



SHIRE OF WOODANILLING



ORDINARY MEETING OF COUNCIL Agenda 18 June 2024

Dear Elected Member

The next Ordinary Meeting of Council of the Shire of Woodanilling will be held on 18 June 2024 in the Council Chambers, 3316 Robinson Road, Woodanilling commencing at 4.00p.m.

**Paul Hanlon
CHIEF EXECUTIVE OFFICER**

Disclaimer

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Woodanilling warns that anyone who has an application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Woodanilling for any act, omission or statement or intimation occurring during a Council Meeting.

Agendas and Minutes are available on the Shire website www.woodanilling.wa.gov.au

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ORDINARY MEETING OF COUNCIL AGENDA

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

1.1. DISCLOSURE OF INTEREST

Division 6 Subdivision 1 of the *Local Government Act 1995* requires Council Members and Employees to declare any direct or indirect financial interest or general interest in any matter listed in this Agenda.

The Act also requires the nature of the interest to be disclosed in writing before the meeting or immediately before the matter be discussed.

NB: A Council member who makes a disclosure must not preside or participate in, or be present during, any discussion or decision making procedure relating to the declared matter unless the procedures set out in Sections 5.68 or 5.69 of the Act have been complied with.

DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Disclosures of Interest Affecting Impartiality are required to be declared and recorded in the minutes of a meeting. Councillors who declare such an interest are still permitted to remain in the meeting and to participate in the discussion and voting on the particular matter. This does not lessen the obligation of declaring financial interests etc. covered under the *Local Government Act 1995*.

To help with complying with the requirements of declaring Interests Affecting Impartiality the following statement is recommended to be announced by the person declaring such an interest and to be produced in the minutes.

"I (give circumstances of the interest being declared, eg: have a long standing personal friendship with the proponent). As a consequence there may be a perception that my impartiality on this matter may be affected. I declare that I will consider this matter on its merits and vote accordingly".

2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Present:

Cr D Douglas	Shire President
Cr HR Thomson	Deputy Shire President
Cr B Smith	
Cr I Garstone	
Cr R Marshall	
Cr K Stephens	

Officers:

Paul Hanlon	Chief Executive Officer
Phil Burgess	Executive Manager Infrastructure
Hannah Wilson	Executive Assistant to CEO
Ciara Whitmore	Customer Service Officer

Apologies:

Observers:

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Ordinary Council Meeting 21 May 2024

Public Question Time commenced at 4.03 pm

Pauline Edgcumbe (written statement received by Chief Executive Officer at 3:45pm 21/05/2024)

Question 3

The Tip – is a TIP!!! What’s happening – OSH issues.

Response (Chief Executive Officer)

The Chief Executive Officer conducted a site visit of the Shire of Woodanilling Refuse and Recycling Site with the Executive Manager of Infrastructure (EMI). In the immediate term, the EMI is preparing a scope of works to undertake a clean up of the waste site. In the long term, the Shire will undertake a review of the future of the Refuse and Recycling Site.

Question 4

Cat sterilization programme – does the Shire run such a thing – ie. To address cat problem in Woody.

Response (Chief Executive Officer)

The Shire does not run a cat sterilization program, however we are working with Wagin Woodanilling Landcare Zone to re-establish our cat trapping program. The Shire has also re-engaged the services of a Ranger who will be conducting patrols in the Shire.

Question 5

HACC services – provision for elderly in Woody.

Response (Chief Executive Officer)

Western Australia Country Health Service notified the Australian Government of their intention to partially relinquish its CHSP (Commonwealth Home Support Programme) funding in the Great Southern Aged Care Planning Region in Western Australia from 1 July 2024. The Chief Executive Officer appeared on Channel 7 regional news on the 27th May 2024 to highlight the importance of services to our local community. For further information, interested parties should contact Juniper who are the new service providers. The key contact is Daniella Tarle, Phone: (08) 6119 5789 Email: HomeCare@juniper.org.au

4. PUBLIC QUESTION TIME

5. PETITIONS / DEPUTATIONS / PRESENTATIONS

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. ANNOUNCEMENTS BY SHIRE PRESIDENT AND/OR DEPUTY PRESIDENT WITHOUT DISCUSSION

8. CONFIRMATION OF COUNCIL MEETING MINUTES:

8.1. ORDINARY COUNCIL MEETING – 21 MAY 2024

That the Minutes of the Ordinary Meeting of Council held 21 May 2024 be confirmed as a true and correct record of proceedings.

