



**murchisonshire**

*Ancient land under brilliant skies*

Agenda for the Ordinary Meeting of the

Murchison Shire Council

To be held in the Council Chambers, Carnarvon Mullewa Road, Murchison,  
on Thursday **28 April 2022**, commencing at 12 Noon.

*Ancient land under brilliant skies*

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## ATTACHMENTS

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## 1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

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Shire President declared the meeting open at.

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

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Present

Councillors

Cr R Foulkes-Taylor  
Cr A Whitmarsh  
Cr Q Fowler  
Cr E Foulkes-Taylor  
Cr S Fowler  
Cr G Mead

Staff

Bill Boehm – CEO  
Steven Cosgrove – Community Manager DCEO  
William Herold – Works Manager

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## 3 CONFIRMATION OF MINUTES

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### 3.1 Ordinary Council Meeting – 24 March 2022

Background

Minutes of the Ordinary Meeting of Council have previously been circulated to all Councillors.

Recommendation

That the minutes of the Ordinary Council meeting held on 24 March 2022 be confirmed as an accurate record of proceedings.

Voting Requirements:

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

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## 4 DISCLOSURE OF INTERESTS

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## 5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

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Nil

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## **6 STANDING ORDERS**

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### Matter for Consideration

It has been customary practice in the interests of a productive meeting in relation to the Conduct of Members during debates for the Council suspend Standing Orders 8.2 (Limitation on Number of speeches) and 8.3 (Duration of Speeches) under Local Law 2001. To facilitate this, the following recommended resolution is required.

### **Recommendation**

That the following Local Law-Standing Orders 2001 be stood down:

- 8.2 Limitation on the number of speeches
- 8.3 Duration of speeches

### Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

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## **7 PUBLIC QUESTION TIME**

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## **8 NEXT MEETING**

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Thursday 26 May 2022

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## **9 APPLICATIONS FOR LEAVE OF ABSENCE**

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## **10 URGENT BUSINESS**

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## **11 NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS**

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Nil

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## **12 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION**

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## **13 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS**

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Antony Schinkel SKAO to meet with Council

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**14 ANNOUNCEMENTS CONCERNING MEETINGS ATTENDED**

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**14.1 Shire President****14.2 Councillors**

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**15 REPORTS OF COMMITTEES**

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Nil

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## 16 WORKS

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### 16.1 Works Report

File:  
Author: William Herold – Works Manager  
Interest Declared: No interest to disclose  
Date: 23 April 2022  
Attachments: 16.1.1 Flood 10 Sample Pics & News

#### **Works Report**

##### Construction Crew

The construction crew have progressed as best as they could with interruptions from rain. They spent a few days doing signage work and clearing debris from roads and floodway's. They will restart work after their Easter break on Tuesday 26<sup>th</sup> April. Hopefully the construction grader will be back from Afгри and the electrical issues will be sorted. Glen returns from long service leave and Ivor heads off so we will still be a little lite on for a few months.

##### Maintenance Crew

The maintenance crew had progressed up the Beringarra-Pindar Rd, set up camp on the Mileura-Nookawarra Rd, completed the Mileura-Nookawarra Rd, cleared the floodway's on the Beringarra-Cue Rd when the rain arrived. They too had to do some signage work while waiting for the rivers and creeks to run down. Some opening up work was done before the Easter break. They will finish up the most critical opening up work before heading down to Pindar to maintenance grade north back up to Beringarra.

##### Flood Event 27/03/2022 – 04/04/2022

Apart from the damage at Murgoo I think we have dodged a bullet as far as road infrastructure damage goes. I was expecting far worse. We have commissioned a pickup and it will be interesting to see how much new damage we have and how much will overlap with Flood 9 work.

##### Flood 9

Hopefully the tenders for Flood 9 will go out on 23<sup>rd</sup> April and close on 12<sup>th</sup> May. The delay in getting this work going has not only been frustrating but, in my view, unacceptable. I am not sure how we solve the problem stemming from DFES, but maybe a whisper in a few political ears would not be a mistake.

