



MINUTES

Extraordinary Council Meeting Wednesday 17 January 2024

Date: Wednesday 17 January 2024

Time: 3:30pm

**Location: Council Chambers
Cnr Camp & Weddin Streets
GRENFELL NSW 2810**

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**MINUTES OF WEDDIN SHIRE COUNCIL
EXTRAORDINARY MEETING
HELD AT THE COUNCIL CHAMBERS, CNR CAMP & WEDDIN STREETS,
GRENFELL NSW 2810
ON WEDNESDAY 17 JANUARY 2024 AT 3:30PM**

1 OPENING

In accordance with the WSC Code of Meeting Practice, this meeting will be recorded for the purposes of audio-visual livestreaming via Council's website and Facebook page. Those in attendance are asked to refrain from making any defamatory statements and comply with all relevant WSC codes, policies and procedures at all times.

2 ACKNOWLEDGEMENT OF COUNTRY

Weddin Shire Council would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land.

Weddin Shire Council would also like to pay respect to the Elders both past and present of the Wiradjuri Nation and extend that respect to other Aboriginal Australians who are present.

3 ACKNOWLEDGEMENT OF SERVICE

We honour our service personnel who have sacrificed their lives in the defence of our freedom, peace and prosperity. We acknowledge all of our frontline workers and volunteers who each day provide our essential and non-essential services, especially those within our Weddin Shire Local Government Area.

MOTION

RESOLUTION 001/24

Moved: Cr Bembrick
Seconded: Cr Best

That Council note an Extraordinary Council Meeting was called for 17 January 2024.

THE MOTION WAS CARRIED UNANIMOUSLY

4 ATTENDANCE

ATTENDANCE

PRESENT:

Cr Craig Bembrick (Mayor), Cr Paul Best (Deputy Mayor), Cr Jason Kenah, Cr Michelle Cook, Cr Phillip Diprose, Cr Glenda Howell, Cr Stuart McKellar, Cr Warwick Frame, Cr Jan Parlett

IN ATTENDANCE:

Ms Noreen Vu (General Manager), Mr Luke Sheehan (Director Environmental Services), Waliul Islam (Acting Director Infrastructure Services)

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

5 DISCLOSURES OF INTEREST

Nil

6 GENERAL MANAGER'S REPORTS**6.1 AUDITED 2022/2023 FINANCIAL STATEMENTS****File Number:** A3**Author:** General Manager**Authoriser:** General Manager**Attachments:**

1. General Purpose Financial Statements
2. Independent Auditor's Report
3. Report on the Conduct of the Audit
4. Special Purpose Financial Statements
5. Special Schedules and IAR
6. AG Letter to Minister for Local Government - Matter of Interest

CSP Objective: Democratic and engaged community supported by efficient internal systems**Precis:** Local Government Act 1993**Budget:** \$ Nil to be sourced from –**COMMITTEE OF THE WHOLE****MOTION**

Moved: Cr Diprose

Seconded: Cr Cook

Council move into a Committee of the Whole to Consider the matter.

THE MOTION WAS PUT AND DEFEATED**RECOMMENDATION**

That Council:

1. Receive and note the presented 2022/2023 Audited Financial Statements.
2. Note that public notice in accordance with section 418 of the Local Government Act 1993 the Audited Financial Statements for 2022/2023 was provided on 3 January 2024.
3. Note that in the event that Council receives any submissions in accordance with s. 420 of the Local Government Act 1993, the submission will be referred to the Audit Office of NSW.

RESOLUTION 002/24

Moved: Cr Bembrick

Seconded: Cr McKellar

That Council:

1. Receive and note the presented 2022/2023 Audited Financial Statements.
2. Note that public notice in accordance with section 418 of the Local Government Act 1993 the Audited Financial Statements for 2022/2023 was provided on 3 January 2024.
3. Note that in the event that Council receives any submissions in accordance with s. 420 of the Local Government Act 1993, the submission will be referred to the Audit Office of NSW.

THE MOTION WAS CARRIED UNANIMOUSLY

PURPOSE

This report provides a brief of Council's audited Financial Statements for 2022/2023. In accordance with the Local Government Act 1993, the statements are presented for information.

BACKGROUND

Council's external auditor, the Audit Office of New South Wales, via Intentus Chartered Accountants, has completed the audit of the financial statements for 2022/23. In accordance with s.418(3) of the Local Government Act 1993, Council must provide public notice of the presentation of the financial reports, which it has done so on 3 January 2024.

Submissions must be in writing and lodged with the Council within 7 days after the date on which those reports are presented to the public and do so in accordance with s. 420 of the Local Government Act 1993 (24 January 2024).

The public notice provides a high-level overview and is provided below.

Weddin Shire Council

General Purpose Financial Statements

for the year ended 30 June 2023

Public notice – Presentation of financial statements

as per Section 418 (3) of the Local Government Act.

In accordance with Section 418 (3) of the *Local Government Act 1993 (NSW)*, Weddin Shire Council advises that the ordinary Council meeting to be held on 17 January 2023 will include the presentation of the audited Financial Statements and the Auditor's Reports for the year ending 30 June 2023.