9. CONFIRMATION OF OTHER MEETING MINUTES:

9.1. LOCAL EMERGENCY MANAGEMENT COMMITTEE MEETING – 28 MAY 2024

That the Minutes of the Great Southern Country Zone Meeting held 28 May 2024 be received by Council as detailed at **Attachment 9.1.1.**

10. REPORTS OF OFFICERS

Nil

11. REGULATORY SERVICES

Nil

12. INFRASTRUCTURE SERVICES

Nil

13. CORPORATE SERVICES

13.1.LIST OF ACCOUNTS FOR PAYMENT – 31 MAY 2024

File Reference	ADM0066
Date of Report	11 June 2024
Responsible Officer	Paul Hanlon, Chief Executive Officer
Author of Report	Brooke Dellacqua, Senior Finance Officer
Disclosure of any Interest	Financial - The Chief Executive Officer, Paul Hanlon has a financial interest in this report with a payment of \$5,984.52 being made for the reimbursement of relocation expenses from Onslow to Woodanilling to take up the employment position with the Shire of Woodanilling. Per the CEO's employment contract, a relocation reimbursement provision was agreed to up to a maximum of \$6,000. No other officer's involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment 13.1.1 – List of Accounts for Payment – 31 May 2024

BRIEF SUMMARY

The purpose of this report is to present to Council the list of accounts paid, for the month ending 31 May 2024, as required under the *Local Government (Financial Management) Regulations 1996*.

BACKGROUND/COMMENT

In accordance with *Local Government (Financial Management) Regulations 1996*, Clause 13 (1) schedules of all payments made through Council's bank accounts are presented to Council for inspection.

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

The following table summarises the payments for the period by payment type, with full details of the accounts paid contained within **Attachment 13.1.1**.

Payments up to 31 May 2024

Payment Type	Account Type	Amount \$
Automatic Payment Deductions (Direct Debits & BPay.	Municipal	\$34,557.53
Cheque Payments	Municipal	\$0.00
EFT Payments #7265 to #7312	Municipal	\$104,220.94
Sub Total	Municipal	\$138,778.47
Payments	Trust	\$0.00
Payments	Reserve	\$0.00
Totals		\$138,778.47

STATUTORY/LEGAL IMPLICATIONS

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* states:

13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.

- (1) *If the local government has delegated 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 showing for each account paid since the last such list was prepared —*
 - (a) *the payee’s name; and*
 - (b) *the amount of the payment; and*
 - (c) *the date of the payment; and*
 - (d) *sufficient information to identify the transaction.*

- (2) *A list of accounts for approval to be paid is to be prepared each month showing —*
 - (a) *for each account which requires council authorisation in that month —*
 - (i) *the payee’s name; and*
 - (ii) *the amount of the payment; and*
 - (iii) *sufficient information to identify the transaction;**and*
 - (b) *the date of the meeting of the council to which the list is to be presented.*

- (3) *A list prepared under subregulation (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.*

POLICY IMPLICATIONS

The Chief Executive Officer, under relevant delegation, is authorised to arrange purchase of specific items in the budget, which do not require calling tenders, providing that it is within the approved and adopted budget.

FINANCIAL IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

STRATEGIC IMPLICATIONS

THEME 3

Governance

OBJECTIVES

To promote continual improvement that is supported by efficient and effective governance structures and processes.

STRATEGIES

By ensuring legislation is used to effectively enable quality decision making.

CONSULTATION/COMMUNICATION

There are no community engagement implications that have been identified as a result of this report or recommendation.