##### Regional Roads Group (Murchison Subgroup)

As part of the CEO's role on behalf of the Murchison Sub Group, the CEO has submitted to the RRG Technical Working Group a discussion paper for a potential inclusion of a floodway criteria into the over scoring evaluation mix. A supplementary discussion paper highlight a few other issues that arose as part of this review was also submitted.

#### **Recommendation**

That the Works Report be noted.

Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

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## 17 FINANCE

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### 17.1 Accounts Paid since the last list was presented to Council

File: 4.37.1  
Author: Bill Boehm – Chief Executive Officer  
Interest Declared: No interest to disclose  
Date: 22 April 2022  
Attachments: 17.1.1 EFT & Cheque Details for March 2022

#### Matter for Consideration

The *Local Government (Financial Management) Regulations 1996 Regulation 13* requires that 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, then the CEO is to prepare a list of accounts paid by the CEO for each month and present this to the next ordinary meeting of the Council after the list has been prepared and have this list recorded in the minutes of the meeting.

A list of payments presented in accordance with *Regulation 13* of the *Local Government (Financial Management) Regulations 1996* made since the last report to Council is attached.

#### Strategic Implications

None

#### Policy Implications

None

#### Budget/Financial Implications

Nil

#### Consultation

Nil

#### **Recommendation**

That the accounts since the last report to Council, as per the attached Schedule be recorded in the minutes as being presented to Council.

#### Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>



## 17.2 Financial Activity Statements 31 March 2022

File: 2.6  
Author: Bill Boehm – Chief Executive Officer  
Interest Declared: No interest to disclose  
Date: 22 April 2022  
Attachments: 17.2.1 Monthly Management Financial Report March 2022

### Matter for Consideration

The Local Government (Financial Management) Regulations 1996 Regulation 34 requires that local government report monthly and prescribes what is required to be reported. Council is required to consider and receipt the Monthly Financial Statements.

### Comment

These statements are being presented to meet a statutory obligation to have each month's end and report presented within the following two months.

### Budget/Financial Implications:

Reports showing year to date financial performance allow monitoring of actual expenditure, revenue and overall results against budget targets.

### Consultation

Moore Australia

### **Recommendation**

That Council note the financial statements as presented for the period ending 31 March 2022 as attached.

### Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

### 17.3 Grants Commission Revenue Treatment

File: 3.4  
Author: Bill Boehm – Chief Executive Officer  
Interest Declared: No interest to disclose  
Date: 22 April 2021  
Attachments: 17.3.1 Grants Commission 2022/23 Early Payment Advice  
17.3.2 Grants Commission Revenue Analysis

#### Matter for Consideration

Treatment of Grants Commission Revenue.

#### Background

At the June 2021 Council Meeting, amongst other things the matter of treatment of Grants Commission Revenue was raised as follows

*“the Local Government Grants Commission has provided the Shire with an advance on its 2021-22 funding totaling \$2,055,000. At the CEO’s suggestion, this could be transferred to the Asset Rehabilitation Reserve to be dealt with as a potential Transfer Ex Reserve in the 2021-22 budget. This will require Council approval but will not be feasible if final cash flows do not allow. i.e., If there are insufficient cash assets to have the Reserve fully cash backed”*

At the time a quorum was not available so the proposed transfer of \$2,055,000, being approximately half of our total grant into the Asset Rehabilitation Reserve, was not able to be actioned. In any event the then budgeted \$2.0m loan had not been taken up so the cash available at that time was not sufficient.

As indicated in the March 2022 budget review this situation is now vastly different.

#### Recent Grants Commission Advance

Recently Council was advised that instead of half of next year’s allocation being advanced three quarters as follows

State	Council Name	General Purpose (\$)	Local Road (\$)	Total Early Payment
WA	Shire of Murchison	2,372,149	810,761	3,182,910

The issue of treatment of Grants Commission Revenue is far from new. From a financial accounting perspective this revenue is treated as untied and considered to be applicable to the financial year it is received rather than the financial year to which applies. Most other grants received are usually treated on an accrual basis.