A summary of the Financial Statements is provided below.

	2023	Restated Actual 2022
	\$ '000	\$ '000
Income Statement		
Total income from continuing operations	37,670	18,566
Total expenses from continuing operations	23,327	14,761
Operating result from continuing operations	14,343	3,805
Net operating result for the year	14,343	3,805
Net operating result before grants and contributions provided for capital purposes	4,225	(1,466)
Statement of Financial Position		
Total current assets	18,979	15,066
Total current liabilities	(8,835)	(10,331)
Total non-current assets	292,350	269,062
Total non-current liabilities	(4,325)	(4,691)
Total equity	298,169	269,106
Other financial information		
Unrestricted current ratio (times)	3.06x	3.37x
Operating performance ratio (%)	14.03%	(14.09)%
Debt service cover ratio (times)	15.52x	4.71x
Rates and annual charges outstanding ratio (%)	10.51%	9.02%
Buildings and Infrastructure Renewal Ratio (%)	248.43%	0.00%
Own source operating revenue ratio (%)	39.04%	38.27%
Cash expense cover ratio (months)	4.49	13.46

In accordance with Section 420 of the *Local Government Act 1993 (NSW)*, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports.

Copies of the Audited Financial Statements and the Auditor's Reports may be inspected at:

Internet: www.weddin.nsw.gov.au
Locations: Weddin Shire Council
 73 Camp Street
 Grenfell NSW 2810

Submissions close one week after the above public meeting has been held.

ISSUES AND COMMENTS

The Draft unaudited Financial Statements for the 2022-2023 period was presented to Council on 28 September 2023. The issues raised in the preparation process included:

- Prior Year Error – Depreciation (2021/2022 period)
- Restricted cash breach. At 30 June 2023, Council had insufficient funds to cover its external restrictions due to the debtors and debtors accruals at year end. Council was found to be in breach in two areas, s. 410(3) in relation to the sewer fund and developer contribution sewer fund, money that is not yet required for the purpose for which it was received may be lent (by way of internal loan) for use by the Council for any other purpose, if and only if, its use for that other purpose is approved by the Minister. Council did not have this approval 30 June. Council was also in breach of s. 409(3) as it had used cash for purposes other than the restrictions.
- Council's position on the red fleet assets would continue to see Council receiving a qualified audit.

The Auditors attended site on 7 and 8 November 2023. The Audit has resulted in a modified qualified opinion. The modification relates to a number of corrected monetary misstatements. The following provide a summary provided by the Audit Office.

Corrected monetary misstatements

Management corrected the following monetary misstatements in the current year's GPFS. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

Description	Assets	Liabilities	Net operating result for the year	Other comprehensive income
Effect of correction	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
	\$'000	\$'000	\$'000	\$'000
Factual misstatements				
Indexation adjustment for community land and updated valuation result of buildings was not processed	199	-	-	(199)
Understatement of impairment of road assets	(1,207)	-	-	1,207
Recognise depreciation on new asset additions	(196)	-	196	-
Reverse RMCC revenue and receivables pertaining to FY24	(1,714)	-	1,714	-
Correction of grants income and corresponding contract liabilities	-	342	(342)	-
Total impact of corrected misstatements	(2,918)	342	1,568	1,008

Corrected disclosure deficiencies

There were no material corrected disclosure deficiencies in the current year's GPFS.

As per Council's Self-Initiated Improvement Management Plan, mechanisms have been put in place to avoid this from occurring again.

Attached for the Council's consideration includes:

1. General Purpose Financial Statements
2. Special Purpose Financial Statements
3. Special Schedules
4. Independent Auditor's Reports
5. Report on the Conduct of the Audit
6. Letter from the Auditor-General to the Minister for Local Government to report significant matters

POLICY/LEGAL IMPLICATIONS

At 30 June 2023, Council was in breach of s. 409(3) and s. 410(3) of the Local Government Act 1993. Council notes that this was a point in time issue at 30 June 2023. A letter has been issued to the Minister for Local Government on Council's Financial Statement being of significant interest on the restricted cash breach and attached for Council's awareness.

Council has a number of obligations under the Local Government Act now with the audited financial statements.

Under s. 420 of the Local Government Act 1993 states:

420 Submissions on financial reports and auditor's reports

(1) Any person may make submissions to the council with respect to the council's audited financial reports or with respect to the auditor's reports.

(2) A submission must be in writing and must be lodged with the council within 7 days after the date on which those reports are presented to the public.

(3) The council must ensure that copies of all submissions received by it are referred to the auditor.

(4) The council may take such action as it considers appropriate with respect to any such submission, including the giving of notice to the Departmental Chief Executive of any matter that appears to require amendment of the council's financial reports.

FINANCIAL/RESOURCE IMPLICATIONS

Council would like to thank the external contractors, Luka Group for undertaking the Annual Financial Statements and the setting up of internal systems to ensure effective reporting of grants and income.

INTERNAL/EXTERNAL CONSULTATION

Public notice for the presentation of the financial statements also provided a copy of the audited financial statements online (Council website and Facebook). The Public Notice was also advertised in the Grenfell Record. There will be a further seven (7) day public exhibition period after this Council meeting, welcoming submissions to provide to the Audit Office.

