



Shire of
Katanning
Heart of the Great Southern

'A prosperous, vibrant and diverse community working together.'

**MINUTES OF
SPECIAL COUNCIL MEETING**

Dear Council Member

Minutes of Special Council Meeting of the Shire of Katanning will be held on
Wednesday 30 March 2022 in the Shire of Katanning Council Chambers,
52 Austral Terrace, Katanning.

DISCLAIMER

The Council of the Shire of Katanning hereby
advises that before taking any action on an application or a
decision of the Council, any applicant or members of the
public should wait for written advice from the Council.

PRESIDING MEMBER _____

DATE SIGNED _____



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1. DECLARATION OF OPENING/ ANNOUNCEMENT OF VISTORS

The Presiding Member declared the meeting open at 6:00pm.

2. RECORD OF ATTENDANCE**PRESENT**

Presiding Member: Cr Liz Guidera - President

Members: Cr John Goodheart – Deputy President
Cr Serena Sandwell
Cr Matt Collis
Cr Michelle Salter
Cr Adrian Edwards

Council Officers: Julian Murphy, Chief Executive Officer
Denise Gobbart, Executive Manager Corporate & Community
Sam Bryce, Executive Manager Infrastructure and Assets
Taryn Human, Executive Governance Officer

Gallery: Roxanne Smith

Media:

Apologies: Cr Kristy D'Aprile

Leave of Absence:

3. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

4. RESPONSE TO PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

5. DISCLOSURE OF FINANCIAL/IMPARTIALITY INTERESTS

Nil.

6. PUBLIC QUESTION/STATEMENT TIME

Nil.

7. APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

8. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil.

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

9.1 Audit and Risk Committee Meeting – Tuesday 29 March 2022
(SEE ATTACHED MINUTES)

Voting Requirement: Simple Majority

MOVED: CR JOHN GOODHEART

SECONDED: CR SERENA SANDWELL

OC31/22 That Council receives the minutes of the Audit and Risk Committee Meeting held on Tuesday 29 March 2022.

CARRIED: 6/0

Cr John Goodheart spoke for the motion.

10. REPORTS OF COMMITTEES AND OFFICERS

10.1 Meeting with the Shire of Katanning Auditors

File Ref: FM.AU.2
Reporting Officer: Denise Gobbart, Executive Manager Finance & Administration
Date Report Prepared: 23 March 2022

Issue:

For the Audit & Risk Committee to recommend that Council notes the outcomes of the electronic meeting with the Council's Auditors, Nayna Raniga – Director Financial Audit Office of the Auditor General (OAG), Wen-Shien Chai – Partner Moore Australia (WA) and Gilles Chan – Manager Moore Australia (WA).

Body/Background:

On appointment of the Audit & Risk Committee, the terms of reference provided the following:

f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcomes of those discussions.

The *Local Government Act 1995* does not require the Audit Committee to meet with the Auditor; rather the Local Government is to meet with the Auditor at least once each year.

It should be noted that there would be an additional fee involved for the auditor to visit the Shire of Katanning in person due to travel and time.

The electronic meeting today with Council's Auditors and the Audit and Risk Committee members in attendance, is intended to meet the requirements of Act.

Officer's Comment:

Moore Australia has been engaged by the Office of Auditor General (OAG) Western Australia to conduct our annual financial audit for a 3-year period, commencing with the audit for the year ended 30 June 2021.

The purpose of this meeting is to discuss the Audit Strategy Memorandum for the for the audit period ending 30 June 2022. The key purposes of the memorandum are to:

- Set out the audit scope and approach in summary;
- Communicate the key audit risk areas which we expect to be focus of the audit procedures; and
- Promote effective communication between the auditor and those charged with governance.

Key Dates are as follows:

- 5-7 April 2022 Interim Audit
- Late April 2022 Interim Management Report (If any matters to be reported)
- Early September 2022 Receipt of complete and balanced draft financial report
- 12-16 September 2022 Final Audit Visit
- Late October 2022 Issuance of Audit Concluding Memorandum

- Early November 2022 Concluding (Exit) Meeting
- Mid November 2022 Date CEO sign off on financial statements
- End November 2022 Final sign-off of Auditor's report & management report

Statutory Environment:

Local Government Act 1995

Section 7.12A Duties of Local Government with Respect of Audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Policy Implications:

There are no policy implications for this report.