Grants Commission Revenue represents a very significant amount of revenue for Murchison and as the attached analysis shows there is often a significant amount of volatility and unpredictability. There is also a significant amount of distortion of the net current assets position and also leads to overall budget to actuals being invariably distorted. There is also an inherent risk if such a large amount of cash outside of the budget is not managed correctly.

In any event a budget amendment will be required.

#### Options

The funds will be treated as revenue in the 2022 financial year and will have a positive impact on the Operating Surplus Ratio and Debt Service cover ratio. Regardless of the below options for holding funds.

It is important that the Shire manages cashflow resulting from the advance payment. The funds could be held as unrestricted or otherwise could be transferred to a restricted reserve account. Potential options and the impact of these on the Shire's financial position are discussed below with comments shown in *italics*.

Option 1 Funds Held as unrestricted cash or investments.

*This will mean that the overall 2021/22 net current assets position will significantly increase with a resultant positive impact on the Shire's Net Current Asset Ratio.*

The alternative option is to transfer the funds to a restricted reserve.

Option 2 Transfer the advance into the Assets Rehabilitation Reserve and have the amount transferred out of this Reserve in the 2022/23 budget.

*Given that Council spends a significant amount of money on Assets in any one year, a situation may arise that a greater amount of revenue relative to expenses undertaken occurs. This would be undesirable. In any event having an amount contained and managed appropriately in this reserve means that it can over time show in a transparent manner an amount that has been allocated to fund future replacements of assets.*

Option 3 Create a new Unexpended Fund Reserve and transfer the advance into this Reserve and have the amount transferred out of this Reserve in the 2022/23 budget.

*In effect this would be a broader version of Option 4 but has the potential to include other unexpended grants which could depending on the circumstances lead to a less transparent operation.*

Option 4 Create a new Grants Commission Reserve and transfer the advance into this Reserve and have the amount transferred out of this Reserve in the 2022/23 budget.

*In doing so the purpose and operational criteria would need to be specified but from a transparent operational perspective unlike the current treatment the net current assets, budget and grants commission positions would provide for a more transparent operation. It also removes any unknowns associated with the timing of this revenue and aids in a more realistic 3-year budget approach and 20-year asset management long term financial plan.*

#### Comment

As indicated above and in the attached analysis, Option 4 is considered the best course of action to follow. Whilst, in an ideal world such an action, largely caused by a financial rule specifying a particular financial treatment shouldn't be required, sometimes common sense needs to be followed.

As the decision to create a new reserve is outside of the normal budget process such proposal needs to be publicly advertised

#### Statutory Environment

Local Government Act 1995

6.8. *Expenditure from municipal fund not included in annual budget.*

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
- (b) *is authorised in advance by resolution\**

\* Absolute majority required.

6.11. *Reserve accounts*

- (1) *Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.*

Local Government (Financial Management) Regulations 1996

17 *Reserve accounts, title of etc.*

- (1) *A reserve account is to have a title that clearly identifies the purpose for which the money in the account is set aside.*

- (2) *In the accounts, annual budget and financial reports of the local government a reserve account is to be referred to —*
- (a) *in the information required by regulations 27(g) and 38, by its full title; and*
  - (b) *otherwise, by its full title or by an abbreviation of that title.*
- [Regulation 17 amended: Gazette 20 Jun 1997 p. 2839.]
- 18 *When local public notice not required for change of use of money in reserve account (Act s. 6.11(3)(b))*  
*A local government is not required to give local public notice of a proposed change of use of money in a reserve account —*
- (a) *where the money is to be used to meet expenditure authorised by the mayor or president under section 6.8(1)(c); or*
  - (b) *where the total amount to be so used does not exceed \$5 000 in a financial year.*

### Strategic Implications

Reserve funding scenarios are an integral part of long-term financial planning. This report aims to further the expressed strategic aims of Council.