The Audit, Risk and Improvement Committee were provided a presentation on the Audited Financial Statements on 12 January 2024.

The Auditor's Contractors will provide the Council a presentation on Monday 15 January 2024 in a Councillor Workshop at the Council Chambers at 4pm.

CONCLUSION

That Council receive and note the audited Financial Statements for year ending 30 June 2023.

7 CLOSED COUNCIL**RECOMMENDATION**

The meeting now be closed to the public under Section 10A(2) of the *Local Government Act 1993* to consider the items following because of their confidential nature:

7.1 T33-2023 - PROVISION OF SPRAY SEAL PAVEMENT SERVICES - STATE ROADS

This matter is considered to be confidential under Section 10A(2) - d(i) and d(ii) of the *Local Government Act 1993*, and Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and information that would, if disclosed, confer a commercial advantage on a competitor of the council.

7.2 T34-2023 - PROVISION OF STABILIZING SERVICES - STATE ROADS

This matter is considered to be confidential under Section 10A(2) - d(i) and d(ii) of the *Local Government Act 1993*, and Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and information that would, if disclosed, confer a commercial advantage on a competitor of the council.

RESOLUTION 003/24

Moved: Cr Frame

Seconded: Cr Howell

The meeting now be closed to the public under Section 10A(2) of the *Local Government Act 1993* to consider the items following because of their confidential nature:

7.1 T33-2023 - PROVISION OF SPRAY SEAL PAVEMENT SERVICES - STATE ROADS

This matter is considered to be confidential under Section 10A(2) - d(i) and d(ii) of the *Local Government Act 1993*, and Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and information that would, if disclosed, confer a commercial advantage on a competitor of the council.

7.2 T34-2023 - PROVISION OF STABILIZING SERVICES - STATE ROADS

This matter is considered to be confidential under Section 10A(2) - d(i) and d(ii) of the *Local Government Act 1993*, and Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and information that would, if disclosed, confer a commercial advantage on a competitor of the council.

THE MOTION WAS CARRIED

Moved to Closed Council at 3:49pm.

8 RETURN TO OPEN COUNCIL**RECOMMENDATION**

The meeting return to Open Council.

RESOLUTION 006/24

Moved: Cr Kenah

Seconded: Cr Diprose

The meeting return to Open Council.

THE MOTION WAS CARRIED

Returned to Open Council at 3:55pm

9 REPORT ON CLOSED COUNCIL**7.1 T33-2023 - PROVISION OF SPRAY SEAL PAVEMENT SERVICES - STATE ROADS****RESOLUTION 005/24**

Moved: Cr Howell

Seconded: Cr McKellar

That Council:

1. Receive and note the information in this report regarding the Provision of Spray Seal Pavement Services – State Road (T33-2023).
2. Delegates the General Manager to accept the following eight (8) submitted tenders from:
 - (a) All Pavement Solutions,
 - (b) Bitupave Ltd
 - (c) Capital Asphalt
 - (d) COLAS
 - (e) Country Wide Asphalt
 - (f) Roadworx Surfacing
 - (g) Rpq Spray Seal
 - (h) Stabilised Pavements of Australia.
3. Delegates the General Manager to enter into a Contract with the Contractors listed at 2(a) to 2(h) above, to form a Panel Contract for the Provision of Sealing Services for State Roads for the twelve (12) month period 22 January 2024 to 22 January 2025.
4. Delegates that the General Manager can extend the Panel Contract prior to its expiration (up to 90 days), in the event that a further panel has not been established prior to the expiration date in accordance with the Tender provisions and in mutual agreement with the Contractor.

THE MOTION WAS CARRIED UNANIMOUSLY**7.2 T34-2023 - PROVISION OF STABILIZING SERVICES - STATE ROADS****RESOLUTION 006/24**

Moved: Cr Frame

Seconded: Cr Kenah

That Council:

1. Receive and note the information in this report regarding the Provision of Stabilization Services (T34-2023).
2. Delegates the General Manager to accept the following nine (9) of the nine (9) submitted tenders from:
 - a. All Pavement Solutions
 - b. Country Wide Asphalt
 - c. Downer
 - d. Fulton Hogan
 - e. Highway Stabilizers
 - f. Roadworx Surfacing
 - g. Stabilcorp
 - h. Stabifix
 - i. Stabilised Pavements of Australia.
3. Delegates the General Manager to enter into a Contract with the Contractors listed at 2(a) to 2(i) above, to form a Panel Contract for the Provision of Stabilizing Services for State Roads for the twelve (12) month period 22 January 2024 to 22 January 2025.
4. Delegates that the General Manager can extend the Panel Contract prior to its expiration (up to 90 days), in the event that a further panel has not been established prior to the expiration date in accordance with the Tender provisions and in mutual agreement with the Contractor.

THE MOTION WAS CARRIED UNANIMOUSLY**10 CLOSURE**

Moved: Cr McKellar

Seconded: Cr Howell

The Meeting closed at 3:59pm.**The minutes of this meeting were confirmed at the Council held on 15 February 2024.**.....
CHAIRPERSON