



Ordinary Council Meeting – Late Item

Notice of Meeting | 25th May 2023

I respectfully advise that the ORDINARY COUNCIL MEETING will be held in the Council Chambers, 10 Jennaberring Road, Quairading, WA on 25th May 2023 commencing at 2.00pm

Public are able to attend this meeting.

Public questions may be submitted electronically to this meeting. Please click on the link for further information <https://www.quairading.wa.gov.au/documents/1150/public-question-time-form>

Alternatively, Questions may be asked in Person.

MEETING AGENDA ATTACHED

Nicole Gibbs
CHIEF EXECUTIVE OFFICER
Date: 22 May 2023

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Quairading during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Quairading. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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ITEM 11 MATTERS FOR CONSIDERATION – FINANCE & AUDIT**11.3 2022/23 Annual Budget, Allocation Adjustments, May 2023 (Late Item)**

Responsible Officer Nicole Gibbs, Chief Executive Officer

Reporting Officer Sarah Caporn, Executive Manager, Works & Services

Attachments

1. Current Expenditure - Quairading Corrigin Road (SLK 9.92 - 9.30) as at 17 May 2023 [↓](#) 
2. 2022/23 Budget, proposed I&E adjustments [↓](#) 

Voting Requirements Absolute Majority

Disclosure of Interest Reporting Officer: Nil.

Responsible Officer: Nil.

OFFICER RECOMMENDATION

That Council:

1. Approves allocation the 2022/23 R oads to Recovery funding to the reconstruction of SLK 2.92 to 9.30 on Quairading – Corrigin Road.
2. Approves moving the propose 2022/23 Roads to REcovert projects to the 2023/24 Capital Works Programme (Budget yet to be finalised)
3. Approves the other minor I&E code changes within the General Ledget as outlined in attachment 2.

IN BRIEF

The Capital Works programme has progressed to a point where final costings have become clearer. There is likely a need to allocate some additional funds from other funded programmes across to the project to ensure all our financial commitment can be met.

Those projects initially allocated Roads to Recovery funds are proposed to be pushed back a few months and achieved during 2023/24 financial year.

MATTER FOR CONSIDERATION

The current expenditure for the Regional Roads Group project on the Quairading Corrigin Road are provided in Attachment 1. Please note there are two Regional Road Group project codes (for the two different years amounts) but these have been added together within the table as each section is roughly half of the project.

The Shire potentially has an overspend of approximately \$384,000 for this 6km of works. There are a few costs yet to be finalised which are highlighted in yellow. These have been conservatively estimated and shown as 'worst case scenario'.

The EMWS anticipated needing additional funds due to the higher than projected construction costs since initial budgets were planned and the fact of rising inflation and things have taken longer than

forecast with weather and supply issues and delays and additional carting expenses. This then flows into higher traffic control costs and increased water truck usage.

Allocating our 2022/23 Roads to Recovery funds will assist the Shire to fund an additional \$235,375 of works.

Despite all the setbacks, the EMWS anticipates that we will get both of these road projects completed successfully by early June.

There are some other minor adjustments to other expenditure under a General Ledger as provided at Attachment 2.

BACKGROUND

Council adopted their 2022/23 Budget Review at their meeting on Thursday 30th March 2023.

Since then, the Capital Works programme delivery has been progressed to the point where final costings have become clearer. The project is in need of some additional funds to complete the scope of works.

Council requires an Absolute Majority vote to reallocate funds once there is an approved Budget in place.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

These adjustments provide no additional expenditure to the overarching General Ledger codes as per the adopted Budget (and any subsequent reviews) with the exception of the major roadworks programme as outlined above. The adjustments are mainly for the movement of funds between the various Income & Expense code allocations – such as between Employee Costs to Materials in the Caravan Park – to allow operational goals to be met.

ALIGNMENT WITH STRATEGIC PRIORITIES

- 5.4 Governance & Leadership:** Implement systems and processes that meet legislative and audit obligations
- 5.3 Governance & Leadership:** Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community
- 3.1 Built Environment:** Safe, efficient and well maintained road and footpath infrastructure

CONSULTATION

Not applicable.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

Lack of routine maintenance of Shire roads creates public safety risk and associated liability issues.

