



# Annual Report 2017 - 2018














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## OUR STATISTICS

# 2017-2018

 <b>419</b> Total number of residents* <i>*Based on 2011 Census</i>	 <b>364</b> Total number of rateable properties	 <b>\$687,398</b> Rates levied
 <b>\$320</b> Minimum general residential rate	 <b>\$320</b> Minimum general rural rate	 <b>5%</b> Increase in average rate
 <b>\$2,916,684</b> Operating revenue	 <b>\$33,416,114</b> Net assets	 <b>\$1,800,281</b> Operating grants revenue
 <b>\$659,132</b> Specific purpose grants revenue	 <b>76.4 km</b> Length of sealed roads	 <b>455.1 km</b> Length of gravel roads
 <b>0</b> Debt servicing ratio		 <b>88</b> Number of garbage services provided





## PRESIDENTS REPORT

I am pleased to once again present to the community, the Shire of Woodanilling Annual Report for the 2017/18 financial year.

A warm welcome to all those of you that have chosen to make Woodanilling their home - the Shire's population continues to grow with more and more people building residences and becoming a part of our community.

The Shire of Woodanilling continues to support resource sharing. Woodanilling embrace's a proactive relationship with neighbouring shires including the sharing of statutory service's (Building, Planning, Health and Emergency) and works services.

The 4WDL VROC (Voluntary Regional Organisation of Councils) comprising the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace continues to form a big part of Council's activities.

The Shire continues to actively improve its position through its membership of the Great Southern Zone,

Great Southern Development Commission, Regional Development Australia – Great Southern and the Great Southern Regional Road Group. These organisations and forums are essential regarding the funding and political representation the Shire needs.

### CONCLUSION

To my fellow Councillors and Staff, I express my thanks for their support over the past twelve months and for their continuing efforts to ensure that the organisation operates in an efficient manner.

I also wish the CEO, Belinda Knight, all the very best for the future.

**Cr H R (Russel) THOMSON, JP**  
President



# COUNCILLORS

**CR. H R (RUSSEL) THOMSON JP**  
(Term expires Oct 2021)

**SHIRE PRESIDENT**

818 Robinson Road  
Woodanilling WA 316  
Phone: 08 9823 1549      Mobile: 0419 950 217  
Email: kunmallup@bigpond.com

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**CR T P (TREVOR) YOUNG**  
(Term expires Oct 2019)

**DEPUTY PRESIDENT**

PO Box 125  
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**CR M W (MORRIS) TRIMMING**  
(Term expires Oct 2021)

1408 Onslow Road  
Westwood WA 6316  
Phone: 08 9821 1827      Mobile: 0407 774 624  
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**CR P G (PETER) MORRELL**  
(Term expires Oct 2019)

457 Ways Road  
Beaufort River WA 6394  
Phone: 08 9862 5015      Mobile: 0429 625 054  
Email: pjmorrell@bigpond.com

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**CR DS (DALE) DOUGLAS**  
(Term expires Oct 2021)

1525 Ashwell Road  
Woodanilling WA 6316  
Phone: 08 9823 1586      Mobile: 0429 231 586  
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**CR TJ (TIMOTHY) BROWN**  
(Term expires Oct 2019)

PO Box 76  
Woodanilling WA 6316  
Phone: 08 9823 1115      Mobile: 0418 470 920

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## COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the *Local Government Act 1995* during the reporting period.

## PUBLIC INTEREST DISCLOSURES (PIDS)

The Shire did not complete the Public Sector Commission's Integrity & Conduct Survey in 2018. This covers the annual reporting responsibilities under the *Public Interest Disclosure Act 2003*. The survey assists the PSC in monitoring ethical trends and building capacity through strengthening organizational structure, leadership and systems, and policies and processes, as part of its oversight of minor misconduct functions under the *Corruption, Crime and Misconduct Act 2003*.

The Shire of Woodanilling did not receive any public interest disclosures during 2017/2018.

## ANNUAL SALARY

Salary Range	14/15	15/16	16/17	17/18
\$100,000 - \$109,999		1		
\$110,000 - \$119,999			1	1
\$120,000 - \$129,999				
\$130,000 - \$139,999				
\$140,000 - \$149,999				
\$150,000 - \$159,999				
\$160,000 - \$169,999				







# CEO'S REPORT

## THE YEAR AT A GLANCE

### July 2017

- 2017/18 Budget Adopted.
- Revised Policy 63 – Private use of Council Plant & Equipment.

### August 2017

- Council funded Community Events – New Holland Consort (Classical Music ensemble) & Suicide Prevention Workshop (Wagin Baptist Church).
- Local Government Convention.

### September 2017

- Revision of Town Planning Policy No 2.

### October 2017

- Council Elections.
- Review of Policy 85 – Keeping of More than 2 Dogs.

### November 2017

- WANDRRA project report.

### December 2017

- Amendment to Woodanilling Animals, Environment and Nuisance Local Law 2017.

### January 2018

- Council hosted the Australia Day breakfast for our community.

### February 2018

- Annual Compliance Return.
- Woodanilling Primary School – Oval Upgrade & Water Supply.

### March 2018

- Policy Manual Review – Policies to be repealed.

### April 2018

- Review of Draft Road Asset Management Plan.

### May 2018

- Annual Report 2016/2017.

### June 2018

- 1st Draft Budget considered for 2018/19 financial year.
- Lotterywest Grant Funding – Outdoor Exercise Equipment.
- Recreational Boating Facilities Scheme Funding – Lake Queerearrup.

Once again I would like to express my appreciation to my staff and to the elected members for their continued support over the past twelve months. This will be the last Annual Report I prepare for the Shire of Woodanilling, as I am leaving at the end of 2018. I have enjoyed my time in Woodanilling and I wish Council and staff all the best for the future.

### **BELINDA KNIGHT**

Chief Executive Officer

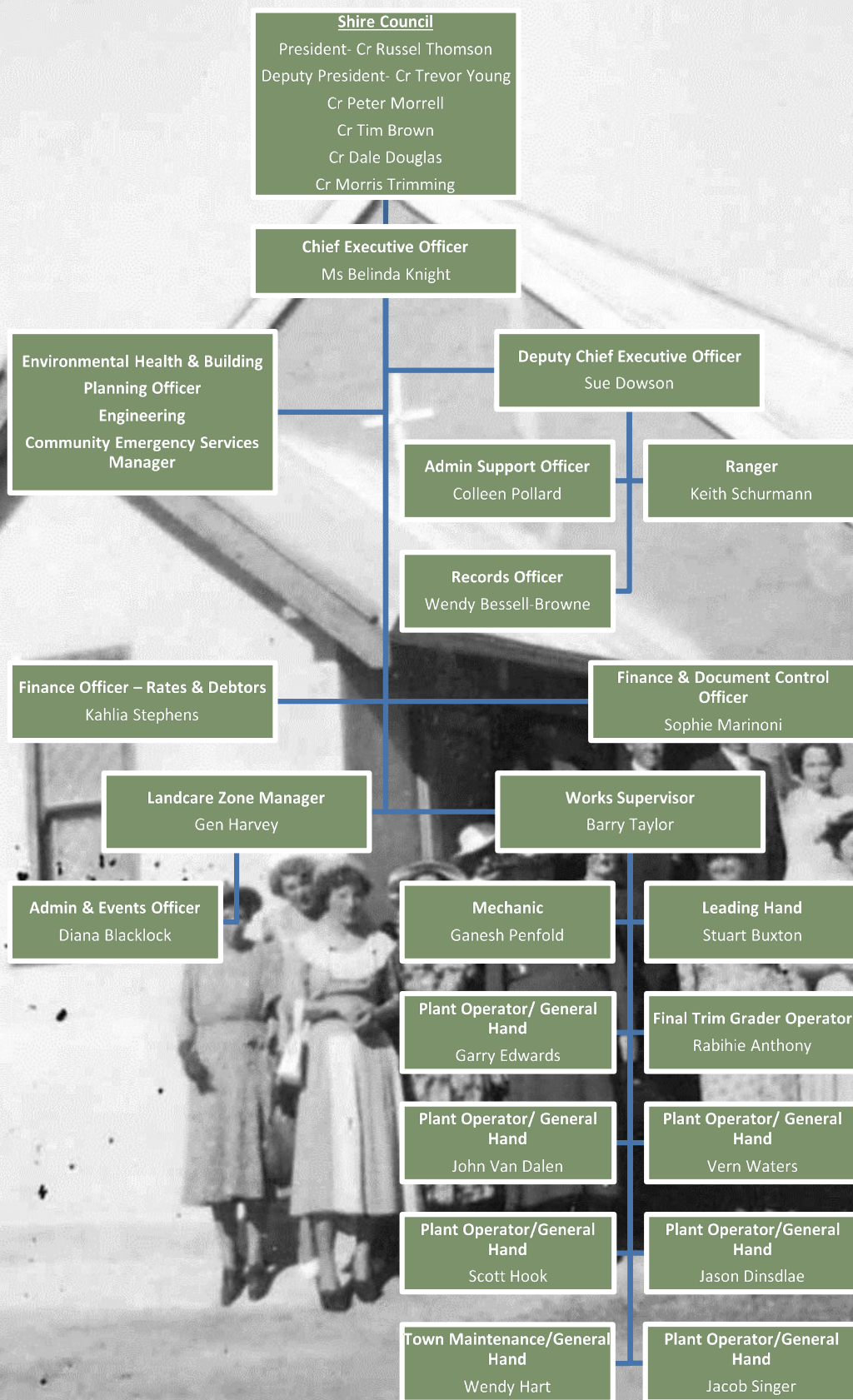
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### **SEAN FLETCHER**

Acting Chief Executive Officer



# ORGANISATION STRUCTURE







## INTEGRATED PLANNING

The *Local Government (Administration) Regulations 1996* has been amended to require each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

This Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. It addresses the minimum requirements to meet the intent of the Act and outlines processes and activities to achieve an integrated strategic plan at the individual local government level.

There are three major parties to the development of an integrated strategic plan:

1. The Community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, and the annual budget.
3. The Local Government Administration – supports delivery of the Strategic Community Plan, the 4-yearly reviews, and annual budget through its corporate business planning.

Shire activities contained within the Corporate Business Plan for each year are noted within the Budget papers, and are reviewed within the Annual Report for that year.

The following table is a snapshot of identified projects from the Corporate Business Plan including their progress for 2017/18 and proposed course of action for 2018/19. Each project is classified as Short Term, Medium Term, Long Term and Ongoing.

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.1</b> Implementation of adopted Town Centre Enhancement Plan recommendations	<ul style="list-style-type: none"> <li>Review existing Woodanilling Town Centre Enhancement Plan &amp; adopt priorities</li> </ul>	<ul style="list-style-type: none"> <li>Implement Plan</li> </ul>	2013-14	Ongoing	Town Enhancement Plan in place and priorities are followed
<b>CF.2</b> Secure water supply to ensure self-sufficiency for town oval, parks & public areas (non-potable water)	<ul style="list-style-type: none"> <li>Review various Water Plans (see informing strategies list)</li> <li>Maximise stormwater catchment in town</li> </ul>	<ul style="list-style-type: none"> <li>Develop catchment plan</li> <li>Update plan as necessary</li> <li>Implement catchment plan</li> </ul>	2014-15	Short term	Not commenced
<b>CF.3</b> Ongoing support for regional facilities that meet the needs of the local community	<ul style="list-style-type: none"> <li>Identify regional facilities</li> <li>Be aware of and receptive to requests for support</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy and development activities to develop proposals and attract funding as required (e.g. needs assessment, cost benefit and funding applications)</li> </ul>	2014-15	Ongoing	During 2017/18, the Shire identified that there was a need to be a part of the GSCORE Master Trails project for the Great Southern. This will continue on into 2018/19 and 2019/20 regarding the development of the Trails Master Plan
<b>CF.5</b> Integrated waste management including implementation of adopted Landfill Environmental Management Plan recommendations	<ul style="list-style-type: none"> <li>Comply with State Zero Waste Strategy</li> <li>Review Woodanilling Landfill Environmental Management Plan (WLEMP)</li> <li>Keep options open for participation in regional refuse site options</li> </ul>	<ul style="list-style-type: none"> <li>Implement priority recommendations from WLEMP (Installing tip shop, recycling centre and fencing)</li> </ul>	2013-14	Short term	<p>The Tip Shop and recycling collection point is now in place. The Shire in 2018/19 will:</p> <ul style="list-style-type: none"> <li>Comply with the phasing out of single use plastic bags;</li> <li>Investigate how the community can dovetail into the Container Deposit Scheme</li> </ul>
<b>CF.6</b> Sponsorship Program for Local Sporting Heroes– Jan 2013 inaugural Sports Star of the Year Award	<ul style="list-style-type: none"> <li>Establish a reserve account</li> </ul>	<ul style="list-style-type: none"> <li>Create eligibility guidelines</li> <li>Establish selection committee</li> <li>Advertise and accept ongoing applications</li> <li>Annual awards presentation</li> </ul>	2014-15	Short term	Not commenced