RISK MANAGEMENT

The risk in relation to this matter is assessed as “Medium” on the basis that if Council does not accept the payments. The risk identified would be failure to fulfil statutory regulations or compliance requirements. Shire Officer’s provide a full detailed listing of payments made in the timely manner.

Consequence					
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Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council accepts the list of accounts and details of the credit card amounts, totalling \$138,778.47 paid under delegated authority in accordance with Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996* for the period ended 31 May 2024, as contained within **Attachment 13.1.1**.

13.2.MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2024

File Reference	ADM0066
Date of Report	11 June 2024
Responsible Officer	Paul Hanlon, Chief Executive Officer
Author of Report	DL Consulting
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment 13.2.1 – Monthly Financial Report 31 May 2024

BRIEF SUMMARY

The Monthly Financial Report for period ending 31 May 2024 is presented for Council’s consideration.

BACKGROUND/COMMENT

In accordance with regulation 34 of the *Government (Financial Management) Regulations 1996*, the Shire is to prepare a monthly Statement of Financial Activity for approval by Council. The Monthly Financial Reports have been prepared in accordance with statutory requirements.

The Statement of Financial Activity as at 31 May 2024 shows a closing surplus of \$541,070.

STATUTORY/LEGAL IMPLICATIONS

Section 6.4 of the *Local Government Act 1995* requires a Local Government to prepare an annual financial statement for the preceding year and other financial reports as they prescribed.

Regulation 34 (1) of the *Local Government (Financial Management) Regulations 1996* as amended requires the Local Government to prepare monthly financial statements and report on actual performance against what was set out in the annual budget.

POLICY IMPLICATIONS

There is no Council Policy relevant to this item.

FINANCIAL IMPLICATIONS

The Budget will be regularly monitored on at least a monthly basis, by the Chief Executive Officer and Financial Consultant. Responsible Officers are also required to review their particular line items for anomalies each month, with a major review required by law, between 1 January and 28 March of each year pursuant to the *Local Government (Financial Management) Regulations 1996* (Regulation 33A).

Any material variances that have an impact on the outcome of the budgeted closing surplus/deficit position are detailed in the Monthly Financial Report contained within **Attachment 13.2.1**

STRATEGIC IMPLICATIONS

THEME 3

Governance

OBJECTIVES

To promote continual improvement that is supported by efficient and effective governance structures and processes.

STRATEGIES

By ensuring legislation is used to effectively enable quality decision making.

CONSULTATION/COMMUNICATION

Reporting Officers receive monthly updates to track expenditure and income and to be aware of their work commitments versus budget allocations.

RISK MANAGEMENT

The risk in relation to this matter is assessed as “Low” on the basis that if Council does not receive the Monthly Financial Reports for the month reported leading to the Shire not meeting legislative requirements on financial reporting. The risk identified would be failure to fulfil statutory regulations or compliance requirements.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER’S RECOMMENDATION

That Council receive the Monthly Financial Report for the period of 31 May 2024, in accordance with section 6.4 of the Local Government Act 1995 and Regulation 34 of the Local Government (Financial Management) Regulations 1995 as presented in **Attachment 13.2.1**.

14. COMMUNITY SERVICES

Nil

15. OFFICE OF CEO

15.1. LIVE SHEEP EXPORT BAN ADVOCACY

File Reference	ADM0400
Date of Report	10/06/2024
Responsible Officer	Paul Hanlon, Chief Executive Officer
Author of Report	Paul Hanlon, Chief Executive Officer
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment 15.1.1 – Ban on Live Sheep Exports Economic Impact Report Attachment 15.1.2 – Draft Letter to the Hon. Murray Watt

BRIEF SUMMARY

This item seeks Council endorsement of the outcomes of the Alliance of Central Great Southern Councils meeting in Gnowangerup on Friday 31 May 2024 on the Live Sheep Export Ban.

BACKGROUND

The Minister for Agriculture, Fisheries and Forestry, Senator the Hon Murray Watt appointed an independent panel to consult with stakeholders and provide advice on how and when the government will phase out live sheep exports by sea. This report has now been released to the public. Coinciding with this release was the announcement by the Australian Government of the planned cessation of live sheep export from Australia by May 2028 and a \$107m industry support package for the sheep industry.

