



Minutes Certification

I certify that the Minutes of the 26th November 2019 Special Council Meeting were presented to the Council and confirmed at the 17th December 2019 Ordinary Council Meeting.

A handwritten signature in black ink, appearing to be "L. Bonza", is written over a horizontal line.

Cr L Bonza
President



**Minutes of
Special Council Meeting
27th June 2019**

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MINUTES for the SPECIAL Meeting of the Council held
in the Council Chambers at the Shire Administration
Office – Prinsep Street Norseman on the 26th
November 2019 at 6:00pm

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1 Declaration of Opening and Announcement of Visitors.

The Shire President welcomed all in attendance and declared the meeting open at 6:04pm

The Shire of Dundas recognises the Ngadju and Mirning People as First Nations People in the Shire of Dundas, acknowledging them as traditional custodians and pay our respects to their Elders, past, present and emerging.

1.1 Attendance at meeting by Councillor AR Patupis.

The Shire President has been advised that Cr Patupis will be in Applecross, Western Australia when the meeting is held and have requested attendance by way of instantaneous telephone connection with other Councillors present at the meeting in accordance with Administration Regulation 14A.

Cr Patupis will be at 33 The Strand, Applecross WA 6153.

The Council must approve of the place that Cr Patupis is located as a "suitable place" that must be in a town site or other residential area at least 150 kilometres from where the meeting is being held.

Recommendation

That Cr Patupis be permitted to attend this meeting by way of instantaneous telephone connection from Applecross, Western Australia, on the basis that she is in a "suitable place" for the purpose of Administration Regulation 14A.

Moved: Cr Hogan

Seconded: Cr Wyatt

Resolution

That Cr Patupis be permitted to attend this meeting by way of instantaneous telephone connection from Applecross, Western Australia, on the basis that she is in a "suitable place" for the purpose of Administration Regulation 14A.

Carried by: Absolute Majority

For: 6

Against: 0

2 Declarations of Financial, Proximity, Impartiality Interests & Gifts Received.

Financial Interests:

Nil

Proximity Interests:

Nil

Impartiality Interests:

Nil

Gifts Received by Councillors:

As per the Shire of Dundas Code of Conduct section 3.4 Gifts, adopted by the Council on 21 October 2014 and reference to Regulation 34B of the Local Government (Administration) 1996.

Nil

3 Record of Attendance of Councillors / Officers and Apologies.

Cr L Bonza	Shire President
Cr R Patupis	Deputy Shire President
Cr JEP Hogan	
Cr S Warner	
Cr V Wyatt	
Cr V Schultz	
Peter Fitchat	Chief Executive Officer
Aruna Rodrigo	Manager of Finance and Administration
Pania Turner	Manager of Community Development
Joe Hodges	Manager of Works and Services
Tracy Dixon	Administration Officer

4 Public Question Time.

Nil

5 Petitions, Deputations or Presentations.

Nil

6 Announcements by Presiding Member without Discussion.

Nil

7 Reports of Officers

Agenda Reference & Subject	
7.1 – Drawings From Unspent Grant Reserve into Municipal Account – Woodlands Project	
Location / Address	Shire of Dundas
File Reference	FM.AD.15.16
Author	Aruna Rodrigo – Manager Finance & Administration
Date of Report	22 nd November 2019
Disclosure of Interest	Nil

Summary

For the Council to consider and approve transfer of \$ 500,000 from the cash-backed unspent grant reserve to Municipal general account to fund the Woodlands Centre Project.

Background

The Unspent grant reserve balance as at November 20th, 2019 amounts to \$846,539.00. This represents remaining balance carried forward from 2018/19 of the grant received from DPIRD under "Royalties for Regions Funding Program".

This grant was received for the Woodlands Centre Project. As the construction is nearing completion, a sum of \$ 500,000.00 will be transferred from this Unspent grant reserve to the general reserve to meet future payment requirements.

A financial update of the project as at November 20th, 2019 is given below.

Total Costs incurred:

Year	Amount (\$)
2017/18	59,102.85
2018/19	449,549.24
2019/20 (as at 20.11.2019)	<u>1,282,368.66</u>
Total Actual (as at 20.11.2019)	1,791,020.75

Total Budget **2,392,117.90**

Project Funding:

Funding Source	Fin. Year Received	Approved Amount	Amount Received	Amount Allocated	Balance Remaining
DPIRD	2017/18	1,200,000	1,200,000	1,111,191	88,809
Federal Gov.	2018/19	449,738	58,103	58,103	391,635
Lottery West	2019/20	430,000	430,000	430,000	Nil
Total		2,079,738	1,688,103	1,599,294	480,444

Any excess of budgeted expenditure over grant funding will be covered out of the Shire's own funds.