### Sustainability Implications

Environmental	There are no known significant environmental considerations.
Economic	There are no known significant economic considerations.
Social	There are no known significant social considerations.

### Policy Implications

There are no known policy implications. The Council has by resolution, when adopting its budgets, specified the purposes for which each of its reserve funds has been created.

The purpose of the existing Asset Rehabilitation Reserve is *“to fund works associated with rehabilitating Council’s infrastructure assets.”* Any money transferred to that Reserve will later only be able to be used for that specified purpose.

The purpose of a new Grants Commission Reserve *“is to ensure that any Grants Commission funds received are applied to income and expenses to the financial year in which they apply”.* Any money transferred to that Reserve will only for that specified purpose and manner.

### Financial Implications

Financial implications are as per the body of this report. The staff recommendation does not contain any added cost overall.

### Consultation

Travis Bate, Financial Accountant (RSM Australia)

### **Recommendation**

That Council resolve as follows

- 1 That Council note the Grants Commission Treatment Report and its underlying rationale.
- 2 That Council establishes a Grants Commission Reserve, the purpose of which is to ensure that any Grants Commission funds received are applied to income and expenses to the financial year in which they apply and initiate Public Notice of this intention.
- 3 Amend the 2021/22 budget to account for the 2022/23 Grants Commission advance as revenue in 2021/22 and transfer this amount into the Grants Commission Reserve as outlined in point 2 above.

Voting Requirements

Absolute Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

## 18 DEVELOPMENT

### 18.1 Roadhouse and Caravan Park Quarterly Statistics Report

File:

Author: Bill Boehm – CEO  
Steven Cosgrove – Community Manager / DCEO

Interest Declared: No interest to disclose

Date: 22 April 2022

Attachments: 18.1.1 Roadhouse Operating Stats

#### Matter for Consideration

Update of Roadhouse and Caravan Park Statistics

#### Background

The Shire of Murchison commenced operation of the Oasis Roadhouse on 1 May 2021. At the February 2022 Ordinary Council Meeting, Council was provided with Roadhouse and Caravan Park Statistics Report which provided a breakdown and summary of the Roadhouse over several years

#### Update

The following quarterly summaries for 2021/22 are as shown as follows

Month	Cabin (No's)	Park (No's)	Shop Sales (\$)	Accom Sales (\$)	Total RH Sales (\$)	Fuel Sold (litres)	Fuel Sales (\$)
Jul	162	367	\$26,655	\$12,375	\$39,029	35,357	\$48,454
Aug	209	196	\$26,550	\$20,254	\$46,804	40,304	\$59,510
Sep	162	57	\$25,135	\$16,488	\$41,623	46,679	\$69,685
<b>Qtr 1</b>	<b>533</b>	<b>620</b>	<b>\$78,340</b>	<b>\$49,117</b>	<b>\$127,456</b>	<b>122,340</b>	<b>\$177,649</b>
Oct	94	3	\$17,121	\$8,238	\$25,359	33,864	\$52,533
Nov	92	4	\$12,413	\$7,936	\$20,349	11,720	\$19,172
Dec	42	4	\$12,926	\$3,262	\$16,187	10,049	\$16,447
<b>Qtr 2</b>	<b>228</b>	<b>11</b>	<b>\$42,459</b>	<b>\$19,436</b>	<b>\$61,896</b>	<b>55,633</b>	<b>\$88,153</b>
Jan	25	0	\$11,492	\$4,827	\$16,319	5,476	\$8,983
Feb	48	15	\$11,819	\$4,409	\$16,228	5,680	\$9,549
Mar	59	33	\$15,522	\$7,691	\$23,213	8,753	\$15,731
<b>Qtr 3</b>	<b>132</b>	<b>48</b>	<b>\$38,833</b>	<b>\$16,927</b>	<b>\$55,760</b>	<b>19,909</b>	<b>\$34,263</b>

- ~ Accommodation comprises Non Ensuite Units (1,2 &3), Ensuite Units (4,5,6), Single Units (7, 8 & 9) plus Park Sites
- ~ Moving forward, and with the commencement of the Shire's on-season at 1 April 2022, single units 7 and 8 are now occupied with 2 new casual roadhouse staff, Mr Dean Matheson and Ms Deliah Carnamah.
- ~ Long term analysis is attached

#### Statutory Environment

Nil.