Econosis was engaged by the Shire's of Katanning, Kojonup, Broomehill-Tambellup, Gnowangerup, Cranbrook, Jerramungup and Woodanilling to prepare an economic impact assessment for the Upper Great Southern of the Federal Government's planned phasing out of live sheep exports by sea.

COMMENT

The economy of Woodanilling is inextricably linked to livestock (sheep) grazing and grain production. The Econosis report found that the Woodanilling LGA was home to 148,687 sheep in 2020/21. Annual disposals of sheep in Woodanilling accounted for over 5% of economic output in 2020/21. As well as being such an integral part of the Woodanilling economy, sheep grazing is an important aspect of the history of Woodanilling with records showing that one of the first to graze sheep in the area was Elijah Quartermaine around 1850/51.

The Econosis report found that the cost to the Upper Great Southern region, over a 20 year period, discounted at 7%, is significant;

- the direct loss to sheep producers & their supply chains is between -\$475M & -\$791M; and
- the secondary cost to households & expenditure in the wider economy adds a further loss of between -\$126M & -\$215M.

The Econosis report highlights that the proposed industry compensation package is inadequate given these economic impacts. At a meeting of the Central Great Southern Alliance of Councils, between Shire Presidents and Chief Executive Officer's held on 31 May 2024, it was agreed to seek each Council's respective endorsement of a consistent and standard approach to advocate for improvement in this compensation package. Advocating as a collective of Shires for this to be increased is more likely to result in change. At this meeting, the agreed outcomes were as follows:

#	Points of Agreement - Central Great Southern Alliance of Councils Meeting 31 May 2024
1	To be known as an Alliance of Central Great Southern Councils
2	We support the wide distribution of the Econisis report
3	The Central Great Southern Alliance of Councils doesn't recognise as valid, the Federal Government's reasons for banning the live sheep export trade.
4	We note that due to the high concentration of sheep production within our region, the communities represented by Alliance shires will wear the brunt of the economic losses that this trade ban will create.
5	We note that in addition to the impacts on direct supply chain participants, there will be significant consequential impacts on our communities, on household spending and on the future viability of many services.
6	We support a broader transition package informed by an objective measure of the impacts the ban will have on our local communities especially, our retail sector, essential medical & educational services and sporting clubs.
7	In addition to the \$107 million federal transition package, we support the Federal Government funding an investment package to facilitate community economic development to off-set the negative economic impacts caused by the transitioning of regional communities.
8	We also support a senate inquiry into the adequacy of the transition package.
9	That these points of agreement and a draft letter to Minister Watt advocating for the implementation of these outcomes, be circulated to Alliance shires for endorsement.
10	That an engagement strategy with Federal Government, Coalition members and the State Government be developed once the letter is endorsed and the Alliance's advocacy position is agreed.
11	That following endorsement of the letter and agreement by Presidents to an engagement strategy, that the letter to Minister Watt be issued.
11	That Katanning Shire President, Kristy D'Aprile be the Alliance spokesperson.

Alternate Options and their Implications

Council may choose not to participate as part of the Great Southern Alliance of Councils. This is a viable option, but the Shire may lose advocacy strength that comes from a collective approach.

Conclusion

Endorsing a collective and standardised approach in advocating for greater compensation will strengthen the argument and more likely result in an improved outcome for each member of the Central Great Southern Alliance of Councils.

STATUTORY/LEGAL IMPLICATIONS

Nil.

POLICY IMPLICATIONS

There is currently no policy that is related to this item.

FINANCIAL IMPLICATIONS

This report will not have a direct impact on the Shire's Budget as the cost for the production of the report was already committed. The compensation package as announced by the government will not adequately compensate the Shire for loss of economic output which will likely result in a contraction in Shire industry and population.

STRATEGIC IMPLICATIONS

THEME 1

Social Community Wellbeing

OBJECTIVES

To deliver a quality of life to our residents that is based upon sound environmentally sustainable principles and is socially productive & growing.