Asset Management Plan is non-compliant due to aging assets and increasing costs.

Poor or no construction of roads results in public safety dangers and high-level liability consequences for Elected Members, Executive and the Shire as a whole.

Financial misconduct by (a) a Shire employee, and (b) an executive/office holder results in financial, legal and/or reputational damage.

RISK ASSESSMENT

Financial	High <i>Council must be able to financially support their major works programme. Utilising all possible road funding sources ensures grant funds are fully expended and acquitted against eligible projects.</i>
Health	N/A
Reputation	Medium <i>Council set an ambitious target of achieving two years construction in one during the 2022/23 Budget. Staff will meet this goal with additional contractor support. This support increased overall project costs beyond current Regional Roads Group allocations. However, the overspend can be met via other roads funding programmes.</i> <i>There may be a some reputational impact from community members in moving our communicated Roads to Recovery projects but staff were unlikely to achieve them within this construction period due to scheduling conflicts with limited resources.</i>
Operations	Low <i>Shire projects must to be managed within current resourcing levels with regards to internal staff, labour conditions and plant. The Shire brought in additional contractor support for carting gravel and also for traffic control services. These added to operational costs but ensured that our project timeframes remained in tact and staff were safe while working on the road.</i>
Natural Environment	Low <i>All requirements were met with regards to pre-construction clearing of the road and works in the maintenance zone.</i>

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

No further comments.

RRG166 & RRG166A								
Desc	Original Budget	Amendments	Current Budget	Forecast	Actual	Order Value	Total	Variance \$
2000 Employee Costs - Salaries & Wages	\$ 62,080.00	\$ -	\$ 62,080.00	\$ -	\$ 93,497.09	\$ -	\$ 93,497.09	-\$ 31,417.09
2100 Service Contracts	\$ 949,338.00	\$ -	\$ 949,338.00	\$ -	\$ 239,251.22	\$ 960,166.37	\$ 1,199,417.59	-\$ 250,079.59
2101 Materials	\$ 49,764.00	\$ -	\$ 49,764.00	\$ -	\$ 3,360.93	\$ 5,422.80	\$ 8,783.73	\$ 40,980.27
9300 Labour OH Alloc	\$ 71,968.00	\$ -	\$ 71,968.00	\$ -	\$ 106,358.43	\$ -	\$ 106,358.43	-\$ 34,390.43
9400 Plant Op Costs Alloc	\$ 68,419.00	\$ -	\$ 68,419.00	\$ -	\$ 77,250.00	\$ -	\$ 77,250.00	-\$ 8,831.00
Total	\$ 1,201,569.00	\$ -	\$ 1,201,569.00	\$ -	\$ 519,717.67	\$ 965,589.17	\$ 1,485,306.84	-\$ 283,737.84
Costs / POs still to come - final amounts still TBC								
Traffic Mgmt								-\$ 50,000.00
Contract Cartage								-\$ 45,000.00
Staff Labour & O/Heads								-\$ 40,000.00
Roller Hire								-\$ 30,000.00
TOTAL OUTSTANDING PROJECT BALANCE								-\$ 448,737.84
Roads to Recovery funds - 22/23								\$ 315,241.00
less Verge Mulching project (R2R016) PO3763								-\$ 79,865.20
Unallocated R2R Funds								\$ 235,375.80
Project Balance (when R2R funds added)								-\$ 213,362.04
RM000 - Current Budget, Road Maintenance - 22/23 Muni Funds (as at 17 May 2023)								\$ 353,566.00
Road Maintenance - Muni Funds Needed								-\$ 213,362.04
Total 22/23 Muni Funds Remaining (to achieve \$0 balance for project codes)								\$ 140,203.96