Although an amount of \$ 1,111,191 from DPIRD funding was allocated to cover the project expenditure, the actual amount used to-date is \$353,461 (i.e. \$1,200,000 minus \$846,539) as the unspent DPID grant (\$ 846,539) carried forward from the previous year has been transferred to a cash-backed reserve and invested in Term Deposits.

One of the Term Deposits amounting to \$442,670.07 is due to mature on December 21st, 2019. This deposit will be called back up on maturity to top up the Municipal general fund account.

The approval being sought to transfer \$500,000 from cash-backed reserve is to cover the encashment of this Term Deposit.

Statutory Environment

Sec. 6.1.1 and sec.30 of the Local Government Act 1995 require that funds remaining in reserve accounts are to be used for their intended purposes.

The amount to be transferred from reserve account is used for its intended purpose.

Policy Implications

Nil

Financial Implications

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This transfer will replenish general funds which have been spent on Woodland Centre Project until unspent grant funds become available on maturity of Term Deposit.

The transfer therefore helps smooth out the cash flow and meet payment requirements on time as per the approved budget.

Strategic Implications

The Shire is able to complete the project, thus promoting its strategic themes, particularly tourism.

Consultation

CEO

Voting Requirements

Simple Majority

Officer Recommendation

That the Council of the Shire of Dundas approve to

1. transfer a maximum amount of \$ 500,000.00 from cash-backed unspent grant reserve to general reserve to cover spending on the Woodland Centre Project;
2. Support this transfer with encashment of the deposit of \$ \$442,670.07 plus interest earned thereof when it matures on December 21st, 2019.

Moved Cr: Wyatt
Seconded Cr: Hogan

Resolution

That the Council of the Shire of Dundas approve to

1. transfer a maximum amount of \$ 500,000.00 from cash-backed unspent grant reserve to general reserve to cover spending on the Woodland Centre Project;
2. Support this transfer with encashment of the deposit of \$ \$442,670.07 plus interest earned thereof when it matures on December 21st, 2019.

Carried by: Simple Majority For: 6 Against: 0

Agenda Reference & Subject	
7.2 – Acceptance of Annual Report 2018/2019	
Location / Address	Shire of Dundas
File Reference	FM.AD.15.16
Author	CEO & MF&A
Date of Report	13th November 2018
Disclosure of Interest	Nil

Summary

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For the Council to consider and approve the Annual Report for the financial year ended 30th June 2019 (as included in the papers relating) and to set the date for the Annual Electors Meeting.

Background

The Audited Annual Financial Report and Auditors Report were presented to the Council at its ordinary meeting held on 15th October 2019 and the Council resolved the following:

That the Council of the Shire of Dundas

- 1. Accept the recommendation of the Audit Committee that the Audit Report for 2018/19 as included in the papers relating be accepted;**
- 2. Accept the Annual Financial Report for the financial year ended 30th June 2019 as included in the papers relating.**

Statutory Environment

The Local Government Act requires that the local government accept the Annual Report by the 31st December following the year subject to the audit report being available. If the audit report is not available to allow the local government to accept it by that date, then the annual report needs to be received within two months of the audit report being received. The Act also requires that a General Electors Meeting be held within 56 days of the local government accepting the annual report of the previous financial year.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Regularly review of strategic plans in line with the actual performance (summarised in the annual report) will indicate the progress that the Shire has made in achieving its strategic objectives.

Consultation

Councillors, CEO, Manager Finance & Administration, CDM, and other Staff

Comment

Key Highlights of the Year

Governance

- The Completion and opening of the Norseman Airstrip.
- Accepting the Tender for the Woodlands Centre and starting construction in April. 2019.

Law, Order and Public Safety

- 60 bushfire incidents were managed avoiding any impact on human lives, properties and animals, costing \$168,000 with full recovery of the associated costs.
- Animal management continues to be managed with training given for Leigh Morgan to be our backup Shire Ranger.

Education, Welfare and Community

- Eucla Hall Construction Completion in February 2019.
- Updated Disability Access and Inclusion Plan (DAIP).

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Parks, Ovals and Community Sporting Facilities

- RV Park Finalised and had a great utilisation with numbers increasing.

Culture and Tourism

- Finalisation of the Woodlands Centre Design and Tender.

Audit Report

The Shire of Dundas has been able to secure a clear Audit report from the Office of Auditor General (OAG) for 2018/19.

The Independent Audit Report identifies that the Shire of Dundas has completed the 2018/19 financial year in accordance with the appropriate legislation and regulations, and the Annual Report

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Revenue:

The Shire's revenue base mainly comprises Rates, Operating grants and subsidies, Fees and charges, interest earning and other revenue.

Notwithstanding the unqualified audit opinion, the OAG has identified in the Audit Report under "Report on Other Legal and Regulatory Requirements" the following material matter.

"The Shire's Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past two years. The financial ratios are reported in Note 32 of the financial report".