To support the delivery of programs and initiatives that foster community spirit and harmony

STRATEGIES

By supporting community projects that have direct benefit to the well-being of our community

CONSULTATION/COMMUNICATION

Consultation has been conducted with the Council at the May 2024 Forum and with the Shire President who attended the Alliance of Central Great Southern Councils meeting held in Gnowangerup on Friday 31 May 2024:

RISK MANAGEMENT

Should Council not proceed on the officer’s recommendation, there is a risk to the Shire’s reputation should it be seen as not supporting actions agreed to by the Alliance of Central Great Southern Councils. Therefore, it is assessed that the risk is “Low” as reflected below.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council,

1. Opposes the ban on live sheep exports given the economic and social impacts that this policy decision will have on the Woodanilling community.
2. For the purposes of advocating for an improved outcome associated with the banning of live sheep exports, endorses the Shire of Woodanilling becoming part of the group of Shires comprising the Shires of Gnowangerup, Katanning, Kojonup, Broomhill-Tambellup, Cranbrook, Jerramungup and Woodanilling to be known as Central Great Southern Alliance of Councils.
3. Notes the findings of the Ban on Live Sheep Exports Economic Impact Report produced independently by Econisis on the district and region **Attachment 15.1.1**
4. Endorses the draft letter at **Attachment 15.1.2** subject to administrative finalisation and
5. Notes and supports the below 12 actions agreed to at the Alliance of Central Great Southern Councils meeting held in Gnowangerup on Friday 31 May 2024:

#	Points of Agreement - Central Great Southern Alliance of Councils Meeting 31 May 2024
1	To be known as an Alliance of Central Great Southern Councils
2	We support the wide distribution of the Econisis report
3	The Central Great Southern Alliance of Councils doesn't recognise as valid, the Federal Government's reasons for banning the live sheep export trade.
4	We note that due to the high concentration of sheep production within our region, the communities represented by Alliance shires will wear the brunt of the economic losses that this trade ban will create.
5	We note that in addition to the impacts on direct supply chain participants, there will be significant consequential impacts on our communities, on household spending and on the future viability of many services.
6	We support a broader transition package informed by an objective measure of the impacts the ban will have on our local communities especially, our retail sector, essential medical & educational services and sporting clubs.
7	In addition to the \$107 million federal transition package, we support the Federal Government funding an investment package to facilitate community economic development to off-set the negative economic impacts caused by the transitioning of regional communities.
8	We also support a senate inquiry into the adequacy of the transition package.
9	That these points of agreement and a draft letter to Minister Watt advocating for the implementation of these outcomes, be circulated to Alliance shires for endorsement.
10	That an engagement strategy with Federal Government, Coalition members and the State Government be developed once the letter is endorsed and the Alliance's advocacy position is agreed.
11	That following endorsement of the letter and agreement by Presidents to an engagement strategy, that the letter to Minister Watt be issued.
11	That Katanning Shire President, Kristy D'Aprile be the Alliance spokesperson.

15.2.NEW POLICY – COUNCIL POLICY 115 - INVESTMENTS

File Reference	ADM0019
Date of Report	10/06/2024
Responsible Officer	Paul Hanlon, Chief Executive Officer
Author of Report	Paul Hanlon, Chief Executive Officer
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment 15.2.1 – New Council Policy 115 – Investments

BRIEF SUMMARY

The purpose of this report is to recommend for Council to adopt the new Council Policy 115 – Investments which outlines the requirements and process for the investment of excess funds for the Shire of Woodanilling.

BACKGROUND/COMMENT

The Chief Executive Officer is delegated authority through Delegation 12 Investment of Surplus Funds to invest any funds held in the Municipal Fund, Reserve Fund or the Trust Fund that is not, for the time being, required for any other purpose. Such investments are to be made with banking institutions as provided for under Part III of the Trustees Act 1962 and subject to further advice received.