Financial Implications:

There are no financial implications for this report.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

| PRIORITY | LEADERSHIP | |
|------------|------------|---|
| ASPIRATION | L1 | An inclusive community, recognised as a great place to live and visit. |
| OBJECTIVE | L1.1 | Operate with high ethical and professional standards, being open, transparent and responsive to the community and other stakeholders. |

Voting Requirement: Simple Majority

Committee Recommendation/Council Motion:

MOVED: CR JOHN GOODHEART

SECONDED: CR SERENA SANDWELL

OC32/22 That Council notes the outcomes of the meeting between the Audit and Risk Committee members and the Auditor held by electronic means on 29 March 2022 and determines that the meeting satisfies the requirement of Section 7.12A(2) of the Local Government Act 1995.

CARRIED: 6/0

Cr John Goodheart spoke for the motion.

10. Optional Questions (9 questions) – FM Reg 5 the Financial Management Review had not been reviewed within three (3) years.
11. Tenders for Providing Goods and Services (22 questions) – No matters raised.

There were four (4) areas of non-compliance identified in the CAR. They have identified areas where improved record keeping, and awareness of legislative changes is required. Procedures for staff will be enhanced to enable improved awareness to meet our compliance needs.

Statutory Environment:

Local Government Act 1995

Local Government (Administration) Regulations 1996

Local Government (Audit) Regulations 1996

Local Government (Elections) Regulations 1997

Local Government (Functions and General) Regulations 1996

Local Government (Audit) Regulation 1996

13. Prescribed statutory requirements for which compliance audit needed (Act s7.13(1)(i))

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- (2) In this regulation — certified in relation to a compliance audit return means signed by —
 - (a) the mayor or president; and
 - (b) the CEO.

Policy Implications:

There are no policy implications for this report.

Financial Implications:

There are no financial implications for this report.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

| PRIORITY | LEADERSHIP | |
|------------|------------|---|
| ASPIRATION | L1 | An inclusive community, recognised as a great place to live and visit. |
| OBJECTIVE | L1.1 | Operate with high ethical and professional standards, being open, transparent and responsive to the community and other stakeholders. |

Voting Requirement: Simple Majority

Committee Recommendation/Council Motion:

MOVED: CR JOHN GOODHEART

SECONDED: CR ADRIAN EDWARDS

OC33/22

That Council:

- 1. Adopts the Shire of Katanning Compliance Audit Return for the period 1 January 2021 to 31 December 2021; and**
- 2. Authorises the Shire President and Chief Executive Officer to endorse the certification contained within the Compliance Audit Return 2021.**

CARRIED: 6/0

- RED Funding – Destination Development Project \$30,000 revenue not included in the budget, expenditure had been included.

Reduction in Revenue

- Shared EHO Reimbursements \$39,736, no longer sharing services with the Shire of Kojonup.
- Write-off of rates \$6,756 approved by resolution of Council.

Increase in Revenue

- Paid Parental Leave – offset by matching expenditure.
- Over Payments – offset by matching expenditure.
- Fuel Tax reimbursement \$8,596 additional rebate.
- ATO refund on FBT \$16,737
- Disposal of 77 Piesse St & Refuse Site Demountable \$9,982 not included in the budget.
- Insurance Good Driver Rebate \$8,678 additional to budget.
- Amherst Village Refundable Deposit \$80,000 offset by matching transfer to the Amherst Village Refundable Deposits Reserve.
- Transfer from Leave Reserve of \$30,475 to offset Long Service Leave liabilities paid and not funded in the budget.

Increase in Expenditure

- Pool Chemicals \$10,000, a different chemical is being used to prolong the life of the new chemical dosing machine.
- Utilities – Water \$10,000 replacement water meter. As we had not been paying for water as the meter was faulty, the budget provision was under.
- Long Service Leave payment of \$5,368 for past employee liability
- Ranger Relief \$85,532 additional expenditure due to using contract rangers.

Decrease in Expenditure

- Election Expenses \$13,442 offset by a reduction in transfer from the Elections Reserve.
- Salaries PWO - \$41,463 the new Projects & Asset Manager position was not filled until the new year.
- Salary Costs (HAI) \$21,000 we are now using a contract EHO service.
- Salary & Super Costs (FPV) \$29,462 as we are no longer employing a ranger and using a contract service.
- Salary, Super, Uniform & Training Costs (ANI) \$56,070 as we are no longer employing a ranger and using a contract service.

Projects Not Included in the Budget

- Driver Reviver Van \$68,046 – Expense was not included in the budget and during the audit it was identified that the funding had been received prior to 30 June 2021.