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.7</b> Men's Shed – secure building, form Group & on-going support	<ul style="list-style-type: none"> <li>Establish need &amp; requirements for project</li> <li>Purchase property</li> <li>Ongoing support to Group</li> </ul>	<ul style="list-style-type: none"> <li>Prepare heritage study and business plan (including sourcing of venue)</li> <li>Source funding (prepare applications)</li> <li>Fit out building</li> <li>Implement business plan (ongoing operation)</li> </ul>	2013-14	Ongoing	The Mens' Shed commenced on 1 January 2014 with a 20 year use agreement in place: <ul style="list-style-type: none"> <li>This project is now completed;</li> <li>Ongoing support by the Shire as required</li> </ul>
<b>CF.9</b> Complete oval lighting within 5 years to Australian Standards for training.	<ul style="list-style-type: none"> <li>Conduct lighting design, secure funding and implement the project</li> </ul>	<ul style="list-style-type: none"> <li>Conduct design and source funding (prepare applications)</li> <li>Construct lights if required</li> <li>Acquit grants</li> </ul>	2013-17	Short Term	Not commenced
<b>CF.10</b> Community Housing – development of social and affordable housing, including housing for the well aged.	<ul style="list-style-type: none"> <li>Retain seniors in town</li> <li>Review existing Aged Housing Regional Plan (4WDL)</li> </ul>	<ul style="list-style-type: none"> <li>Develop business plan and source funding</li> <li>Design and build 4 units suitable for well-aged (inc project management)</li> <li>Source funding for additional units</li> </ul>	2013-17	Short Term	The Shire has the following Well Aged Facilities in place: <ul style="list-style-type: none"> <li>Salmon Gums;</li> <li>Wattleville</li> </ul> There may be additional funding opportunities in 2019/20 onwards
<b>CF. 11</b> Implement bike/walking path network to connect the town to Whispering Winds and Caravan Park	<ul style="list-style-type: none"> <li>Determine need</li> <li>Identify suitable routes</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and concept design</li> <li>Source funding (grant applications)</li> <li>Detailed design and construct paths in accordance with successful funding timelines</li> </ul>	2014-19	Long Term	See Project CF3
<b>CF.12</b> Develop and implement upgrade plan for Woodanilling Cemetery that is sensitive to denominational and indigenous groups	<ul style="list-style-type: none"> <li>Establish Project Team</li> <li>Develop Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop and adopt Plan and set priorities</li> <li>Implement Plan in accordance with adopted priorities</li> </ul>	2013-16	Short term	Commenced in 2015/16 including survey. No further action since

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CW.1</b> Develop Community Initiative Programs to ensure active community participation and volunteering	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> <li>Utilise Dept for Communities "Vital Volunteering" strategy</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>Implement ongoing initiatives</li> </ul>	2013-14	Medium term	<ul style="list-style-type: none"> <li>Volunteer policy considered but not progressed;</li> <li>In 2018/19, Shire to develop a list of key volunteer activities</li> </ul>
<b>CW.7</b> Good Health Access: <ul style="list-style-type: none"> <li>HACC</li> <li>Dr/Nurse Practitioner</li> <li>Seminars</li> <li>Age Friendly Plan</li> <li>Programs &amp; Services (Age in Place)</li> </ul>	<ul style="list-style-type: none"> <li>Advocate on behalf of community for provision of services</li> </ul>	<ul style="list-style-type: none"> <li>CEO to conduct advocacy on behalf of the community</li> </ul>	2014-19	Long term	<ul style="list-style-type: none"> <li>HACC is in the process of transition and to be replaced by the Commonwealth model;</li> <li>The need for an Age Friendly Plan and Age in Place to be considered as part of the 2019 SCP Major Review</li> </ul>
<b>CW.9</b> Encourage the establishment of new businesses by providing a link to available resources, incentives and possible physical structures.	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>Community survey, visit other communities for survey of potential similar provision and provide links on council website</li> <li>Implementation of options determined in the survey</li> </ul>	2014-19	Long term	Not commenced
<b>CW.10</b> Ensure significant heritage buildings and places under Council's care and/or ownership are preserved and where possible restored.	<ul style="list-style-type: none"> <li>Identify buildings of significant heritage value</li> <li>Prepare Heritage Management Plan(s)</li> <li>Establish funding options (eg Reserve Fund)</li> <li>Review existing Woodanilling Heritage Interpretation Plan</li> </ul>	<ul style="list-style-type: none"> <li>Set policy for annual transfer to/from Fund</li> <li>Develop, adopt and implement Plan(s)</li> <li>Review Woodanilling Heritage Interpretation Plan</li> <li>Implementation</li> </ul>	2013-18	Medium term	Not commenced
<b>CW.11</b> Develop Community Pride programs that are reflected by the high standard of maintenance and development of private properties within the town.	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>Implement ongoing initiatives</li> </ul>	2013-14	Short term	Although a pride program has not been developed, the Shire has implemented the Animal, Nuisance and Environment Local Law that includes a property improvement program

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>EN.1</b> Restore and protect natural environment and landscape	<ul style="list-style-type: none"> <li>Plan work program to reduce weeds in natural areas</li> </ul>	<ul style="list-style-type: none"> <li>Roadside weed control</li> <li>Weed control in reserves</li> <li>Revegetate roadsides to reduce weed burden</li> </ul>	2013-18	Medium term	This program is ongoing, but subject to Shire budgetary constraints
<b>EN.4</b> Protect built environment and resources by reducing water and non-water threats	<ul style="list-style-type: none"> <li>Education on proper water management</li> <li>Change to appropriate landscaping for climate and land</li> <li>Maximise collection and use of rainwater</li> <li>Waste Minimisation and disposal</li> </ul>	<ul style="list-style-type: none"> <li>Monitor total water use on public land</li> <li>Investigate other sources of water, maximising recycling opportunities and reducing water use.</li> </ul>	2014-19	Medium term	The Shire in 2018/19 will review its standpipe use as part of the Fixed Standpipe Review
<b>EN.5</b> Protect and sustainably use natural resources	<ul style="list-style-type: none"> <li>Surface water management on valley floors to reduce inundation</li> <li>Surface drainage to remove ponded water and enable free flow in waterways</li> </ul>	<ul style="list-style-type: none"> <li>Review effectiveness of townsite water management plan</li> <li>Prepare drainage plan for road network</li> </ul>	2014-19	Medium term	Not commenced
<b>EN.6</b> Increase capacity of community to implement NRM and Improve NRM information	<ul style="list-style-type: none"> <li>Education on clearing controls and guidelines</li> <li>Resource sharing NRM to maximise service to the community</li> </ul>	<ul style="list-style-type: none"> <li>Develop local clearing policies and develop and distribute educational information to include environmentally sensitive and community high priority areas</li> <li>Ongoing support to WWLZ</li> </ul>	2013-16	Medium term	<ul style="list-style-type: none"> <li>The development of clearing policies needs further consideration;</li> <li>Educational material could be developed in conjunction with DPaW and WWLZ</li> <li>The Shire has continued both financial and administrative support to WWLZ</li> </ul>
<b>LO.1</b> Implement adopted recommendations from Woodanilling Crime Prevention Plan.	<ul style="list-style-type: none"> <li>Appoint project manager and if necessary Project Team to implement Plan</li> <li>Review Plan on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Liaise with law enforcement agencies for support and to ensure compliance and provide feedback to community</li> <li>Secure funding for identified needs</li> <li>Implement projects</li> </ul>	2013-15	Medium term	<ul style="list-style-type: none"> <li>Plan was due for review. Not actioned due to a lack of funding;</li> <li>Neighbourhood Watch to be implemented in future</li> </ul>

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>LO.2</b> Implementation of Fire Management Plan adopted recommendations including but not limited to: <ul style="list-style-type: none"> <li>• Policies</li> <li>• Committee</li> <li>• Consideration of Town Brigade</li> </ul>	<ul style="list-style-type: none"> <li>• Support Bush Fire Advisory Committee and local Brigades</li> <li>• Annual review of Woodanilling Townsite Fire Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Utilise CESM to support programs</li> <li>• Support for brigades</li> <li>• Support education programs</li> <li>• Source funding for programs</li> <li>• Implement recommendations from Townsite Fire Management Plan</li> </ul>	2013-18	Short term	Implemented in January 2018
<b>LO.6</b> Local Emergency Management to ensure preparedness for local emergencies	<ul style="list-style-type: none"> <li>• Review Local Emergency Management Arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Continue involvement with Shires of Katanning and Kent for local emergency management and utilise CESM to develop joint and local strategies</li> </ul>	2013-18	Short term	The Shire has continued to successfully be a part of, and use the CESM Program
<b>CS.2</b> Understanding and use of industry innovations to enable improvements in customer service for all areas of the Shire.	<ul style="list-style-type: none"> <li>• Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Engage specialty consultants to identify customer service innovations</li> <li>• Implement innovations that have direct benefit to Shire and Community</li> </ul>	2014-15	Short term	Training undertake by staff as follows: <ul style="list-style-type: none"> <li>• Handling Difficult Customers;</li> <li>• Ongoing Vehicle licensing training;</li> <li>• Reviews of workflow issues undertaken</li> </ul>
<b>CS.3</b> Ensure quality decision making by Council is supported by good policies, procedures and legislation	<ul style="list-style-type: none"> <li>• Regular review of policies and existing related plans including use of benchmarking via 4WD VROC</li> </ul>	<ul style="list-style-type: none"> <li>• Update Policy Manual annually</li> <li>• Utilise 4WD VROC as primary benchmark targets</li> <li>• Implement 4WD VROC Common Compliance Systems recommendations</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>• The policy manual and delegations to the CEO were reviewed in May 2018;</li> <li>• The Shire continues to work effectively with the 4WDL;</li> <li>• Common compliance systems were implemented in 2015/16</li> </ul>

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CS.4</b> Embracing the Use of new technology to deliver services	<ul style="list-style-type: none"> <li>Develop, adopt and implement IT Plan</li> <li>Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>Develop and Adopt IT Plan</li> <li>Implement IT Plan</li> <li>Implement strategies for reducing paper usage by year 3</li> <li>Utilise social networking sites that benefit Shire &amp; Community</li> </ul>	2013-15	Ongoing	<ul style="list-style-type: none"> <li>A new server was installed;</li> <li>Implemented the NBN for the Shire;</li> <li>Most staff had computers upgraded;</li> <li>Office is secured by security alarm system;</li> <li>The administration has implemented a number of paper saving strategies;</li> <li>The Shire's Facebook Page was implemented in 2017</li> </ul>
<b>CS.5</b> Ensure adequate staffing resources are provided to meet statutory requirement and customer expectations	<ul style="list-style-type: none"> <li>Regular review of staff workload</li> <li>Use of casual and flexible hours to attract quality and experienced staff</li> <li>Use of Traineeships where possible</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a workload analysis and review by CEO and Managers accordingly</li> <li>Establish flexible working policy and guidelines</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>The Shire needs to review its workforce plan;</li> <li>Undertook Work for the Dole Scheme</li> </ul>
<b>CS.6</b> Enhance the image of the Shire and establish a relationship with the public to reflect credibility on the organisation.	<ul style="list-style-type: none"> <li>Develop communication strategy</li> <li>Identify key community members to assist with communication</li> </ul>	<ul style="list-style-type: none"> <li>Develop adopt and implement Communication Strategy and</li> <li>Identify and liaise with key community members</li> </ul>	2013-14	Ongoing	<ul style="list-style-type: none"> <li>Adopted an engagement policy on 15 May 2018;</li> <li>DCEO has community network in place</li> </ul>
<b>GO.3</b> Councillor for a Day program – support innovative ideas to encourage community participation in Council elections.	<ul style="list-style-type: none"> <li>Engage sitting Councillors to participate in the program</li> </ul>	<ul style="list-style-type: none"> <li>Issue one invitation every 2nd month allowing each Councillor to nominate one person each calendar year</li> <li>Implement training sessions that allow community to participate</li> </ul>	2013-15	Medium term	Community are invited to election information sessions
<b>GO.4</b> Financial Management Plan – implementation and regular reporting on long term plan.	<ul style="list-style-type: none"> <li>See Integrated Planning &amp; Reporting Advisory Standard</li> </ul>		2013-14	Ongoing	Not undertaken effectively