Financial Implications

Nil.

Consultation

Roadhouse Manager – Nick Drew

**Recommendation**

That Council note the quarterly Roadhouse and Caravan Park Statistics Report.

Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

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**19 ADMINISTRATION**

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Nil

## 20 CEO ACTIVITY REPORT

File:  
 Author: Bill Boehm – Chief Executive Officer  
 Interest Declared: No interest to disclose  
 Date: 24 April 2022  
 Attachments: Nil

### General

The following update of activities is provided.

Date	Activity
22.03.2022	Travel back from MEG Meeting at Meekatharra. Meeting with. Administration Work
23.03.2022	Meetings with Works Manager and Community Manager / DCEO. Touch base with Auditor. Work on Asset Management Data base update.
24.03.2022	Council Meeting and Workshop. Follow up Council Actions
25.03.2022	Council Minutes. Follow up Council Actions. Work on Asset Management Data base update.
26.03.2022	Follow up Council Actions. Work on Asset Management Data base update. Meeting catchup with Works Manager
27.03.2022	Follow up Council Actions.
28.03.2022	TOIL
29.03.2022	General Administration and Roads related work. Catch up with Works Manager
30.03.2022	Work on MRWA Regional Roads Floodway Criteria. Brief Skype Meeting with UDLA. CEO Shire Policy Work
31.03.2022	Telephone discussion with Shire President. Flood 10 Work. CEO Shire Policy Work
1.04.2022	Telephone discussion with Shire President. Flood 10 Work. CEO Shire Policy Work. Carnarvon-Mullewa Rd Survey Work
2.04.2022	Budget and Fuel Work
4.04.2022	TOIL. Flood 10 Pics and Works Fuel
5.04.2022	TOIL. Flood 10 Submission. General Admin Work
6.04.2022	TOIL. Flood 10 Submission. Grants Commission Analysis
7.04.2022	Grants Commission Analysis. Roadhouse Stats
8.04.2022	General Admin. Budget Work. Work on Freight Draft Tender.
9.04.2022	General Admin. Carnarvon-Mullewa Rd Research Requests. Work on Draft Freight Tender.
10.04.2022	General Admin. Carnarvon-Mullewa Rd Research Requests.
11.04.2022	TOIL. Meeting with Adam Murszewski (MWDC) including brief touch base with Mark Holdsworth (RDA) in Geraldton. Admin Work
12.04.2022 to 13.04.2022	TOIL
14.04.2022	TOIL. Emails. Get car Serviced in Melville. Murchison WALGA Country Zone Report
15.04.2022	Emails & Admin Work. Good Friday Public Holiday
18.04.2022	Easter Monday Public Holiday. Emails & Administration Work
19.04.2022	Sick Leave Work from Home. Telephone touch base discussions with Shire President and Works Manager. Work on RRG Main Roads Criteria Discussion Paper.
20.04.2022	Sick Leave Work from Home. Finalise and send RRG Main Roads Criteria Discussion Paper. Draft Freight Tender and Agenda Work.



<b>Date</b>	<b>Activity</b>
21.04.2022 to 22/04.2022	Sick Leave Work from Home. Agenda Work
23.04.2022 to 24.04 2022	Agenda and Other Work from home
25.04.2022	Anzac Day Public Holiday

**Recommendation**

That Council note the CEO's Activity Report.

Voting Requirements

Simple Majority

<b>Council Decision</b>		
<b>Moved: Cr</b>	<b>Seconded: Cr</b>	
<b>Carried/Lost</b>	<b>For</b>	<b>Against</b>

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**21 ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS**

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Nil

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**22 MEETING CLOSURE**

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*The Shire President closed the meeting at.*