Annual Financial Report

1. Operating results:

For 2018/19, total operating revenue amounts to \$ 4.99 million compared to budgeted amount of \$ 3.76 million. The increase of \$ 1.23 million over the budgeted is mainly due to advanced receipt of FAG for 2019/20 in June 2019, (Total FAG increased from \$ 671k budgeted to \$ 1.52 million actual) and increase in investment revenue (Term deposits) from \$ 90k budgeted to \$208k actual.

For 2018/19, total operating expenditure amounts to \$ 6.29 million compared to budgeted amount of \$ 6.26 million. The marginal increase is a combination of both adverse and favourable variances in individual expenditure categories. Among them is the increase in depreciation by \$ 0.50 million to \$ 2.811 million due to upward asset revaluation and new capital expenditure. This increase has been offset by savings of \$ 329k in materials and contract costs which is \$ 939 k actual compared to \$ 1.27 million budgeted. Other savings have also been achieved in other expenditure which is \$ 150 k actual compared to \$ 277k budgeted.

Consequently, the favourable movement in total revenue as briefed in the above has reduced the anticipated (budgeted) deficit from \$ 2.49 million to \$ 1.297 million for 2018/19. Further, this favourable

revenue increase (FAG and investment income) has helped maintain operating surplus ratio at (0.43) which is much comparable to (0.40) in 2017/18.

The net operating surplus for 2018/19 before depreciation amounts to \$ 1,520,179 compared to the anticipated (budgeted) deficit of \$ 112,648 for 2018/19. As stated before, this turnaround is attributable to increase in revenue, savings in Materials and contracts, and other expenditure.

2. Capital revenue:

Non-operating grants received amount to \$ 775k compared to \$ 4.94 million budgeted. The adverse variance results from Woodland Centre capital grant (\$ 58k actual compared to \$ 1.3 million budgeted) and Eucla Airport Upgrade grant (\$ 3 million not approved by the Funding bodies Federal and State Government).

However, with the asset revaluation surplus of \$ 348 k (not budgeted), the overall result has been \$ 196k deficit compared to \$ 2.44 million surplus (which include the above noted non-operating grants that were not received) for 2018/19.

3. Capital Expenditure:

	2018/19		2017/18	
	Actual (\$ 000's)	Budgeted (\$ 000's)	Actual (\$ 000's)	Budgeted (\$ 000's)
Total Capital Expenditure	2,778	7,679	4,230	5,770
Consist of				
Renewal/Replacement	2,328		850	
Upgrade/New	450		3,380	

The enormous increase in capital renewal expenditure from 2017/18 to 2018/19 has had a favourable effect on asset related ratios, namely

- Asset sustainability ratio (increased to 0.820 in 2018/19 from 0.347 in 2017/18)
- Asset consumption ratio (increased to 0.959 in 2018/19 from 0.729 in 2017/18)
- Asset renewal funding ratio (increased to 0.677 in 2018/19 from 0.638 in 2017/18)

4. Financial Ratios in comparison over the last 3 years:

Ratio	Standard	2018/19	2017/18	2016/17	2015/16
Operating surplus ratio	≥ 0.01	(0.43)	(0.40)	0.01	(0.60)
Asset Sustainability Ratio	≥ 0.90	0.82	0.35	0.74	1.72
Asset Consumption Ratio	≥ 0.50	0.96	0.73	0.80	0.81
Asset Renewal Funding Ratio	≥ 0.75	0.68	0.64	0.78	0.96
Debt Service Cover Ratio	≥ 2.00	26.29	21.7	72.96	N/A
Own Source Revenue Coverage Ratio	≥ 0.40	0.49	0.49	0.52	0.51
Current Ratio	>1.10	4.17	3.16	4.15	2.41

In addition to the aforesaid comments on operating surplus ratio and asset related ratios, all the other ratios namely Debt service cover, Own source revenue and Current ratios have reported well above benchmarks.

Voting Requirements

Absolute Majority

Officer Recommendation

That the Council of the Shire of Dundas

1. Consider the recommendation of the Audit Committee that the Audit Report for 2018/19 as included in the papers relating be accepted;
2. Accept the Annual Financial Report for the financial year ended 30th June 2019 as included in the papers relating.
3. Advertise the Electors meeting for the 16th December 2019 at 5:30pm.

Moved Cr: Wyatt
Seconded Cr: Patupis

Resolution

That the Council of the Shire of Dundas

1. Consider the recommendation of the Audit Committee that the Audit Report for 2018/19 as included in the papers relating be accepted;
2. Accept the Annual Financial Report for the financial year ended 30th June 2019 as included in the papers relating.
3. Advertise the Electors meeting for the 16th December 2019 at 5:30pm.


Carried by: Simple Majority For: 6 Against: 0

8 Next Meeting

The next Special Meeting of the Council will be called as required.

9 Closure of Meeting

There being no further business the Shire President thanked all those in attendance and declared the meeting closed at 6:08pm


17.12.19.