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>GO.6</b> Preparation of relevant local laws as determined by community need.	<ul style="list-style-type: none"> <li>Identify need and develop required new local laws (other than those identified in Law and Order LO.4 section)</li> </ul>	<ul style="list-style-type: none"> <li>Review drafts prepared in 2004 &amp; 2007, select local laws and prepare</li> <li>Adopt local laws (including advertising)</li> </ul>	2014-19	Short term	There were no local laws reviewed or gazetted in 2017/18
<b>GO.7</b> Elected members training including consideration of Company Directors	<ul style="list-style-type: none"> <li>Establish policy for elected members training and decide if policy is voluntary or mandatory</li> </ul>	<ul style="list-style-type: none"> <li>Develop and adopt policy and guidelines</li> <li>Implement training program. Source regional training opportunities – look into hosting where possible</li> <li>Establish a “buddy” system where senior sitting Councillors attend with newly elected Councillors to encourage attendance and to refresh skills</li> </ul>	2013-14	Medium term	<ul style="list-style-type: none"> <li>Policy was not developed;</li> <li>Limited councillor training occurred in 2017/18;</li> <li>Buddy system not used in 2017/18</li> </ul>
<b>GO.8</b> Councillor resourcing to ensure high level of compliance, ethics, skills & knowledge.	<ul style="list-style-type: none"> <li>Identify current Councillor profiles and special interests</li> <li>Identify gaps between the current profiles and the organisational requirements;</li> <li>Identify activities to foster and develop Councillor input</li> </ul>	<ul style="list-style-type: none"> <li>Ensure equal opportunity to participate in committees and project teams</li> <li>Investigate possibility of Councillor portfolios and provide resources and feedback</li> <li>Ensure individual workload is within acceptable limits</li> </ul>	2013-15	Short term	Not pursued in 2017/18
<b>GO.10</b> Implementation of community consultation processes that link the Council and the community to ensure open and accountable government.	<ul style="list-style-type: none"> <li>See Integrated Planning &amp; Reporting Advisory Standard</li> </ul>		2013-15	Short term	Policy 84 - Community Engagement adopted 15 May 2018
<b>GO.11</b> Corporate Risk Management Plan	<ul style="list-style-type: none"> <li>Develop and Implement a Corporate Risk Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop Integrated Corporate Risk Management Plan</li> <li>Implement the plan</li> </ul>	2013-15	Ongoing	Plan not effectively used
<b>RT.1</b> Develop 10 year plan for all Priority 1 roads as per the Road Asset Management Plan.	<ul style="list-style-type: none"> <li>Identify future trends for use of road</li> <li>Identify resources to prepare plan</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and adopt Plan</li> <li>Implement plan in accordance with funding opportunities</li> </ul>	2013-18	Short term	Requirements to develop an effective 10 Year Plan identified

Tracking Key:

0-49%

50-69%

70-100%



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>RT.2</b> Rural intersection program:	<ul style="list-style-type: none"> <li>Revisit Black Spot application for Robinson Rd/GS Hwy</li> <li>Identify “problem” intersections</li> </ul>	<ul style="list-style-type: none"> <li>Source funding for program</li> <li>Implement program in accordance with funding opportunities</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>Blackspot Application for Robinson Rd/GS Hwy developed. To be submitted in 2018/19;</li> <li>Problem intersections to be identified in 2018/19</li> </ul>
<b>RT.3</b> Develop 10 year Drainage Plan, including culverts, floodways, bridges and open drains.	<ul style="list-style-type: none"> <li>Develop in conjunction with RT.1 above</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and adopt Plan</li> <li>Implement plan in accordance with funding opportunities</li> </ul>	2014-19	Short term	To be revisited in 2018/19
<b>RT.4</b> Advocacy for Regional & State based transport systems	<ul style="list-style-type: none"> <li>Advocate for improved Regional and State based transport systems where these systems interconnect with those of the Shire which directly or indirectly impact residents</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy as required</li> </ul>	2013-18	Ongoing	<ul style="list-style-type: none"> <li>RAV network improved in 2017/18;</li> <li>Further RAV network analysis is due in 2018/19</li> </ul>
<b>RT.5</b> Review of Road Asset Management Plans, including road hierarchy.	<ul style="list-style-type: none"> <li>Identify future trends for use of roads</li> </ul>	<ul style="list-style-type: none"> <li>Review trends annually and amend plan and hierarchy as required</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>Work was progressed on the Road Asset Management Plan;</li> <li>Framework to be developed in 2018/19</li> </ul>
<b>RT.6</b> Identify opportunities to increase plant utilisation	<ul style="list-style-type: none"> <li>Support and encourage staff to develop opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Set targets for plant utilisation within realistic parameters and monitor achievements</li> </ul>	2013-18	Long term	An effective Plant Utilisation strategy (Plant Replacement Program) to be developed in 2018/19

Tracking Key:

0-49%

50-69%

70-100%



## FREEDOM OF INFORMATION

This information statement is published in accordance with the *Freedom of Information Act 1992*.

### STRUCTURE AND FUNCTIONS OF COUNCIL

The Shire of Woodanilling is established under the Local Government Act 1995, and has the responsibility for the administration of this Act within the municipality. Other major legislation, which creates a duty or an authority for Council to act, includes but is not limited to

- Health Act 1911
- Cat Act 2011
- Town Planning and Development Act 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cemeteries Act 1986

### COUNCIL

Council's affairs are managed by six people elected from the community who act in a voluntary capacity. The Council acts as a community board, establishing policies and making decisions within the requirements of the Local Government Act on a wide range of issues

affecting the community, and in keeping with the legislative requirements to:

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council
- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.
- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the third Tuesday of each month commencing at 3.00pm except January. All members of the public are welcome to attend.



# SERVICES TO THE COMMUNITY

Council provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- Building control
- Bush fire control
- Cemeteries
- Citizenship ceremonies
- Crossovers
- Demolition permits
- Dog control
- Cat control
- Drainage
- Environmental health
- Fire prevention
- Library services
- Street bins
- Media releases
- Parks and reserves
- Planning controls
- Playground equipment
- Public health services
- Public buildings for hire
- Public toilets
- Recreation/sporting facilities
- Roads, footpaths and kerbs
- Rubbish collection
- Storm water drainage
- Street lighting
- Traffic control works
- Playgroup
- LEMAC (Local Emergency Management Advisory Committee)
- Weed control on reserves

- Natural Resource Management/ Landcare

## COUNCIL COMMITTEES

Shire Committees have been formed to manage specific areas of council. They include:

### AUDIT COMMITTEE

The Audit Committee is the only compulsory committee of Council. It has specific functions including assisting with the annual audit of the financial statements, review of the Compliance Audit Return and assisting the CEO with various functions and reporting.

### COMMUNITY DEVELOPMENT COMMITTEE

Consider matters relevant to public halls, recreation and sport, library, heritage (other than natural heritage), other cultural issues, housing, town planning, protection of the environment (natural heritage), sanitation and refuse, public conveniences, cemetery, rural services, tourism, building control, other economic services, governance issues, financial matters, health services, education, fire protection, animal control, other law order and public safety issues including local laws.

### TRANSPORT PLANT AND WORKS COMMITTEE

Consider matters relative to transport issues, road works, plant replacement and repair.







## EQUAL OPPORTUNITY STATEMENT

This Council recognises its legal obligations under the Equal Opportunities Act, 1984 and will actively promote equal employment opportunity based solely on merit to ensure that discrimination does not occur on the grounds of gender, marital status, pregnancy, race, and disability, religious or political convictions.

All employment training with this Council will be directed towards providing equal opportunity to all employees providing their relevant experience, skills and ability meet the minimum requirements for such promotion.

All offers of employment within this Council will be directed towards providing equal opportunity to

prospective employees provided their relevant experience, skills and ability meet the minimum requirements for engagement.

This Council will not tolerate harassment within its workplace. Harassment is defined as any unwelcome, offensive action or remark concerning a person's race, colour, language, ethnicity, political or religious convictions, gender, marital status or disability.

The Equal Employment Opportunity goals of this Council are designed to provide an enjoyable, challenging, involving, harmonious work environment for all employees where each has the opportunity to progress to the extent of their ability.



# OCCUPATIONAL HEALTH & SAFETY REPORT

The Shire of Woodanilling is committed to providing a safe and healthy work environment for all employees, contractors and visitors. To achieve this, the council has allocated responsibilities and accountabilities to all levels of persons within the council to ensure the maintenance of the occupational safety and health program is optimal.

Continuous improvement incentives have been incorporated into the Occupational Safety and Health Management Plan aimed at achieving the Shire of Woodanilling safety objectives and targets.

The objectives of this policy are to achieve:

- An annual reduction of workplace injury and disease.
- The provision and maintenance of a safe workplace, plant and systems of work.
- The identification, elimination (as far as practicable) and control of workplace hazards.

- The provision of information, supervision and training to employees to ensure work is performed safely and to a high standard
- A safety culture where best practice initiatives are entrenched in daily business activities.
- Compliance with the relevant Occupational Safety and Health legislation, Standards and Codes of Practice.

The Shire of Woodanilling encourages a consultative process to improve safety within the workplace and will provide the time and resources required to minimise the risk of injury, harm or damage to the council's employees and property.

Safety is considered a shared responsibility between the employer and employee and the council will strive to ensure the compliance and integrity of this policy is maintained.







# DISABILITY ACCESS & INCLUSION PLAN

**OUTCOME 1 - Existing functions, facilities and services are adapted to meet the needs of people with disability.**

- The annual Australia Day Breakfast function is held at the Woodanilling Recreation Shed which provides easy wheelchair access. A public address system is always used to ensure all participants can hear speeches including people with hearing impairment.
- A priority bin service was developed to assist people who are unable to move their bin to and from the kerbside, upon request.
- Provide large print books for vision impaired community members

**OUTCOME 2 - Access to buildings and facilities has been improved.**

- The new Woodanilling Recreation Centre Pavilion building provided an accessible toilet and entrance doors were at ground level to enable easy wheelchair access.
- Improved access was provided to Council's administration building, including a paved and ramped entry paths and relocation of easy access parking bays.
- Unisex accessible public toilets were built at the town's Centenary Park.
- Footpaths in the main street were upgraded and kerb ramps installed.

**OUTCOME 3 - Information about functions, facilities and services is provided in formats which meet the communication needs of people with disability.**

- Information was made available in alternative formats on request.

**OUTCOME 4 - Employee awareness of the needs of people with disability and skills in delivering services is improved.**

- Administration centre staff viewed a training DVD which gave practical advice on providing good customer service to people with a variety of disabilities (October 2010).

**OUTCOME 5 & 6 - Opportunities are provided for people with disability to participate in public consultations, grievance mechanisms and decision-making processes.**

- Information on consultations was simplified and made available in alternative formats upon request.
- Municipal election voting was held in accessible buildings and some voting booths were modified to suit people using wheelchairs, and postal voting was accepted.

**OUTCOME 7 - People with disability have the same opportunity as other people to obtain and maintain employment with the Shire of Woodanilling.**

- Introduction of recruitment practices to ensure equal employment opportunities.



# NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

## COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000.

In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Woodanilling has reviewed its

activities in line with advice from the Department of Local Government Circular No 806 and has found that none of its activities are "Significant Business Activity" for competitive neutrality requirements.

The Shire of Woodanilling did not privatise any activities in 2017/2018 consequently there were no obligations to report in this area.

## LEGISLATIVE REVIEW

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

No new local laws were created or reviewed in 2017/2018.



# RECORD KEEPING PLAN

Council's revised Record Keeping Plan was adopted by Council on 17 May 2016.

## RECORD KEEPING POLICY

### POLICY STATEMENT

The Shire of Woodanilling is committed to making and keeping full and accurate records of its business transactions and its official activities. Records created and received by Shire personnel and contractors, irrespective of format, are to be managed in accordance with the Shire's Recordkeeping Plan and this Records Management Policy and Procedures Manual. Records will not be destroyed except by reference to the General Disposal Authority for Local Government Records and the General Disposal Authority for Source Records.

### RATIONALE

A systematic approach to records management within any organisation is vital to protect and preserve the information contained within the organisation's records. These policies and guidelines support recordkeeping in the Shire of Woodanilling by:

- Providing support for effective decision making, business efficiency, litigation protection, managed information flows and retention of the corporate memory;
- Managing the risks that may result from inadequate records practices;
- Providing uniform protection and controlled access for records in all formats;
- Ensuring that all employees and contractors understand and can comply with the legislative and business requirements of recordkeeping; and
- Ensuring that Shire of Woodanilling personnel understand that the records of the Shire are corporate assets and government records and do not belong to individuals.

### GUIDELINES

The Shire of Woodanilling has implemented systematic records management policies, procedures and practices to ensure the capture and management of all its records, irrespective of format. All elected members and staff will ensure that full and accurate records are created to reflect business transactions and decisions.

The Shire uses a standard method to identify and retrieve the records it holds, through the use of a File Listing. The Shire currently uses the filing system within LOGIS Synergy Soft Central Records as its formal records management system.

Synergy Soft Central Records is an eDRMS. The Shire of Woodanilling has set up standards in accordance with the General Disposal Authority for Source Records which will be applied to all incoming and outgoing hard copies of records. All hard copy source records will undergo a digitisation process.

Source Records will only be disposed of in accordance with the State Records Office's General Disposal for Source Records.

Corporate records will only be disposed of in accordance with the State Records Office's General Disposal Authority for Local Government Records. The objectives of the Shire of Woodanilling RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government's records.

### STATE RECORDS COMMISSION

#### STANDARD 2: PRINCIPLE 6 COMPLIANCE

Government organizations ensure their employees comply with the record keeping plan.