In exercising this delegated authority, the Chief Executive Officer shall:

- observe s6.14 of the Act.
- establish and document internal control procedures to be followed by employees to ensure control over investments in accordance with the Local Government (Financial Management) Regulations 1996. The control procedures are to enable the identification of the nature and location of all investments and the transactions related to each investment.
- review every two years the list of eligible institutions and those used by the Shire.
- report details of investments made to the Council, whenever new investments are made, rolled over or otherwise amended in the monthly Financial Statement.
- Ensure all investment activity must comply with Local Government (Financial Management) Regulations r19C

Current Investment Earnings Overview

Currently, the Shire has three bank accounts with National Australia Bank (NAB) being:

- Municipal Fund (Non-interest earning account)
- Reserve Fund (Interest earning account with a current Cr Interest Rate of 2.15%)
- Trust Fund (Non-interest earning account)

As at 31 May 2024, the Reserve Fund earned \$1,510.47 interest for the month. Following a review of the Shire's bank accounts with NAB, the CEO has sourced the following Term Deposit interest rates (current at 16/05/2024):

- 30 Days 2.90%
- 60 Days 3.15%
- 90 Days 4.55%
- 6 Months 4.70%
- 9 Months 4.75%

- 12 Months 4.80%

By way of a comparison, using an online calculator the difference in interest earned on a \$250,000 deposit between retaining the excess funds in the reserve account compared to investing the funds in a 90 day term deposit are:

- Remain in reserve account (interest rate 2.15%): \$448 per month
- Invested in a 90 day term deposit (interest rate 4.55%): \$948 per month

Managing Cash Flow

In order to ensure sufficient cash flow to meet the requirements of the Shire, it is proposed that investments are placed at different intervals which mature on different monthly schedules. It is also advised that investments are made in consideration of the Annual Budget and Draft Long Term Financial Plan.

A note on Standard & Poors Credit Ratings:

Standard & Poor's (S & P) is a professional organisation that provides analytical services. An S & P rating is an opinion of the general creditworthiness of an obligor with respect to particular debt security or other financial obligation — based on relevant risk factors.

Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment.
- Nature and provisions of the obligation.
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditors' rights.

The issue rating definitions are expressed in terms of default risk. Short-Term Obligation Ratings are:

A-1

This is the highest short-term category used by S&P. The institution's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A-2

A short-term obligation rated A-2 is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the institution's capacity to meet its financial commitment on the obligation is satisfactory.

A-3

A short-term obligation rated A-3 exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Long-Term Ratings are:

AAA

An institution rated AAA has the highest rating assigned by S&P. The institution's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An institution rated AA differs from the highest rated obligations only in a small degree. The institution's capacity to meet its financial commitment on the obligations is very strong.

A

An institution rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than institutions in higher rated categories. However, the institutions capacity to meet its financial commitment on the obligation is still strong.

The officer’s recommendation is for Council to endorse the new policy for the Chief Executive Officer to invest surplus funds in line with the conditions established in the policy.

STATUTORY/LEGAL IMPLICATIONS

- Local Government Act 1995*
- Local Government (Financial Management) Regulations*
- Banking Act 1959 (Commonwealth)*
- Trustees Act 1962*

POLICY IMPLICATIONS

The policy has been detailed in the item that is being presented.

FINANCIAL IMPLICATIONS

There are no financial costs to the Shire as a result of implementing the policy should due process and cash flow management practices be followed.

STRATEGIC IMPLICATIONS

THEME 3

Governance

OBJECTIVES

To promote continual improvement that is supported by efficient and effective governance structures and processes.

STRATEGIES

By ensuring legislation is used to effectively enable quality decision making.

CONSULTATION/COMMUNICATION

The Chief Executive Officer briefed Council on the policy at the May 2024 Forum.

RISK MANAGEMENT

There is a financial risk to the Shire should a robust Investment Policy that creates an acceptable standard for investing surplus funds not be adopted. This could lead to poor investing decisions due to the lack of suitable controls. The risk has been assessed and identified as “High” should the officer’s recommendation is not supported.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council, adopts the Council Policy 115 – Investments as contained in **Attachment 15.2.1** effective from 18 June 2024.