GL Code	Job Code	IE Code	IE Description	GL/Job Name		Original Allocation	New Allocation	Notation
3120111	R2R1016	5820	Income	Pantapin South Road (R2R) Income	Operating Income	-\$ 36,530.00		Remains as provided for in March 2023 Budget Review
3120111	R2R1007	5820	Income	Old Beverley West Road (R2R) Income	Operating Income	-\$ 110,000.00	\$ -	Reallocate to R2R166 (Quairading - Corrigin Road, SLK 2.92 - 9.3)
3120111	R2R1014	5820	Income	Badjaling North Road (R2R) Income	Operating Income	-\$ 100,000.00	\$ -	Reallocate to R2R166 (Quairading - Corrigin Road, SLK 2.92 - 9.3)
3120111	R2R1106	5820	Income	Stockpool Road (R2R) Income	Operating Income	-\$ 110,000.00	\$ -	Reallocate to R2R166 (Quairading - Corrigin Road, SLK 2.92 - 9.3)
4120145	R2R016	2000	Employee Salary	Pantapin South Road (R2R)	Capital Expenditure	\$ 3,690.51	\$ 3,690.52	Remains as provided for in March 2023 Budget Review
4120145	R2R016	2100	Service Contracts	Pantapin South Road (R2R)	Capital Expenditure	\$ 67,885.25	\$ 67,885.26	Remains as provided for in March 2023 Budget Review
4120145	R2R016	9300	Labour O'heads	Pantapin South Road (R2R)	Capital Expenditure	\$ 4,278.22	\$ 4,278.23	Remains as provided for in March 2023 Budget Review
4120145	R2R016	9400	Plant O'Heads	Pantapin South Road (R2R)	Capital Expenditure	\$ 4,011.22	\$ 4,011.23	Remains as provided for in March 2023 Budget Review
4120146	R2R007	2000	Employee Salary	Old Beverley West Road (R2R)	Capital Expenditure	\$ 5,094.37	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120146	R2R007	2100	Service Contracts	Old Beverley West Road (R2R)	Capital Expenditure	\$ 77,000.00	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120146	R2R007	2101	Materials	Old Beverley West Road (R2R)	Capital Expenditure	\$ 22,000.00	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120146	R2R007	9300	Labour O'heads	Old Beverley West Road (R2R)	Capital Expenditure	\$ 5,905.63	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120146	R2R007	9400	Plant O'Heads	Old Beverley West Road (R2R)	Capital Expenditure	\$ -	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R014	2000	Employee Salary	Badjaling North Road (R2R)	Capital Expenditure	\$ 27,758.50	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R014	2101	Materials	Badjaling North Road (R2R)	Capital Expenditure	\$ 9,891.75	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R014	9300	Labour O'heads	Badjaling North Road (R2R)	Capital Expenditure	\$ 32,179.00	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R014	9400	Plant O'Heads	Badjaling North Road (R2R)	Capital Expenditure	\$ 30,170.75	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R106	2000	Employee Salary	Stockpool Road (R2R)	Capital Expenditure	\$ 30,534.35	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R106	2101	Materials	Stockpool Road (R2R)	Capital Expenditure	\$ 10,880.93	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R106	9300	Labour O'heads	Stockpool Road (R2R)	Capital Expenditure	\$ 35,396.89	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R106	9400	Plant O'Heads	Stockpool Road (R2R)	Capital Expenditure	\$ 33,187.83	\$ -	Remove from 2022/23 Budget - reallocate to R2R166
4120145	R2R166	4500	Capital New	Quairading - Corrigin Road (R2R)	Capital Expenditure	\$ -	\$ 235,375.80	R2R funding allocation to this project
121001170	W10101	2000	Employee Costs	Waste Refuse Site Maintenance (Works)	Operational	\$ 345.00	\$ 40,345.00	Added \$40,000 to Works code instead of Building Operations
121001170	W10101	9300	Labour O'Heads	Waste Refuse Site Maintenance (Works)	Operational	\$ 400.00	\$ 46,400.00	Added \$46,000 to W10101 from B010102 for Labour O'heads
21001880	B010102	2000	Employee Costs	Building Operations, Waste Refuse Site	Operational	\$ 51,705.00	\$ 11,705.00	Reduced to go towards W10101
21001880	B010102	9300	Labour O'Heads	Building Operations, Waste Refuse Site	Operational	\$ 59,940.00	\$ 13,940.00	Reduced to go towards W10102
121302660	W13220	2000	Employee Costs	Caravan Park	Operational	\$ 30,471.00	\$ 15,000.00	Move from Employee costs across to Materials I&E code
121302660	W13220	2101	Materials	Caravan Park	Operational	\$ 2,000.00	\$ 17,471.00	Added to Materials from Employee costs