## 6.1 STAFF TRAINING, INFORMATION SESSIONS

The Shire of Woodanilling has implemented the following activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan:

Activities to ensure staff awareness and compliance	YES	NO
Presentations on various aspects of the Local Government's recordkeeping program are conducted. These are delivered to all staff on a regular basis.	✓	
In-house recordkeeping training sessions for staff are conducted.	✓	
From time to time an external consultant is brought in to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organization whenever practicable.	✓	
Staff information sessions are conducted on a regular basis for staff as required.	✓	
The Local Government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.		
The Local Government's Intranet is used to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.	✓	
The Local Government's Induction Program for new employees includes an introduction to the Local Government's recordkeeping system and program, and information on their recordkeeping responsibilities.	✓	

Coverage of the training/information sessions as detailed here extends to all staff. However, records management staff are offered more frequent and more specialised training where required.

Please refer to Appendix 8 for samples of training and induction information.

## 6.2 PERFORMANCE INDICATORS IN PLACE

The following performance indicators are being set in place to measure the efficiency and effectiveness of the Shire of Woodanilling's recordkeeping systems:

- IT Vision system upgrades are implemented annually
- Staff survey eliciting feedback on use, effectiveness or recordkeeping system/training annually: and
- Number of new staff attending Records induction

The Shire of Woodanilling aims to review these performance indicators and determine if further performance indicators should be put in place at the end of the 2016/17 financial year.

## 6.3 AGENCY'S EVALUATION

There is a need for some reviews of the Shire of Woodanilling's recordkeeping systems in the following areas records digitization. The Shire has continued to seek areas of improvement and based on consultation with staff a digitization program is to be implemented by July 2016.

## 6.4 ANNUAL REPORT

An excerpt from the Shire of Woodanilling's latest Annual Report is attached, demonstrating the organization's compliance with the State Records Act 2000, its Recordkeeping Plan and the training provided for staff. Please refer to Appendix 9.

## 6.5 IDENTIFIED AREAS FOR IMPROVEMENT

Whilst the Shire of Woodanilling's staff training and information sessions are adequate, further development of the staff induction procedure is ongoing. A formal schedule for staff training is being developed and will be completed by September 2016..



# FINANCIAL REPORTS



## SHIRE OF WOODANILLING

PERIOD OF AUDIT: YEAR ENDED 30 June 2018

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Bridge Infrastructure Revaluation		✓	

## KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

**SHIRE OF WOODANILLING**

**PERIOD OF AUDIT: YEAR ENDED 30 June 2018**

**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**1. Bridge Infrastructure Revaluation**

**Finding**

Audit testing identified that the bridge subclass was not revalued with all other Infrastructure assets in that asset class.

As a result, Management had to seek an urgent valuation to ensure that Bridge amounts were accurately reflecting fair value. The valuation was undertaken resulting in an increase in value of \$529,435.

**Rating: Moderate**

**Implication**

When a class of assets are revalued, the entire class is to be revalued in accordance with accounting standards. Otherwise, there will be inconsistent valuation approaches within an asset class, which may mislead users.

**Recommendation**

Management should ensure that valuations are carried out for an entire class of assets at the same time.

**Management Comment**

Noted.

<b>Responsible Person:</b>	Sean Fletcher, Acting Chief Executive Officer
<b>Completion Date:</b>	11 December 2018





Our Ref: 7966

Ms Belinda Knight  
Chief Executive Officer  
Shire of Woodanilling  
PO Box 99  
WOODANILLING WA 6316



7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mail to: Perth BC  
PO Box 8489  
PERTH WA 6849

Tel: (08) 6557 7500  
Fax: (08) 6557 7600  
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Dear Ms Knight

## **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018**

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Amendment (Auditing) Act 2017*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

### **Management Control Issues**

I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit. Findings from our interim audit were reported to you on 5 June 2018, following completion of our interim audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7525 if you would like to discuss these matters further.

Yours faithfully

KELLIE TONICH  
ACTING SENIOR DIRECTOR  
FINANCIAL AUDIT  
18 December 2018

Attach

**SHIRE OF WOODANILLING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

In 2022 the Shire of Woodanilling will be a Shire that is energetic and progressive with a strong connection to its community and environment. It will be a Shire that embraces its independence and encourages the sustainable development of the natural environment through ways that value the cultural heritage and sense of place provided by living in Woodanilling.

**Principal place of business:**  
3316 Robinson Road  
Woodanilling WA 6316.

**SHIRE OF WOODANILLING  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Woodanilling for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Woodanilling at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 17<sup>th</sup> day of DECEMBER 2018

  
\_\_\_\_\_  
A / Chief Executive Officer

Sean K Fletcher  
\_\_\_\_\_  
Name of Chief Executive Officer





**STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	18(a)	687,398	681,754	633,062
Operating grants, subsidies and contributions	2(a)	2,577,200	3,583,032	1,461,426
Fees and charges	2(a)	325,219	328,170	337,678
Interest earnings	2(a)	13,251	14,000	14,919
Other revenue	2(a)	(156)	600	(2,224)
		<u>3,602,912</u>	<u>4,607,556</u>	<u>2,444,861</u>
<b>Expenses</b>				
Employee costs		(1,011,154)	(981,485)	(942,923)
Materials and contracts		(1,803,839)	(3,636,488)	(612,424)
Utility charges		(82,128)	(53,300)	(51,154)
Depreciation on non-current assets	9(b)	(803,333)	(1,025,214)	(921,356)
Insurance expenses		(75,767)	(82,150)	(80,176)
Other expenditure		(251,692)	101,854	59,156
		<u>(4,027,913)</u>	<u>(5,676,783)</u>	<u>(2,548,877)</u>
		(425,001)	(1,069,227)	(104,016)
 Non-operating grants, subsidies and contributions	2(a)	659,132	1,434,695	1,329,006
Profit on asset disposals	9(a)	0	0	388
(Loss) on asset disposals	9(a)	(6,323)	0	(3,262)
(Loss) on revaluation of land and buildings	7(b)	0	0	(56,550)
<b>Net result</b>		<u>227,808</u>	<u>365,468</u>	<u>1,165,566</u>
 <b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	4,901,300	0	(1,125,489)
<b>Total other comprehensive income</b>		<u>4,901,300</u>	<u>0</u>	<u>(1,125,489)</u>
 <b>Total comprehensive income</b>		<u><u>5,129,108</u></u>	<u><u>365,468</u></u>	<u><u>40,077</u></u>

This statement is to be read in conjunction with the accompanying notes.



**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>	2(a)			
Governance		9,311	6,700	900
General purpose funding		1,519,630	1,076,231	1,894,602
Law, order, public safety		151,503	48,935	48,379
Health		470	525	265
Education and welfare		95,204	99,610	57,690
Housing		15,107	11,210	13,799
Community amenities		31,068	27,450	30,569
Recreation and culture		1,233	4,985	2,836
Transport		1,708,976	3,253,730	341,578
Economic services		35,907	18,500	9,351
Other property and services		34,503	59,680	44,892
		<b>3,602,912</b>	<b>4,607,556</b>	<b>2,444,861</b>
<b>Expenses</b>	2(a)			
Governance		(180,995)	(194,030)	(172,413)
General purpose funding		(16,744)	(18,700)	(12,050)
Law, order, public safety		(240,636)	(146,130)	(136,829)
Health		(39,358)	(44,265)	(49,336)
Education and welfare		(51,055)	(53,790)	(42,468)
Housing		(43,440)	(43,434)	(53,720)
Community amenities		(121,375)	(138,645)	(136,574)
Recreation and culture		(215,930)	(219,790)	(188,313)
Transport		(3,020,161)	(4,706,574)	(1,722,601)
Economic services		(79,046)	(59,425)	(40,093)
Other property and services		(19,173)	(52,000)	5,520
		<b>(4,027,913)</b>	<b>(5,676,783)</b>	<b>(2,548,877)</b>
		<b>(425,001)</b>	<b>(1,069,227)</b>	<b>(104,016)</b>
<b>Non-operating grants, subsidies and contributions</b>	2(a)	659,132	1,434,695	1,329,006
Profit on disposal of assets	9(a)	0	0	388
(Loss) on disposal of assets	9(a)	(6,323)	0	(3,262)
(Loss) on revaluation of land and buildings	7(b)	0	0	(56,550)
		<b>652,809</b>	<b>1,434,695</b>	<b>1,269,582</b>
<b>Net result</b>		<b>227,808</b>	<b>365,468</b>	<b>1,165,566</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	4,901,300	0	(1,125,489)
<b>Total other comprehensive income</b>		<b>4,901,300</b>	<b>0</b>	<b>(1,125,489)</b>
<b>Total comprehensive income</b>		<b>5,129,108</b>	<b>365,468</b>	<b>40,077</b>

This statement is to be read in conjunction with the accompanying notes.





**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,065,643	1,565,765
Trade and other receivables	5	933,827	153,998
Inventories	6	16,210	15,887
<b>TOTAL CURRENT ASSETS</b>		<b>2,015,680</b>	<b>1,735,650</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	31,026	31,026
Property, plant and equipment	7	7,310,357	7,647,522
Infrastructure	8	24,617,839	19,147,754
<b>TOTAL NON-CURRENT ASSETS</b>		<b>31,959,222</b>	<b>26,826,302</b>
<b>TOTAL ASSETS</b>		<b>33,974,902</b>	<b>28,561,952</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	357,199	94,705
Provisions	13	141,627	158,125
<b>TOTAL CURRENT LIABILITIES</b>		<b>498,826</b>	<b>252,830</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	59,962	22,116
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>59,962</b>	<b>22,116</b>
<b>TOTAL LIABILITIES</b>		<b>558,788</b>	<b>274,946</b>
<b>NET ASSETS</b>		<b>33,416,114</b>	<b>28,287,006</b>
<b>EQUITY</b>			
Retained surplus		14,175,484	13,368,538
Reserves - cash backed	4	224,167	803,305
Revaluation surplus	10	19,016,463	14,115,163
<b>TOTAL EQUITY</b>		<b>33,416,114</b>	<b>28,287,006</b>

This statement is to be read in conjunction with the accompanying notes.





**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018**

		RETAINED	RESERVES CASH	REVALUATION	TOTAL
	NOTE	SURPLUS	BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		12,243,336	762,941	15,240,652	28,246,929
Comprehensive income					
Net result		1,165,566	0	0	1,165,566
Changes on revaluation of assets	10	0	0	(1,125,489)	(1,125,489)
Total comprehensive income		1,165,566	0	(1,125,489)	40,077
Transfers from/(to) reserves		(40,364)	40,364	0	0
Balance as at 30 June 2017		13,368,538	803,305	14,115,163	28,287,006
Comprehensive income					
Net result		227,808	0	0	227,808
Changes on revaluation of assets	10	0	0	4,901,300	4,901,300
Total comprehensive income		227,808	0	4,901,300	5,129,108
Transfers from/(to) reserves		579,138	(579,138)	0	0
Balance as at 30 June 2018		14,175,484	224,167	19,016,463	33,416,114

This statement is to be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		696,453	681,754	632,104
Operating grants, subsidies and contributions		1,800,281	3,584,082	1,389,164
Fees and charges		325,219	328,170	337,678
Interest earnings		13,251	14,000	14,919
Goods and services tax		167,340	0	0
Other revenue		(156)	600	(2,224)
		3,002,388	4,608,606	2,371,641
<b>Payments</b>				
Employee costs		(990,113)	(981,485)	(925,054)
Materials and contracts		(1,541,361)	(3,636,488)	(593,598)
Utility charges		(82,128)	(53,300)	(51,154)
Insurance expenses		(75,767)	(82,150)	(80,176)
Goods and services tax		(179,305)	0	0
Other expenditure		(251,692)	101,854	59,156
		(3,120,366)	(4,651,569)	(1,590,826)
<b>Net cash provided by (used in) operating activities</b>	14	(117,978)	(42,963)	780,815
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(62,300)	(1,199,250)	(914,994)
Payments for construction of infrastructure		(990,794)	(1,120,550)	(559,517)
Non-operating grants, subsidies and contributions		659,132	1,434,695	1,329,006
Proceeds from sale of fixed assets		11,818	240,000	68,182
<b>Net cash provided by (used in) investment activities</b>		(382,144)	(645,105)	(77,323)
<b>Net increase (decrease) in cash held</b>		(500,122)	(688,068)	703,492
<b>Cash at beginning of year</b>		1,565,765	1,557,828	862,273
<b>Cash and cash equivalents at the end of the year</b>		1,065,643	869,760	1,565,765

This statement is to be read in conjunction with the accompanying notes.