15.3. 2023/24 ROAD TO RECOVERY PROJECTS BUDGET REALLOCATION

File Reference	ADM0088
Date of Report	29/05/2024
Responsible Officer	Phil Burgess, Executive Manager Infrastructure
Author of Report	Paul Hanlon, Chief Executive Officer
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Nil.

BRIEF SUMMARY

This item seeks Council endorsement of the reallocation of the 2023/24 Budget for the Road to Recovery projects funded by the Australian Government from the existing road projects to a new job on Oxley Road.

BACKGROUND

The Roads to Recovery funding is allocated over a five-year period with the current funding period being from 2019-20 to 2023-24. Projects during this period must be completed by 30 June 2024 with a 6-month grace period provided for funds to be spent resulting in an absolute completion date of 31 December 2024. The projects to be completed have to be input into the Roads to Recovery portal by 30 June 2024 and approved by the Roads to Recovery funding body.

In the 2023/2024 Shire of Woodanilling Annual Budget, the Road to Recovery funding was allocated to the following jobs with only two of these projects completed being Flagstaff and Kojonolakan Road:

R2R33 RTR - Trimmer Road	\$171,041
R2R69 RTR - River Road	\$75,050
R2R32 RTR - Ball Road	\$51,536
R2R70 RTR - Flagstaff Road	\$34,992
R2R71 RTR - Stronach Road	\$56,830
R2R72 RTR - Kojonolakan Road	\$33,732

At the April 2024 Ordinary Council Meeting the following report was brought to Council: RFQ 2024-01 – RURAL ROADS CONSTRUCTION 2023-24. The Shire had a program of sealed pavement upgrade and capital works planned on Robinson Rd, Oxley Rd, Orchard Rd, and Sandplain Rd. Following the Shire's OCM in March 2024, Council endorsed issuing a request for quote (RFQ 2024-01) via the WALGA Preferred Supplier Panel network to engage a road construction contractor to complete the earthworks and pavement works required for the projects.

In summary, the works were split into four separable portions as follows:

- **Separable Portion A: Robinson Rd SLK 23.9 – 26.9**
 - Reconstruct the existing approx. 7m wide sealed pavement to provide for a 7.2m wide sealed pavement
- **Separable Portion B: Oxley Rd SLK 7.33 – 7.44**
 - Reconstruct the existing sealed floodway to provide for an 8m wide stabilised sealed floodway.
- **Separable Portion C: Orchard Rd SLK 12.44 sealed floodway**
 - Reconstruct 80m² of sealed floodway pavement, supply and install 2 x 300mm HDPE pipe culverts 10m in length each within existing damaged concrete pipe culverts, fill void between existing culverts and new HDPE culverts with cement slurry, remove and dispose damaged downstream scour protection (30m length), reconstruct rock scour protection downstream.

- **Separable Portion D: Sandplain Rd SLK 1.51 sealed floodway**
 - Reconstruct 180m² of sealed floodway pavement, reconstruct downstream batter.

The RFQ closed on 9 April 2024 and the Shire received two quotations. The quotations were evaluated in accordance with the criteria outlined in the RFQ and Council resolved to:

1. Endorse rejecting the two received quotations; and
2. Endorse the A/CEO to obtain alternative quotations outside of the WALGA Preferred Supplier Panel system that are within the Shire's available budget. Council endorses this action or process on the consideration that this Act is legal.

The Executive Manager Infrastructure sought advice from WALGA following the recommendation of Council and three Companies were invited to attend a site visit with Shire officers and the Shire's contracted engineering company, Greenfield Technical. A formal RFQ document for the four separable portions was then emailed to the three companies following the site visit. Two companies were unable to conduct any of the work in May and June due to capacity issues. The third company indicated that they could not complete all of the work in the RFQ at the given time.