Salaries and Wages

It is projected that there will be savings of \$113,115 in Gross Salaries and Wages due to the use of contract services for the provision of Rangers and Environmental Health. There is also a projected saving in the current year of \$41,463 as the new Projects & Asset Manager position was not filled until the new year.

There are overspends in a few accounts with our outside workers wages and plant costs, adjustments have not been considered in the budget review as they will be balanced out by underspends in other accounts.

Statutory Environment:

Local Government Act

s 6.2 Local government to prepare annual budget.

Local Government (Financial Management) Regulations 1996

Reg 33A Review of Budget

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
 - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government's financial position as at the date of the review; and
 - (c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
*Absolute majority required.
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

Policy Implications:

There are no policy implications for this report.

Financial Implications:

The Budget Review incorporates proposed amendments to the Annual Budget. The cumulative effect of the proposed amendments retains a balanced budget.

Additional funds have been drawn from the following reserves:

Leave Reserve - \$30,475 to fund unexpected long service leave payouts.

Additional funds to be transferred to reserves:

Land & Building Reserve - \$190,460 additional grant funding received for the Great Southern Housing project.

Amherst Village Refundable Deposits Reserve - \$80,000 deposits from new residents.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

| PRIORITY | LEADERSHIP | |
|------------|------------|---|
| ASPIRATION | L1 | An inclusive community, recognised as a great place to live and visit. |
| OBJECTIVE | L1.1 | Operate with high ethical and professional standards, being open, transparent and responsive to the community and other stakeholders. |
| ASPIRATION | L2 | A collaborative, progressive and resilient local government which is sustainably resourced. |
| OBJECTIVE | L2.1 | Optimise use of shire resources – improve organisational systems. |

Voting Requirement: Absolute Majority**Committee Recommendation/Council Motion:****MOVED: CR JOHN GOOHDEART****SECONDED: CR MICHELLE SALTER****OC34/22****That Council:**

- 1. Adopts the Budget Review conducted for the eight (8) months ended 28 February 2022; and**
- 2. Authorises the Chief Executive Officer to amend the 2021/22 Budget in accordance with the attached report Budget Review as at 28 February 2022.**

CARRIED BY AN ABSOLUTE MAJORITY: 6/0

Cr John Goodheart spoke for the motion.

10.4 EXECUTIVE MANAGER INFRASTRUCTURE AND ASSETS

Nil.

10.5 EXECUTIVE MANAGER CORPORATE AND COMMUNITY**10.5.1 Lease Portion Lot 412, Katanning - Wanslea
(ATTACHMENT)**

File Ref: CP.AL.4
Reporting Officer: Denise Gobbart, Executive Manager Corporate & Community
Date Report Prepared: 28 March 2022
Disclosure of Interest: No Interest to disclose

Issue:

For Council to consider the Lease of Portion of Lot 412, Katanning – Wanslea Early Learning and Development Ltd (Wanslea).

Body/Background:

Shire of Katanning Solicitors McLeods were requested to prepare a draft lease for portion of 412, Katanning along the lines of the existing lease between the Shire and the Katanning Community Childcare Centre Inc.

Council was officially advised by the Katanning Community Childcare Centre on 02 February 2022 that they were seeking to transfer the lease with the Shire to Wanslea.

Officer's Comment:

A draft copy of the lease was sent to Wanslea for their review. Except for the commencement date, they were happy with the lease as presented.

McLeods then prepared the final document and given the short time frame required for Wanslea to take possession of the site for licensing purposes a letter was sent advising that Wanslea had permission to occupy the property.

The Lease is now presented to Council to authorise the President and Chief Executive Officer to affix the common seal to the lease, finalising the documents execution. The effective commencement date of the Lease is 17 March 2022.

Statutory Environment:

Local Government Act 1995

3.58 Disposing of Property

(1) In this section —

dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not; **property** includes the whole or any part of the interest of a local government in property, but does not include money.

(2) Except as stated in this section, a local government can only dispose of property to —

- (a) the highest bidder at public auction; or
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —
- (a) it gives local public notice of the proposed disposition —
 - (i) describing the property concerned; and
 - (ii) giving details of the proposed disposition; and
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and
 - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —
- (a) the names of all other parties concerned; and
 - (b) the consideration to be received by the local government for the disposition; and
 - (c) the market value of the disposition —
 - (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
 - (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.
- (5) This section does not apply to —
- (a) a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or
 - (b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or
 - (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
 - (d) any other disposition that is excluded by regulations from the application of this section.