**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)		679,515	457,383	(21,798)
		679,515	457,383	(21,798)
<b>Revenue from operating activities (excluding rates)</b>				
Governance		9,311	6,700	900
General purpose funding		833,582	394,477	1,261,540
Law, order, public safety		151,503	48,935	48,379
Health		470	525	265
Education and welfare		95,204	99,610	57,690
Housing		15,107	11,210	13,799
Community amenities		31,068	27,450	30,569
Recreation and culture		1,233	4,985	2,836
Transport		1,708,976	3,253,730	341,966
Economic services		35,907	18,500	9,351
Other property and services		34,503	59,680	44,892
		2,916,864	3,925,802	1,812,188
<b>Expenditure from operating activities</b>				
Governance		(180,995)	(194,030)	(172,413)
General purpose funding		(16,744)	(18,700)	(12,050)
Law, order, public safety		(240,636)	(146,130)	(136,829)
Health		(39,358)	(44,265)	(49,336)
Education and welfare		(51,055)	(53,790)	(42,468)
Housing		(43,440)	(43,434)	(53,720)
Community amenities		(121,375)	(138,645)	(136,574)
Recreation and culture		(215,930)	(219,790)	(188,313)
Transport		(3,026,484)	(4,706,574)	(1,725,863)
Economic services		(79,046)	(59,425)	(40,093)
Other property and services		(19,173)	(52,000)	(51,030)
		(4,034,236)	(5,676,783)	(2,608,689)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	0	0	(388)
Loss on disposal of assets	9(a)	6,323	0	3,262
Movement in employee benefit provisions (non-current)		37,846	0	1,659
Depreciation and amortisation on assets	9(b)	803,333	1,025,214	921,356
<b>Amount attributable to operating activities</b>		409,645	(268,384)	164,140
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		659,132	1,434,695	1,329,006
Proceeds from disposal of assets	9(a)	11,818	240,000	68,182
Purchase of land held for resale		0	0	0
Purchase of property, plant and equipment	7(b)	(62,300)	(1,199,250)	(914,994)
Purchase and construction of infrastructure	8(b)	(990,794)	(1,120,550)	(559,517)
<b>Amount attributable to investing activities</b>		(382,144)	(645,105)	(77,323)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	4	(216,730)	(59,830)	(153,871)
Transfers from reserves (restricted assets)	4	795,868	330,547	113,507
<b>Amount attributable to financing activities</b>		579,138	270,717	(40,364)
<b>Surplus(deficiency) before general rates</b>		606,639	(642,772)	46,453
<b>Total amount raised from general rates</b>	18	686,048	681,754	633,062
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	19	<b>1,292,687</b>	<b>38,982</b>	<b>679,515</b>

This statement is to be read in conjunction with the accompanying notes.



## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 22 to these financial statements.

## AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

### Crown Land

#### Crown Land Not Under Roads

Crown land other than land under roads is prohibited from being recorded as an asset of the local government except where it is a golf course, showground, racecourse or any other sporting or recreational facility of state or regional significance.

#### Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

## 2. REVENUE AND EXPENSES

	2018 Actual	2017 Actual
	\$	\$
(a) Revenue		
Other revenue		
Other	(156)	(2,224)
	(156)	(2,224)
Fees and Charges		
Governance	3,780	808
General purpose funding	910	1,370
Law, order, public safety	5,448	24,069
Health	470	265
Education and welfare	52,916	31,776
Housing	12,480	8,340
Community amenities	31,068	30,569
Recreation and culture	1,233	2,822
Transport	179,562	225,640
Economic services	35,907	9,351
Other property and services	1,445	2,668
	325,219	337,678

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

	2018	2017
	\$	\$
Significant revenue		
Early payment of WA Local Government Grants		
Commission Financial Assistance Grant	436,534	432,488
Amount of reimbursement for flood damage received	1,488,672	47,748



## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

Grants, subsidies and contributions are included as operating and non-operating revenues in the Statement of Comprehensive Income:

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
Governance	5,755	174
General purpose funding	817,502	1,244,735
Law, order, public safety	146,356	25,445
Education and welfare	42,289	25,914
Housing	2,627	5,459
Transport	1,529,615	117,473
Other property and services	33,056	42,226
	2,577,200	1,461,426
<b>Non-operating grants, subsidies and contributions</b>		
Education and welfare	6,706	610,718
Recreation and culture	42,400	0
Transport	610,026	718,288
	659,132	1,329,006
<b>Total grants, subsidies and contributions</b>	<b>3,236,332</b>	<b>2,790,432</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

##### Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 17.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
<b>Interest earnings</b>			
- Reserve funds	8,630	6,000	10,423
- Other funds	764	500	562
Other interest revenue (refer note 18(c))	3,857	7,500	3,934
	13,251	14,000	14,919

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2018	2017
	\$	\$
Auditors remuneration		
- Audit of the Annual Financial Report	18,356	27,222
	18,356	27,222
Significant Expenses		
Expenditure on flood damage re-instatement	1,636,270	63,967
Revaluation of Assets through profit and loss	0	56,550

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		806,120	554,405
Restricted		259,523	1,011,360
		<u>1,065,643</u>	<u>1,565,765</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant replacement reserve	4	160,000	400,263
Building reserve	4	15,000	25,081
Affordable housing reserve	4	36,460	22,347
Office equipment reserve	4	5,000	17,777
Recreation reserve	4	0	126,619
Road construction reserve	4	7,707	211,218
Unspent grants	17	35,356	208,056
		<u>259,523</u>	<u>1,011,360</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk

**Cash and cash equivalents (Continued)**

of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant replacement reserve	400,263	160,000	(400,263)	160,000	399,122	8,410	(66,070)	341,462	291,066	109,197	0	400,263
Building reserve	25,081	15,000	(25,081)	15,000	25,009	8,950	0	33,959	137,056	1,532	(113,507)	25,081
Affordable housing reserve	22,347	36,730	(22,617)	36,460	22,233	37,470	0	59,753	355	21,992	0	22,347
Office equipment reserve	17,777	5,000	(17,777)	5,000	17,726	5,000	0	22,726	12,592	5,185	0	17,777
Recreation reserve	126,619	0	(126,619)	0	126,258	0	(1,955)	124,303	113,478	13,141	0	126,619
Road construction reserve	211,218	0	(203,511)	7,707	210,615	0	0	210,615	208,394	2,824	0	211,218
Grants paid in advance	0	0	0	0	262,522	0	(262,522)	0	0	0	0	0
	803,305	216,730	(795,868)	224,167	1,063,535	59,830	(330,547)	792,818	762,941	153,871	(113,507)	803,305

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
Plant replacement reserve	Perpetual	to be used for the purchase of major plant
Building reserve	Perpetual	to be used to meet requirements for providing new buildings for Council purposes
Affordable housing reserve	Perpetual	to be used to provide funding for future housing needs in the shire
Office equipment reserve	Perpetual	to be used for the purchase of office equipment
Recreation reserve	Perpetual	to be used to fund capital improvements & equipment at Woodanilling Recreation Reserve
Road construction reserve	Perpetual	to be used to fund road construction projects

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**5. TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Rates outstanding	40,855	49,910
Sundry debtors	879,957	103,038
Accrued income/payments in advance	13,015	1,050
	<u>933,827</u>	<u>153,998</u>
<b>Non-current</b>		
Investments - BKW Co-op Shares	92	92
Investment in LG House Units	30,934	30,934
	<u>31,026</u>	<u>31,026</u>

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

**Rates outstanding**

Includes:

Past due and not impaired	40,855	31,443
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**Sundry debtors**

Includes:

Past due and not impaired	62,301	64,914
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**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**Classification and subsequent measurement**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**6. INVENTORIES**

**Current**

Fuel, oil & materials on hand

2018	2017
\$	\$
16,210	15,887
16,210	15,887

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	498,000	498,000
	498,000	498,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	25,000	25,000
	25,000	25,000
Total land	523,000	523,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	5,433,644	5,423,228
Buildings - non-specialised - Less: accumulated depreciation	(138,558)	(30,405)
	5,295,086	5,392,823
Total buildings	5,295,086	5,392,823
Total land and buildings	5,818,086	5,915,823
Furniture and equipment at:		
- Management valuation 2016 - level 3	124,208	79,501
Furniture and equipment - Less: accumulated depreciation	(82,644)	(36,231)
	41,564	43,270
Plant and equipment at:		
- Independent valuation 2016 - level 2	3,072,679	3,078,161
Plant and equipment - Less: accumulated depreciation	(1,621,972)	(1,389,732)
	1,450,707	1,688,429
Total property, plant and equipment	7,310,357	7,647,522

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land - freehold land	Land - vested in and under the control of Council	Buildings - non- specialised	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	458,000	142,750	5,690,544	47,807	1,810,439	112,135	8,261,675
Additions	0	0	758,028	7,250	149,716	0	914,994
(Disposals)	0	0	(19)	0	(71,055)	0	(71,074)
Revaluation increments/ (decrements) transferred to revaluation surplus	40,000	(117,750)	(1,047,739)	0	0	0	(1,125,489)
Depreciation (expense)	0	0	(120,126)	(11,787)	(200,671)	0	(332,584)
Transfers	0	0	112,135	0	0	(112,135)	0
Carrying amount at 30 June 2017	498,000	25,000	5,392,823	43,270	1,688,429	0	7,647,522
Additions	0	0	10,416	11,590	40,294	0	62,300
(Disposals)	0	0	0	0	(18,141)	0	(18,141)
Depreciation (expense)	0	0	(108,153)	(13,296)	(259,875)	0	(381,324)
Carrying amount at 30 June 2018	498,000	25,000	5,295,086	41,564	1,450,707	0	7,310,357

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per square metre/market borrowing rate
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to buildings using constructions costs and current condition, residual values and remaining useful life assessments
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition, residual values and remaining useful life assessments
Plant and equipment	2	Market approach using recent observable market data for similar vehicles	Independent valuers	June 2016	Price per item

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Roads		
- Management valuation 2016 - level 3	0	22,255,996
- Independent valuation 2018 - level 3	21,359,772	0
Roads - Less: accumulated depreciation	(2,539,259)	(6,729,777)
	18,820,513	15,526,219
Footpaths		
- Management valuation 2016 - level 3	0	184,525
- Independent valuation 2018 - level 3	184,525	0
Footpaths - Less: accumulated depreciation	(63,807)	(157,888)
	120,718	26,637
Bridges & Drainage		
- Management valuation 2016 - level 3	0	6,139,940
- Independent valuation 2018 - level 3	7,004,042	0
Bridges & Drainage - Less: accumulated depreciation	(1,412,144)	(2,632,185)
	5,591,898	3,507,755
Parks & Ovals		
- Management valuation 2016 - level 3	355,625	355,625
Parks & Ovals - Less: accumulated depreciation	(270,915)	(268,482)
	84,710	87,143
Total infrastructure	24,617,839	19,147,754

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Footpaths	Bridges & Drainage	Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2016	15,467,066	35,863	3,584,504	89,576	19,177,009
Additions	559,517	0	0	0	559,517
Depreciation (expense)	(500,364)	(9,226)	(76,749)	(2,433)	(588,772)
Carrying amount at 30 June 2017	15,526,219	26,637	3,507,755	87,143	19,147,754
Additions	990,794	0	0	0	990,794
Revaluation increments/ (decrements) transferred to revaluation surplus	2,637,101	103,307	2,160,892	0	4,901,300
Depreciation (expense)	(333,601)	(9,226)	(76,749)	(2,433)	(422,009)
Carrying amount at 30 June 2018	18,820,513	120,718	5,591,898	84,710	24,617,839

## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Bridges & Drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Parks & Ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition, residual values and remaining useful life assessments

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.



## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

## 9. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
Toyota Hilux 4 x 4 - Leading Hand	18,141	11,818	0	(6,323)	35,000	35,000	0	0
Isuzu FXZ1550 Truck	0	0	0	0	163,965	163,965	0	0
Volvo BL71 Backhoe	0	0	0	0	41,035	41,035	0	0
	18,141	11,818	0	(6,323)	240,000	240,000	0	0

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	108,153	120,126
Furniture and equipment	13,296	11,787
Plant and equipment	259,875	200,671
Roads	333,601	500,364
Footpaths	9,226	9,226
Bridges & Drainage	76,749	76,749
Parks & Ovals	2,433	2,433
	803,333	921,356

## 9. FIXED ASSETS (Continued)

### (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

##### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

##### Depreciation rates

Major depreciation periods used for each class of depreciable asset are:

Buildings	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	3 to 15 years
Infrastructure	
formation	not depreciated
pavement	40 years
surface structure	33 years
footpaths	50 years
drainage	80 years
parks & ovals	50 years

##### Depreciation (Continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.



# 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Buildings - non-specialised	2,177,676	0	0	0	2,177,676	3,303,165	(1,125,489)	(1,125,489)	2,177,676
Revaluation surplus -Plant and equipment	439,679	0	0	0	439,679	439,679	0	0	439,679
Revaluation surplus - Roads	7,854,551	2,637,101	0	2,637,101	10,491,652	7,854,551	0	0	7,854,551
Revaluation surplus - Footpaths	0	103,307	0	103,307	103,307	0	0	0	0
Revaluation surplus - Bridges & Drainage	3,643,257	2,160,892	0	2,160,892	5,804,149	3,643,257	0	0	3,643,257
	14,115,163	4,901,300	0	4,901,300	19,016,463	15,240,652	(1,125,489)	(1,125,489)	14,115,163

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Accrued salaries and wages  
Accrued expenses  
Income received in advance

	2018	2017
	\$	\$
Sundry creditors	327,783	73,489
Accrued salaries and wages	6,270	6,577
Accrued expenses	11,965	8,882
Income received in advance	11,181	5,757
	<u>357,199</u>	<u>94,705</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect

**Trade and other payables (Continued)**

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

12. INFORMATION ON BORROWINGS (Continued)

(a) Undrawn Borrowing Facilities
Credit Standby Arrangements
Credit card limit
Credit card balance at balance date
<b>Total amount of credit unused</b>

2018	2017
\$	\$
2,000	2,000
(82)	0
<b>1,918</b>	<b>2,000</b>

Unused loan facilities at balance date

NIL NIL

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.



