATION:**

Nil

**WORKFORCE IMPLICATIONS:**

Nil

**OFFICER'S RECOMMENDATION TO AUDIT & RISK COMMITTEE**

That the Audit Committee:

1. Acknowledge receipt of the letter from DLGSC received 20 August 2019.
2. Recommend to Council the explanation of significant items and intended actions as reported in the annual report.
3. Recommend to Council that the CEO to provide a written response to DLGSC confirming appropriate action has been undertaken as requested.

**AUDIT & RISK COMMITTEE'S RECOMMENDATION TO COUNCIL**

That Council endorse the recommendations from the Audit and Risk Committee Meeting held 18 September 2019 as follows:

1. Acknowledge receipt of the letter from DLGSC received 20 August 2019.
2. Recommend to Council the explanation of significant items and intended actions as reported in the annual report.
3. Recommend to Council that the CEO to provide a written response to DLGSC confirming appropriate action has been undertaken as requested.

**VOTING REQUIREMENTS:**

Simple Majority.

**13/0919**

**Moved Cr Duckworth Seconded Cr Bowey that Council endorse the recommendations from the Audit and Risk Committee Meeting held 18 September 2019 as follows:**

- 1. Acknowledge receipt of the letter from DLGSC received 20 August 2019.**
- 2. Recommend to Council the explanation of significant items and intended actions as reported in the annual report.**
- 3. Recommend to Council that the CEO to provide a written response to DLGSC confirming appropriate action has been undertaken as requested.**

**Carried 9/0**

## **8 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

## **9 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

Cr Robins declared a financial interest in Item 9.2 and left the Council Chambers at 4.56pm

### **9.2 Bitumen & Aggregate Tenders**

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**NAME OF APPLICANT:** CEO  
**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 23.05 Plant Tenders  
**AUTHOR:** CEO, Works Manager  
**STRATEGIC REFERENCE/S:** CSP 1.2.1 Transport network  
**DISCLOSURE OF INTEREST:** Nil

#### **SUMMARY:**

In accordance with the adopted budget in terms of plant replacement and annual tenders for the supply of bitumen, aggregate and cartage tenders were called for;

#### **Annual Tenders**

- Bitumen supply 2019/20
- Aggregate requirements and cartage for 2019/20

#### **BACKGROUND & COMMENT:**

Tenders closed 4pm Tuesday 17 September 2019. Tenders were opened by staff after this time.

A table detailing tenders received has been prepared for the Council meeting.

#### **FINANCIAL IMPLICATIONS:**

Tenders meet expectations and apply to road construction jobs where the exact quantities can only be determined later and pricing is that sense is based more on unit cost.

#### **STATUTORY AND TOWN PLANNING IMPLICATIONS:**

Nil

#### **POLICY IMPLICATIONS:**

The Shire policy A10 – Regional Price Preference policy would apply to these tenders received from local supplier businesses based in the Shire area. The Shire policy allows for an “up to 10% allowance/advantage for local suppliers.

#### **COMMUNITY CONSULTATION:**

Nil

#### **WORKFORCE IMPLICATIONS:**

Nil

#### **RECOMMENDATIONS:**

Bitumen- That the Shire of Kulin accept the tender price from Bitutek to supply the Shire bitumen requirements for 2019/20, at a unit litre rate of 1.05 dollar per litre, spreader hire \$125 hr and pre-coat at \$7.50 per tonne.

Aggregate - That the Shire of Kulin accept the tender from BGC for the supply of aggregate and the tender from Kulin Transport for cartage at a total cost of \$40,265 based on tender quantity estimates.

#### **VOTING REQUIREMENTS:**

Simple majority required.



14/0919

Moved Cr Smoker Seconded Cr Lucchesi:

Bitumen – that the Shire of Kulin accept the tender price from Bitutek to supply the Shire bitumen requirements for 2019/20, at a unit litre rate of 1.05 dollar per litre, spreader hire \$125 hr and pre-coat at \$7.50 per tonne.

Aggregate - that the Shire of Kulin accept the tender from BGC for the supply of aggregate and the tender from Kulin Transport for cartage at a total cost of \$40,265 based on tender quantity estimates.

Carried 8/0

Cr Robins returned to the Council Chambers at 5.00pm

## **10 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC**

Nil

## **11 DATE AND TIME OF NEXT MEETING**

Wednesday 16 October 2019 at 1.00pm

Citizenship Ceremony will be held for Katherine Carrie.

## **12 CLOSURE OF MEETING**

There being no further business the President declared the meeting closed at 5.01pm