The project team assessed the option of forgoing the entire project until operating conditions improved (ie from late September / October) when the weather is warmer and companies are more willing to do Asphalt works. However, the current road condition of Oxley Road led the project team to focus on the works at that site. A large number of complaints have also been received about the condition of Oxley Road (between Dumbleyung-Katanning). It was decided that an expanded program on Oxley Road was the highest priority for the Shire given the safety concerns on the road. Some indicative day rate costs were obtained to plan the works. Given the day rate, it is possible to fit a larger amount of pavement repair works along Oxley Road. It was identified that the unspent Roads to Recovery money from the current funding round could be reallocated to the expanded Oxley Road project. The Executive Manager Infrastructure has since confirmed the reallocation of projects into the Roads to Recovery portal to the Oxley Road project which must be complete by 31 December 2024.

COMMENT

Proposed Scope of Works

The Oxley Road pavement repairs project generally consists of the following works:

- Mark out and agree the extent of the works with the Shire's Representative
- Mill out the agreed areas
- Prepare the base of the milled-out area
- Apply a 5mm aggregate emulsion tack coat seal to the base of the milled-out area
- Reinstate the seal surfacing using a paveliner or similar
- The estimated total area of the work is 10,300m² (as per the table below)

Defect Period Guarantee

It is noted that the winter period is not the optimal time of the year for road construction in the Great Southern Region of Western Australia. However, given the current state of Oxley Road, officers have recommended that the project be completed as a matter of urgency to address the safety concerns on the road. A defects liability period of 12 months from practical completion has been written in to the Request for Quote as an annexure to the Australian Standards General Conditions of Contract to ensure that any work is to standard and should it not be is rectified at the expense of the contractor.

STATUTORY/LEGAL IMPLICATIONS

Section 6.8 of the *Local Government Act 1995*.

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

POLICY IMPLICATIONS

There is currently no policy that is related to this item.

FINANCIAL IMPLICATIONS

This report will result in a reallocation of \$353,942 being the unspent Roads To Recovery project funds to the new Job R2R63 RTR – Oxley Road. This will result in the following budget amendment in the 2023/24 Annual Budget. The below projects that remain uncompleted will be factored into the Shire’s Road Maintenance Plan and incorporated into future budgets and Draft Long Term Financial Plan.

Job (2023/24 Annual Budget)	Budget Decrease	Budget Increase
Job R2R33 RTR - Trimmer Road	\$128,426	
Job R2R69 RTR – River Road	\$26,594	
Job R2R32 RTR – Ball Road	\$51,535	
Job R2R71 RTR – Stronach Road	\$53,362	
Job RRG66 Robinson Road	\$94,025	
(Create a new Job) Job R2R63 RTR – Oxley Road		\$353,942

STRATEGIC IMPLICATIONS

THEME 4

Roads and Transport

OBJECTIVES

To maintain a quality road transport network which is safe and accessible to all users.

STRATEGIES

Road Maintenance – by carrying out maintenance in accordance with the Maintenance Standards set out in the Shire of Woodanilling Road Maintenance Plan.

CONSULTATION/COMMUNICATION

Consultation has been conducted with the Council at the May 2024 Forum and the Council field trip on 22nd May 2024.

RISK MANAGEMENT

Should Council not proceed on the officer’s recommendation, there is a risk to the Shire that the projects allocated for the Road to Recovery funding will not be complete by the due date of 31 December 2024. This will result in Council having to refund the Commonwealth Government \$353,942. There is a further risk to the safety of road users given the current state of the road. Therefore, it is assessed that the risk is “High” as reflected below.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER’S RECOMMENDATION

That Council approves the following budget amendment in the Shire’s 2023/24 Annual Budget:

Job (2023/24 Annual Budget)	Budget Decrease	Budget Increase
Job R2R33 RTR - Trimmer Road	\$128,426	
Job R2R69 RTR – River Road	\$26,594	
Job R2R32 RTR – Ball Road	\$51,535	
Job R2R71 RTR – Stronach Road	\$53,362	
Job RRG66 Robinson Road	\$94,025	
(Create a new Job) Job R2R63 RTR – Oxley Road		\$353,942

16. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

17. CONFIDENTIAL REPORTS

18. MOTIONS WITHOUT NOTICE BY PERMISSION OF THE COUNCIL

19. CLOSURE OF MEETING