### 13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	87,314	70,811	158,125
Non-current provisions	0	22,116	22,116
	87,314	92,927	180,241
Additional provision	69,519	10,141	79,660
Amounts used	(63,603)	5,291	(58,312)
Balance at 30 June 2018	93,230	108,359	201,589
Comprises			
Current	93,230	48,397	141,627
Non-current	0	59,962	59,962
	93,230	108,359	201,589

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

##### Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

##### Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	227,808	365,468	1,165,566
Non-cash flows in Net result:			
Depreciation	803,333	1,025,214	921,356
(Profit)/loss on sale of asset	6,323	0	2,874
Fair value adjustments to fixed assets at fair value through profit or loss	0	0	56,550
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(779,829)	1,050	(73,220)
(Increase)/decrease in inventories	(323)	0	13,955
Increase/(decrease) in payables	262,494	0	8,287
Increase/(decrease) in provisions	21,348	0	14,453
Grants contributions for the development of assets	(659,132)	(1,434,695)	(1,329,006)
Net cash from operating activities	(117,978)	(42,963)	780,815

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	77,724	0
General purpose funding	58,772	119,075
Law, order, public safety	385,523	270,678
Health	1,369,415	1,374,534
Housing	952,550	790,537
Community amenities	143,470	160,374
Recreation and culture	2,863,832	2,950,491
Transport	25,682,572	21,303,735
Economic services	0	1,592,528
Other property and services	1,291,181	0
Unallocated	1,149,863	0
	33,974,902	28,561,952



## 16. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	19,336	23,100	26,254
President's allowance	5,926	5,926	5,926
Deputy President's allowance	4,936	2,976	2,837
Telecommunications allowance	4,550	6,300	0
	34,748	38,302	35,017

### Key Management Personnel (KMP) Compensation Disclosure

Not including Elected Members above

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	181,016	197,601
Post-employment benefits	29,554	26,223
Other long-term benefits	3,538	4,430
	214,108	228,254

#### Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

#### Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### Transactions with related parties

Transactions between related parties, and the Shire are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	0	73,048
Purchase of goods and services	10,114	0
Short term employee benefits - other related parties	70,304	0

### Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

#### ii Other related parties

Any associate person(s) of KMP employed by the Shire under normal employment terms and conditions.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

17. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Transport</b>							
Roads to Recovery	15,676	451,356	(258,976)	208,056	278,293	(450,993)	35,356
<b>Total</b>	15,676	451,356	(258,976)	208,056	278,293	(450,993)	35,356

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

18. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
Differential general rate / general rate								
<b>Gross rental valuations</b>								
General	0.0998	113	862,881	85,494	0	85,494	85,494	85,494
<b>Unimproved valuations</b>								
General	0.0058	194	104,714,580	604,906	(63)	604,843	602,698	602,698
Urban Farm	0.0499	5	139,184	6,942	0	6,942	6,942	6,942
<b>Sub-Total</b>		312	105,716,645	697,342	(63)	697,279	695,134	695,134
<b>Minimum payment</b>	<b>Minimum \$</b>							
<b>Gross rental valuations</b>								
General	320	45	66,784	14,400	0	14,400	14,400	14,400
<b>Unimproved valuations</b>								
General	320	11	412,500	3,200	0	3,200	3,520	3,520
<b>Sub-Total</b>		56	479,284	17,600	0	17,600	17,920	17,920
		368	106,195,929	714,942	(63)	714,879	713,054	713,054
Discounts/concessions (refer note 18(b))						(28,831)		(31,300)
Total amount raised from general rate						686,048		681,754
Ex-gratia rates						1,350		0
<b>Totals</b>						687,398		681,754

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.



18. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General Rates	5.00%		28,831	31,300	A discount is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.
			28,831	31,300	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Photocopy charges	Community groups such as the Woodanilling Wongi or local Volunteer Bush Fire Brigades.	Encouragement for community service	Council considers support of these groups necessary for the overall benefit of the community.

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	25-Aug-17	0	0.00%	11.00%
<b>Option Three</b>				
First instalment	25-Aug-17	0	0.00%	11.00%
Second instalment	27-Oct-17	6	5.50%	11.00%
Third instalment	5-Jan-18	6	5.50%	11.00%
Fourth instalment	9-Mar-18	6	5.50%	11.00%
				<b>2018</b>
			<b>2018</b>	<b>Budget</b>
			\$	\$
Interest on unpaid rates			3,023	7,000
Interest on instalment plan			834	500
Charges on instalment plan			570	600
			<b>4,427</b>	<b>8,100</b>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 19. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
Surplus/(Deficit) 1 July 17 brought forward	1,292,687	679,515	679,515
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	806,120	554,405	554,405
Restricted	259,523	1,011,360	1,011,360
Receivables			
Rates outstanding	40,855	49,910	49,910
Sundry debtors	879,957	103,038	103,038
Accrued income/payments in advance	13,015	1,050	1,050
Inventories			
Fuel, oil & materials on hand	16,210	15,887	15,887
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(327,783)	(73,489)	(73,489)
Accrued salaries and wages	(6,270)	(6,577)	(6,577)
Accrued expenses	(11,965)	(8,882)	(8,882)
Income received in advance	(11,181)	(5,757)	(5,757)
Provisions			
Provision for annual leave	(93,230)	(87,314)	(87,314)
Provision for long service leave	(48,397)	(70,811)	(70,811)
Unadjusted net current assets	1,516,854	1,482,820	1,482,820
<b>Adjustments</b>			
Less: Reserves - restricted cash	(224,167)	(803,305)	(803,305)
Adjusted net current assets - surplus/(deficit)	1,292,687	679,515	679,515

### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**20. FINANCIAL RISK MANAGEMENT**

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	1,065,643	1,565,765	1,065,643	1,565,765
Receivables	933,827	153,998	933,827	153,998
	<u>1,999,470</u>	<u>1,719,763</u>	<u>1,999,470</u>	<u>1,719,763</u>
<b>Financial liabilities</b>				
Payables	357,199	94,705	357,199	86,418
	<u>357,199</u>	<u>94,705</u>	<u>357,199</u>	<u>86,418</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 20. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
	\$	\$
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	10,656	15,658
- Statement of Comprehensive Income	10,656	15,658

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible interest rate movements.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	37.00%
- Overdue	100.00%	63.00%
Percentage of other receivables		
- Current	92.92%	37.00%
- Overdue	7.08%	63.00%

## 20. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the Shire's Payables are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2018</u>	\$	\$	\$	\$	\$
Payables	357,199	0	0	357,199	357,199
	357,199	0	0	357,199	357,199
<u>2017</u>					
Payables	94,705	0	0	94,705	94,705
	94,705	0	0	94,705	94,705



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

21. TRUST FUNDS

Funds held at balance date over which the Shire has no control  
and which are not included in the financial statements are as follows:

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
LCDC & Landcare Deposits	8,608	0	0	8,608
Unclaimed Monies	280	0	0	280
Woodanilling Wongi	2,867	0	(500)	2,367
Woodanilling Sport & Rec Assn.	415	175	0	590
Insurance Bonus Scheme	18,905	3,666	(1,317)	21,254
Bushfire Brigades	6,705	0	0	6,705
Heritage Scheme Fund	1,732	0	0	1,732
Other Bonds	0	850	0	850
	<u>39,512</u>			<u>42,386</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued / Compiled	Applicable (1)	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

	Title	Issued / Compiled	Applicable (1)	Impact
(iv)	AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

Adoption of New and Revised Accounting Standards

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- |      |   |                |
|------|---|----------------|
| (i)  | AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities  | 1 January 2017 |



## 23. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

### b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

### d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

### f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

### g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

#### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

#### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

### Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

#### Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

#### Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

#### Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

### i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**24. ACTIVITIES/PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<b>HOUSING</b>	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resources which will help the social well being.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic signs. Cleaning of streets.
<b>ECONOMIC SERVICES</b>	To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control the shires overhead operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

25. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.52	2.86	0.87
Asset consumption ratio	0.77	0.65	0.72
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	0.83	0.70	0.60
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.42)	(0.17)	(1.44)
Own source revenue coverage ratio	0.25	0.39	0.34

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

The debt service cover ratio is reported as N/A as the Shire does not have any borrowings.

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	436,534	432,488	0
Amount of Financial Assistance Grant received in prior year relating to current year.	432,488	0	0
Amount of reimbursement for flood damage received	1,488,672	47,748	0
Expenditure on flood damage re-instatement	1,636,270	63,967	0

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	3.53	4.58	2.67
Operating surplus ratio	0.94	(0.60)	(1.07)
Own source revenue coverage ratio	(0.18)	0.39	0.34





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Council of the Shire of Woodanilling

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Woodanilling which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Woodanilling:

- (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 2018 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.

##### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

##### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

***Auditor's Responsibility for the Audit of the Financial Report***

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



## Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
  - b. The Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past three years.

The financial ratios are reported in note 25 of the financial report.

- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 25 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Woodanilling for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2018



Council and Community Hand in Hand



# MARKYT COMMUNITY SCORECARD® 2019

The following group of local councils are planning for the future to meet local and regional needs. You are invited to complete a scorecard to rate local services, facilities and programs in your area.



All residents aged 18 years or older are invited to take part. Please submit one response per person at [www.catalyse.com.au/studies](http://www.catalyse.com.au/studies) or by reply paid post using the envelope provided by **29 March 2019**.

The study is being managed on behalf of your local council by CATALYSE®, an independent company. Responses will remain confidential in accordance with the Privacy Act and Australian Privacy Principles. If you have questions please contact your local council or email [lisa@catalyse.com.au](mailto:lisa@catalyse.com.au) or phone 9226 5674.

**Thank you for your assistance with this important study.**

## D1. Which local council area do you live in and own property in?

	I live in:	I own property in:
Shire of Broomehill Tambellup	<input type="radio"/> 1	<input type="radio"/> 1
Shire of Cranbrook	<input type="radio"/> 2	<input type="radio"/> 2
Shire of Gnowangerup	<input type="radio"/> 3	<input type="radio"/> 3
Shire of Jerramungup	<input type="radio"/> 4	<input type="radio"/> 4
Shire of Katanning	<input type="radio"/> 5	<input type="radio"/> 5
Shire of Kent	<input type="radio"/> 6	<input type="radio"/> 6
Shire of Kojonup	<input type="radio"/> 7	<input type="radio"/> 7
Shire of Plantagenet	<input type="radio"/> 8	<input type="radio"/> 8
Shire of Woodanilling	<input type="radio"/> 9	<input type="radio"/> 9
None of these	<input type="radio"/> 97	<input type="radio"/> 97

## Q1. Overall, how would you rate your local Shire in the following areas?

	Terrible	Poor	Okay	Good	Excellent	Unsure
Your local Shire as a <u>place to live</u>	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 98
Your local Shire as a <u>place to visit</u>	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 98
Your local Shire as the <u>organisation</u> that governs the local area	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 98
<u>Value for money</u> from Council rates	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 98

## Q2. How likely are you to recommend your local Shire as a place to live?

Not at all likely											Extremely likely
0	1	2	3	4	5	6	7	8	9	10	

**Q3. How strongly do you agree or disagree with the following statements:**

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Unsure
1. My local Shire has developed and communicated a clear vision for the area	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
2. My local Shire has a good understanding of community needs	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
3. My local Shire listens to and respects residents' views	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
4. My local Shire provides adequate opportunities for residents and visitors to lead a healthy and active lifestyle	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
5. I feel like I belong in my local community	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
6. I feel safe being out in public in my local community	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>

**Q4. Your local Shire works in partnership with State Government, private organisations and people in the local community to meet a range of community needs. It is also a direct provider of many services and facilities. How would you rate performance in the following areas? If you are not familiar with any of the services or facilities listed, please select 'unsure'.**

Leadership and Communication	Terrible	Poor	Okay	Good	Excellent	Unsure
1. Council's leadership within the community	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
2. Advocacy and lobbying on behalf of the community to influence decisions, support local causes, etc	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
3. The Shire's efforts to work with regional partners (including other local councils, Great Southern Development Commission, etc)	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
4. Openness and transparency of Council processes	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
5. How the Shire embraces change, innovation and new technology	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
6. How the community is consulted about local issues	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
7. How the community is informed about what's happening in the local area (including local issues, events, services and facilities)	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
8. Shire's website	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
9. Social media presence on Facebook	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
10. Customer service	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>

Natural Environment	Terrible	Poor	Okay	Good	Excellent	Unsure
11. Conservation and environmental management (including Landcare activities)	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
12. Promoting and adopting sustainable practices	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
13. Efforts to adapt to climate change	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
14. Efforts to reduce waste	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
15. Waste collection services	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
16. Animal and pest control	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>
17. Natural disaster management (education, prevention and relief for fires, flooding, etc)	<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>98</sub>



Economic Development		Terrible	Poor	Okay	Good	Excellent	Unsure
18.	Economic development (efforts to attract investors, attract and retain businesses, grow tourism and create job opportunities)	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
19.	Agricultural development (efforts to grow and develop agriculture and protect prime agricultural land)	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
20.	Tourism attractions and marketing	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
21.	How your local town centre is being developed	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
22.	Access to goods and services in the local area	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
23.	Access to education, training and personal development opportunities	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98

Community Development		Terrible	Poor	Okay	Good	Excellent	Unsure
24.	Services and facilities for families and children	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
25.	Services and facilities for youth	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
26.	Services and care available for seniors	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
27.	Access to services and facilities for people with disabilities	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98

Community Services		Terrible	Poor	Okay	Good	Excellent	Unsure
28.	Access to health and community services	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
29.	Community buildings, halls and toilets	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
30.	Sport and recreation facilities	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
31.	Playgrounds, parks and reserves	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
32.	Public health and wellbeing programs and education	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
33.	Safety and security	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98

Art and Culture		Terrible	Poor	Okay	Good	Excellent	Unsure
34.	Library and information services	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
35.	Festivals, events, art and cultural activities	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
36.	How local history and heritage is preserved and promoted	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
37.	How local Aboriginal people, history and heritage are recognised and respected	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98

Built Environment		Terrible	Poor	Okay	Good	Excellent	Unsure
38.	The area's character and identity	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
39.	Managing responsible growth and development	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
40.	Planning and building approvals	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
41.	Access to housing that meets your needs	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
42.	Streetscapes	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
43.	Lighting of streets and public places	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
44.	Building and maintaining local roads	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
45.	Traffic management on local roads	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98
46.	Footpaths, trails and cycleways	<input type="radio"/> _1	<input type="radio"/> _2	<input type="radio"/> _3	<input type="radio"/> _4	<input type="radio"/> _5	<input type="radio"/> _98

**Q5. Overall, what would you mostly like your local Shire to focus on improving?**

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**Q6. How would you prefer to receive updates about Shire news, events, activities and services?**  
Please choose your TOP 3 responses.