Local Government (Functions and General) Regulations 1996

30 Disposition of Property excluded from Act s 3.58

- (1) A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act.
- (2) A disposition of land is an exempt disposition if —
- (a) the land is disposed of to an owner of adjoining land (in this paragraph called the transferee) and —
 - (i) its market value is less than \$5 000; and
 - (ii) the local government does not consider that ownership of the land would be of significant benefit to anyone other than the transferee; or
 - (b) the land is disposed of to a body, whether incorporated or not —
 - (i) the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and
 - (ii) the members of which are not entitled or permitted to receive any pecuniary profit from the body's transactions; or
 - (c) the land is disposed of to —

- (i) the Crown in right of the State or the Commonwealth; or
 - (ii) a department, agency, or instrumentality of the Crown in right of the State or the Commonwealth; or
 - (iii) another local government or a regional local government; or
 - (d) it is the leasing of land to an employee of the local government for use as the employee's residence; or
 - (e) it is the leasing of land for a period of less than 2 years during all or any of which time the lease does not give the lessee the exclusive use of the land; or
 - (f) it is the leasing of land to a person registered under the Health Practitioner Regulation National Law (Western Australia) in the medical profession to be used for carrying on his or her medical practice; or
 - (g) it is the leasing of residential property to a person.
- (2a) A disposition of property is an exempt disposition if the property is disposed of within 6 months after it has been —
- (a) put out to the highest bidder at public auction, in accordance with section 3.58(2)(a) of the Act, but either no bid is made or any bid made does not reach a reserve price fixed by the local government; or
 - (b) the subject of a public tender process called by the local government, in accordance with section 3.58(2)(b) of the Act, but either no tender is received or any tender received is unacceptable; or
 - (c) the subject of Statewide public notice under section 3.59(4) of the Act, and if the business plan referred to in that notice described the property concerned and gave details of the proposed disposition including —
 - (i) the names of all other parties concerned; and
 - (ii) the consideration to be received by the local government for the disposition; and
 - (iii) the market value of the disposition as ascertained by a valuation carried out not more than 12 months before the proposed disposition.
- (2b) Details of a disposition of property under subregulation (2a) must, for a period of 1 year beginning on the day of the initial auction or tender —
- (a) be made available for public inspection; and
 - (b) be published on the local government's official website.
- (3) A disposition of property other than land is an exempt disposition if —
- (a) its market value is less than \$20 000; or
 - (b) the entire consideration received by the local government for the disposition is used to purchase other property, and where the total consideration for the other property is not more, or worth more, than \$75 000.

Policy Implications:

There are no policy implications for this report.

Financial Implications:

The Lease defines the financial obligations of both parties. On commencement the rent is set at \$1,000 plus GST per annum, to be reviewed by CPI on each anniversary date.

The Lease also defines that the Lessee will pay the following outgoings or charges:

- Local government rates, services and other charges, including but not limited to rubbish collection charges, the emergency services levy and the soil conservation levy;
- Water, drainage and sewerage rates, charges for disposal of stormwater, meter rent and excess water charges;

- Telephone, electricity, gas and other power and light charges and where possible ensure any accounts are in their name;
- Security charges or call out charges which relate to the Lessee; and
- Any other consumption charge or cost, statutory impost or other obligation incurred or payable by reason of the Lessee's use and occupation of the Premises.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

| | | |
|-----------------|--------------------------|--|
| PRIORITY | BUILT ENVIRONMENT | |
| ASPIRATION | B1 | Infrastructure that meets community need |
| OBJECTIVE | B1.2 | Provide Council facilities that meet community need. |
| PRIORITY | LEADERSHIP | |
| ASPIRATION | L1 | An inclusive community, recognised as a great place to live and visit. |
| OBJECTIVE | L1.2 | Provide effective leadership and good governance. |

Voting Requirement: Simple Majority

Officer's Recommendation/Council Motion:

MOVED: CR MICHELLE SALTER

SECONDED: CR SERENA SANDWELL

OC35/22 That Council, authorises the President and Chief Executive Officer to affix the common seal on the '*Lease of Portion of Lot 412, Katanning – Wanslea Early Learning and Development Ltd*'.

CARRIED: 6/0

Cr Michelle Salter spoke for the motion.

10.6 CHIEF EXECUTIVE OFFICER'S REPORTS

Nil

11. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil

13. CONFIDENTIAL ITEMS

Nil

14. CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 6:09pm.