Printed Shire newsletter	e-Newsletter	Shire website	Social media (Facebook, Twitter, etc)	Community newspaper	Posters/ community noticeboards	None of these
<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>6</sub>	<input type="radio"/> <sub>97</sub>

**Q7. How would you prefer to have your say on local issues or projects?** Please choose your TOP 3 responses.

Speak with a staff member or Councillor	Postal survey	Online survey	Public meeting	Focus group discussion	Online forum / chat room	Social media (Facebook, Twitter, etc)	None of these
<input type="radio"/> <sub>1</sub>	<input type="radio"/> <sub>2</sub>	<input type="radio"/> <sub>3</sub>	<input type="radio"/> <sub>4</sub>	<input type="radio"/> <sub>5</sub>	<input type="radio"/> <sub>6</sub>	<input type="radio"/> <sub>7</sub>	<input type="radio"/> <sub>97</sub>

**Q8. Over the past 12 months, have you done any unpaid voluntary work?**

For example, welfare work, being on committees, coaching a sporting team, canteen duties, school P&C activities, etc.

Yes ☐ <sub>1</sub>      No ☐ <sub>2</sub>

The following questions help us to classify responses. We would be grateful if you would indicate:

**D2. Which area/town do you live in?** please write in:

**D3. Do you live on a farm or rural property?** Yes ☐ <sub>1</sub>      No ☐ <sub>2</sub>

**D4. Your gender:** Male ☐ <sub>1</sub>      Female ☐ <sub>2</sub>      Other ☐ <sub>3</sub>

**D5. Your age:** 18-34 ☐ <sub>1</sub>      35-54 ☐ <sub>2</sub>      55-64 ☐ <sub>3</sub>      65+ ☐ <sub>4</sub>

**D6. Do you have any children living in your household aged:** 0-5 years ☐ <sub>1</sub>      6-12 years ☐ <sub>2</sub>      13-17 years ☐ <sub>3</sub>      18+ years ☐ <sub>4</sub>      No children ☐ <sub>5</sub>

**D7. Do you, or anyone in your household, identify with the following groups:** Person with a disability or impairment ☐ <sub>1</sub>      Aboriginal / Torres Strait Islander ☐ <sub>2</sub>      Born overseas and mainly speak a language other than English at home ☐ <sub>3</sub>      None of these ☐ <sub>4</sub>

**D8. Are you, or anyone in your household, an employee or Elected Member at a local council?** Yes ☐ <sub>1</sub>      No ☐ <sub>2</sub>

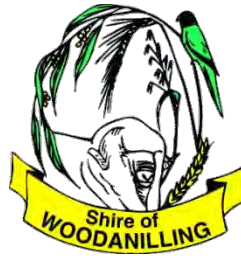
**THANK YOU. That completes the scorecard.**

Closing date: **Friday 29 March, 2019**

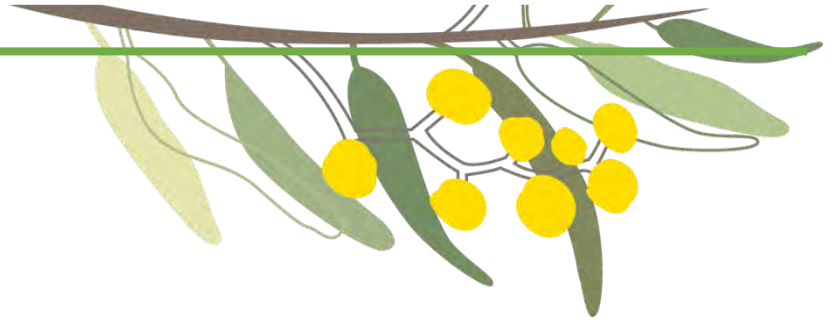
Online submission (preferred): [www.catalyse.com.au/studies](http://www.catalyse.com.au/studies)

Postal submission: CATALYSE, Reply Paid 84048, PO Box 7966, Cloisters Square PO WA 6850

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# SHIRE OF WOODANILLING



## CORPORATE BUSINESS PLAN QUARTERLY REVIEW

December Quarter 2018



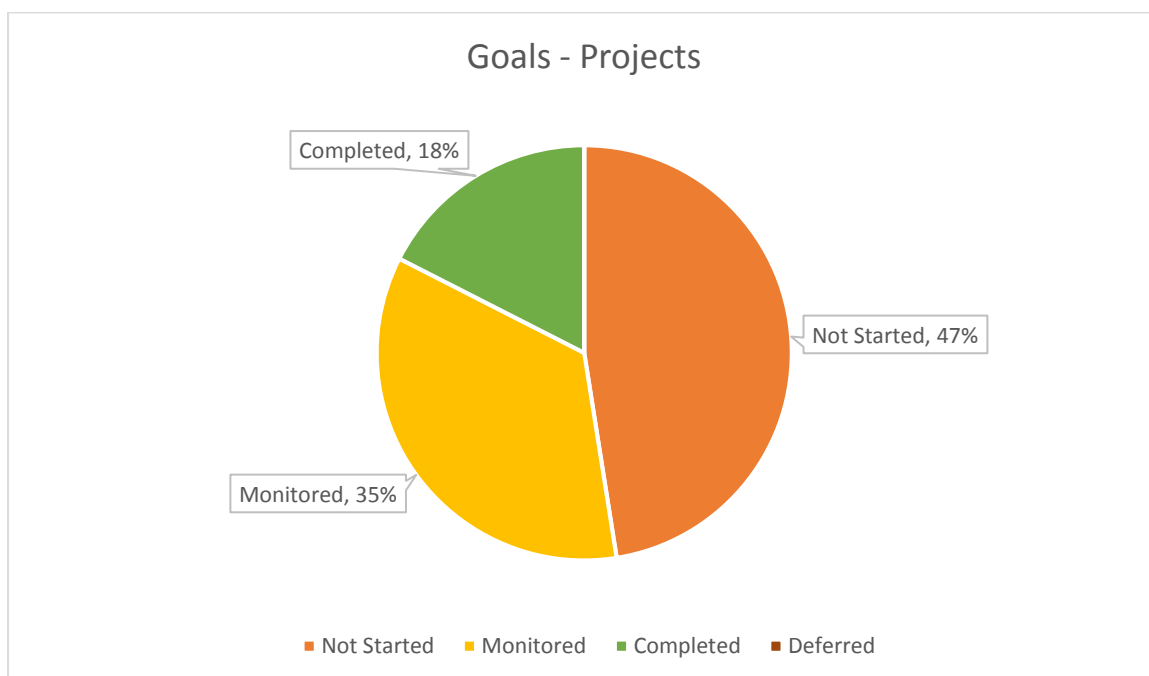
## Introduction

The Shire of Woodanilling went through a transition phase in the December 2018 quarter with the former CEO resigning and then taking leave until 31 December 2018. The Acting CEO commenced towards the end of October 2018 and has reviewed the Shire's strategic position, service provision, governance and administration and staff capacity and capability.

The impact of the transition has meant that the Acting CEO in-hand with staff and the Council were unsure of the status of the Corporate Business Plan. The Plan has not been reported on previously except in the Shire's annual report.

The Acting CEO has now reviewed the status of the Corporate Business Plan taking the above into consideration and is able to report as follows:

- 47% of projects had little or no progress against them;
- 35% of projects had considerable progress made;
- 18% of projects were either completed or substantial progress made leading to a completion outcome.



This means that overall the Shire is at the monitoring (sound) level regarding its key activities for 2018/19. However, it will quickly slip back to an inactive level of output if the "Monitored" and "Off Track" activities are not progressed.

Key impacts or roadblocks identified at this time to achieving a solid outcome for 2018/19 include a lack of resources (staff and financial) and perhaps that some goals are not realistic or achievable due to cost, time and staff support.

Accordingly, the Shire has struggled to adequately progress three of its strategic themes. This includes Social - Community Facilities, Social – Community Well-Being and Economic – Roads and Transport. Generally, this is a result of insufficient staff resources and financing. However, the Shire has continued success with its Well-Aged Housing, the support of the Woodanilling Men's Shed, rolling out Waste Management initiatives and the tidying up of unhealthy and unsafe properties and both senior staff and Council have commenced significant undertakings regarding the road transport tasks during November and December 2018.

The Shire has continued successfully with key initiatives under the Environment Theme. Of note is the ongoing support of the WWLZ and the new management and administrative changes introduced in November 2018. The Shire has also met with Water Corporation regarding the review of the Shire's Fixed Standpipes and discussed the use of water by the Shire in general.

The Law and Order theme is at an effective level of achievement. This is because the Shire has adequate staff and financial resources in-place regarding the CESM Program and the DCEO and CESM support the Fire Management Plan and the Bush Fire Advisory Committee (BFAC). The local volunteer brigades have continued to do an outstanding job regarding fire management in the December Quarter.

The Shire regarding the Customer Service Theme has continued with sound practices through ongoing skills and knowledge development regarding vehicle licensing. However, the Shire's IT Plan has now expired and requires a new plan to be developed. Staff continue to embrace technology and update themselves when the Shire's systems are upgraded or improved.

The Governance Theme is very much a mixed result that sees it sit at a sound level of achievement. The Shire has not followed its Long Term Financial Plan and councilors have yet to embrace the targets regarding a training and development policy. However, councilors are continuing to improve their knowledge through the strategies for the Economic Theme regarding roads and transport. The Long Term Financial plan will need to be reset once the new Strategic Community Plan is implemented in 2019. The Shire as a whole will also need to use Policy 48 – Community Engagement as the main mechanism to help it engage more effectively with the community from now on.

**SEAN FLETCHER**

Acting Chief Executive Officer

16 January 2019

## Summary of Key Initiatives

The Shire's CBP is divided up into six reporting sections that reflects the Strategic Community Plan (SCP). The status of each section is summarized below:

Theme	OT	M	C	D	Total	Comment
Social – Community Facilities	6	2	2	0	10	<p>The successful projects in previous years are the Aged Units (CF.10) and the Men's Shed (CF.7) which is a result of considerable resourcing by the Shire. The Town Enhancement Plan is steady (CF.1) and the Waste Strategies (CF.5) progressing within resourcing parameters.</p> <p>There are a number of impacts or road blocks:</p> <ul style="list-style-type: none"> <li>CF.2 Water Catchment Plan requires serious resources to make this happen. The Shire has neither the staff nor the financial capacity to progress this project;</li> <li>CF.6 There has been a lack of engagement with the community regarding the Local Sporting Hero Award. This indicates a lack of understanding and resourcing by staff in this area</li> <li>CF.9 Complete oval lighting within 5 years to the required standard for training is a large and costly project is difficult to attract funding and will be difficult to justify going forward. This ties into the future use of the Rec Centre meeting planned for early February 2019</li> <li>CF.12 deals with the cemetery. Since the survey there has been inadequate staff resources to progress this matter</li> </ul>
Social – Community Well Being	4	1	0	0	5	<p>Supporting the Community Well-Being theme has been difficult to achieve to date. The reasons for this are due to staff awareness, knowledge and understanding as well as:</p> <ul style="list-style-type: none"> <li>A lack of resources that could develop the Community Initiative Program (CW.1): <ul style="list-style-type: none"> <li>From time to time the Community has on its own back undertaken events and volunteered to assist with certain activities;</li> <li>A deadlock regarding adopting a suitable volunteer policy.</li> </ul> </li> <li>The parameters regarding Good Health Access (CW.7). The components listed, in the main are beyond Woodanilling's scope i.e. HACC (transitioning to Commonwealth model), Dr/Nurse Practitioner (issue is one of access re Wagin, Narrogin or Katanning);</li> <li>Encouraging new business (CW.9). Although this happens from time to time, the Shire has no real resources (staff or otherwise to assist). Woodanilling is not in a situation to offer incentives or physical structures (e.g. incubator facilities);</li> <li>Heritage management requires a dedicated staff resource (CW.10).</li> </ul> <p>Community Pride programs have not been developed. However, there is now the Animal, Nuisance and Environment Local Law in place that the Shire is using to ensure that property improvement is undertaken (removal of excess car bodies, reduction of nuisance animals and properties are healthy and safe)</p>
Environment	1	3	0	0	4	<p>Overall, the Environment task is at the monitored level and focuses on three key areas: weed control, public water use and management and NRM initiatives. Of these, the land management strategies (EN.6) are well</p>



						<p>supported as the Shire is an active stakeholder regarding the Wagin Woodailling Landcare Zone (WWLZ). The Shire also undertakes weed management each year (EN.1). Both activities are impacted by the Shire's level of affordability.</p> <p>Both EN.4 and EN.5 deal with the impact of water:</p> <ul style="list-style-type: none"> <li>With EN.4 there are two key projects that have lifted this project to the monitored category: <ul style="list-style-type: none"> <li>Monitor total water use of on public land. The Shire is doing this on a regular basis;</li> <li>Investigate other sources of water, maximizing recycling opportunities and reducing water use. The Shire is in the process of addressing its standpipes in line with the outcomes of the Fixed Standpipes Review</li> </ul> </li> <li>Regarding EN.5, the projects have not commenced as the effectiveness of the townsite water management plan and preparation of the drainage plan for the road network are subject to suitable resourcing being available.</li> </ul>
Civic Leadership – Law & Order	0	1	2	0	3	<p>The Law and Order theme is at an effective level of achievement. This is because the Shire has adequate staff and financial resources in-place to manage these projects through 2018/19. The Shire is an active stakeholder regarding the CESM Program (LO.6) and the DCEO and CESM support the Fire Management Plan and the Bush Fire Advisory Committee (BFAC). The local volunteer brigades also do an outstanding job regarding fire management.</p> <p>The Woodanilling Crime Prevention Plan requires a review, but the DCEO and ACEO actively support the Woodanilling Neighbourhood Watch which addresses a number of community safety and crime prevention issues.</p>
Civic Leadership – Customer Service	0	4	1	0	5	<p>The Shire has addressed its customer service obligations at a sound level as follows:</p> <ul style="list-style-type: none"> <li>CS.2 – staff have undertaken training and reviews that allows ongoing provision of licensing services and admin staff have documented most work procedures;</li> <li>CS.3 – the Shire reviewed its policy manual and delegations in the June 2018 quarter;</li> <li>CS.4 - although the Shire does not have a current IT Plan (The last plan finished in 2016/17) it has undertaken a number of initiatives to ensure it is continuing to embrace the use of technology;</li> <li>CS.5 – the Shire does need to review its workforce plan as there is a lack of resourcing in some areas. The Shire gets by operationally, but the Reg.17 review has highlighted key compliance risks;</li> <li>CS.6 – Council adopted an engagement policy in May 2018. The Shire now needs to use it</li> </ul>
Civic Leadership – Governance	3	2	2		7	<p>The number of goals and the outcomes to date have led to a mixed outcome. Although at the monitored or sound level of progress, The matter of concern are: GO.4 – the Shire has not followed its Long Term Financial Plan. Time has been a factor and its relevance given that the Shire is now in the process of reviewing its SCP. Councillors have also been reluctant to develop a training and development policy and to undertake training in the main (GO.7) and needs to look at sharing its workload better (GO.8). However, Council has in November and December 2018 participated in internal workshops that have focused on road and asset planning and management.</p> <p>No new local laws are planned for the remainder of 2018/2019 (GO.6) and the Shire needs to start using its new Community Engagement Policy (Policy 84).</p>

Economic – Road & Transport	5	1	0	0	6	<p>The Economic Theme is subject to appropriate start dates to get activities underway. Council in the December Quarter commenced a concerted effort to ensure that RT.1 – RT.6 are actioned and completed by 30 June 2019. This included:</p> <ul style="list-style-type: none"> <li>Adoption of the Infrastructure Briefing Report on 18 December 2018. This Plan provides the strategic direction regarding the Shire's road programs, other infrastructure programs and the plant and equipment assets;</li> <li>Referring the draft Plant Replacement Program for review by the TPW in February 2019.</li> </ul> <p>It is expected that by the completion of the March 2019 Quarter, that the Economic Theme will be at the monitored level.</p>
<b>Total</b>	<b>19</b>	<b>14</b>	<b>7</b>	<b>0</b>	<b>40</b>	

### Legend

Indicator	Level of Completion	Comment
Off-track	0 – 49%	Projects generally in this category have not started or have stalled due to loss of funding
Monitoring	50 – 69%	Projects that are well underway, but may be prone to going off-track
On-track	70 – 100%	Projects that are well n-track or completed
Deferred		Projects that are no longer relevant or put back until they can be suitably resources

## Status of Goals – Full Report

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.1</b> Implementation of adopted Town Centre Enhancement Plan recommendations	<ul style="list-style-type: none"> <li>Review existing Woodanilling Town Centre Enhancement Plan &amp; adopt priorities</li> </ul>	<ul style="list-style-type: none"> <li>Implement Plan</li> </ul>	2013-14	Ongoing	Town Enhancement Plan in place and priorities are followed
<b>CF.2</b> Secure water supply to ensure self-sufficiency for town oval, parks & public areas (non-potable water)	<ul style="list-style-type: none"> <li>Review various Water Plans (see informing strategies list)</li> <li>Maximise stormwater catchment in town</li> </ul>	<ul style="list-style-type: none"> <li>Develop catchment plan</li> <li>Update plan as necessary</li> <li>Implement catchment plan</li> </ul>	2014-15	Short term	Not commenced
<b>CF.3</b> Ongoing support for regional facilities that meet the needs of the local community	<ul style="list-style-type: none"> <li>Identify regional facilities</li> <li>Be aware of and receptive to requests for support</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy and development activities to develop proposals and attract funding as required (e.g. needs assessment, cost benefit and funding applications)</li> </ul>	2014-15	Ongoing	<b>Trails Master Plan</b> <ul style="list-style-type: none"> <li>During 2017/18, the Shire identified that there was a need to be a part of the GSCORE Master Trails project for the Great Southern;</li> <li>Shire has provided letter of support and \$2,000 towards project</li> <li>Dr Lyons presented scope of project to Council 18/12/18;</li> <li>DCEO is a member of the Stakeholder Group.</li> </ul>



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.5</b> Integrated waste management including implementation of adopted Landfill Environmental Management Plan recommendations	<ul style="list-style-type: none"> <li>• Comply with State Zero Waste Strategy</li> <li>• Review Woodanilling Landfill Environmental Management Plan (WLEMP)</li> <li>• Keep options open for participation in regional refuse site options</li> </ul>	<ul style="list-style-type: none"> <li>• Implement priority recommendations from WLEMP (Installing tip shop, recycling centre and fencing)</li> </ul>	2013-14	Short term	<b>WLEMP</b> The Tip Shop and recycling collection point is now in place. <b>Plastic Bags</b> Minister has thanked Shire for supporting the ban of single use plastic bags <b>Container Deposit Scheme</b> <ul style="list-style-type: none"> <li>• Deputy President and ACEO attended the CDS presentation by Rebecca Brown (WALGA) at the 4WDL meeting on 11/12/18;</li> <li>• DCEO is Investigating how the community can dovetail into the Container Deposit Scheme</li> </ul>
<b>CF.6</b> Sponsorship Program for Local Sporting Heroes– Jan 2013 inaugural Sports Star of the Year Award	<ul style="list-style-type: none"> <li>• Establish a reserve account</li> </ul>	<ul style="list-style-type: none"> <li>• Create eligibility guidelines</li> <li>• Establish selection committee</li> <li>• Advertise and accept ongoing applications</li> <li>• Annual awards presentation</li> </ul>	2014-15	Short term	Not commenced
<b>CF.7</b> Men's Shed – secure building, form Group & on-going support	<ul style="list-style-type: none"> <li>• Establish need &amp; requirements for project</li> <li>• Purchase property</li> <li>• Ongoing support to Group</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare heritage study and business plan (including sourcing of venue)</li> <li>• Source funding (prepare applications)</li> <li>• Fit out building</li> <li>• Implement business plan (ongoing operation)</li> </ul>	2013-14	Ongoing	The Mens' Shed commenced on 1 January 2014 with a 20 year use agreement I place: <ul style="list-style-type: none"> <li>• This project is now completed;</li> <li>• Ongoing support by the Shire as required</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.9</b> Complete oval lighting within 5 years to Australian Standards for training.	<ul style="list-style-type: none"> <li>• Conduct lighting design, secure funding and implement the project</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct design and source funding (prepare applications)</li> <li>• Construct lights if required</li> <li>• Acquit grants</li> </ul>	2013-17	Short Term	Not commenced
<b>CF.10</b> Community Housing – development of social and affordable housing, including housing for the well aged.	<ul style="list-style-type: none"> <li>• Retain seniors in town</li> <li>• Review existing Aged Housing Regional Plan (4WDL)</li> </ul>	<ul style="list-style-type: none"> <li>• Develop business plan and source funding</li> <li>• Design and build 4 units suitable for well-aged (inc project management)</li> <li>• Source funding for additional units</li> </ul>	2013-17	Short Term	<p>The Shire has the following Well Aged Facilities in place:</p> <ul style="list-style-type: none"> <li>• Salmon Gums;</li> <li>• Wattleville</li> </ul> <p>There may be additional funding opportunities in 2019/20 onwards</p>
<b>CF. 11</b> Implement bike/walking path network to connect the town to Whispering Winds and Caravan Park	<ul style="list-style-type: none"> <li>• Determine need</li> <li>• Identify suitable routes</li> </ul>	<ul style="list-style-type: none"> <li>• Needs assessment and concept design</li> <li>• Source funding (grant applications)</li> <li>• Detailed design and construct paths in accordance with successful funding timelines</li> </ul>	2014-19	Long Term	See Project CF3
<b>CF.12</b> Develop and implement upgrade plan for Woodanilling Cemetery that is sensitive to denominational and indigenous groups	<ul style="list-style-type: none"> <li>• Establish Project Team</li> <li>• Develop Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and adopt Plan and set priorities</li> <li>• Implement Plan in accordance with adopted priorities</li> </ul>	2013-16	Short term	Commenced in 2015/16 including survey. No further action since
<b>CW.1</b> Develop Community Initiative Programs to ensure active community participation and volunteering	<ul style="list-style-type: none"> <li>• Identify need</li> <li>• Identify what others do</li> <li>• Utilise Dept for Communities “Vital Volunteering” strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>• Implement ongoing initiatives</li> </ul>	2013-14	Medium term	<ul style="list-style-type: none"> <li>• Volunteer policy considered but not progressed;</li> <li>• DCEO to develop a list of key volunteer activities</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CW.7</b> Good Health Access: <ul style="list-style-type: none"> <li>• HACC</li> <li>• Dr/Nurse Practitioner</li> <li>• Seminars</li> <li>• Age Friendly Plan</li> <li>• Programs &amp; Services (Age in Place)</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate on behalf of community for provision of services</li> </ul>	<ul style="list-style-type: none"> <li>• CEO to conduct advocacy on behalf of the community</li> </ul>	2014-19	Long term	<ul style="list-style-type: none"> <li>• HACC is in the process of transition and to be replaced by the Commonwealth model;</li> <li>• The need for an Age Friendly Plan and Age in Place to be considered as part of the 2019 SCP Major Review</li> </ul>
<b>CW.9</b> Encourage the establishment of new businesses by providing a link to available resources, incentives and possible physical structures.	<ul style="list-style-type: none"> <li>• Identify need</li> <li>• Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>• Community survey, visit other communities for survey of potential similar provision and provide links on council website</li> <li>• Implementation of options determined in the survey</li> </ul>	2014-19	Long term	Not commenced
<b>CW.10</b> Ensure significant heritage buildings and places under Council's care and/or ownership are preserved and where possible restored.	<ul style="list-style-type: none"> <li>• Identify buildings of significant heritage value</li> <li>• Prepare Heritage Management Plan(s)</li> <li>• Establish funding options (eg Reserve Fund)</li> <li>• Review existing Woodanilling Heritage Interpretation Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Set policy for annual transfer to/from Fund</li> <li>• Develop, adopt and implement Plan(s)</li> <li>• Review Woodanilling Heritage Interpretation Plan</li> <li>• Implementation</li> </ul>	2013-18	Medium term	Not commenced
<b>CW.11</b> Develop Community Pride programs that are reflected by the high standard of maintenance and development of private properties within the town.	<ul style="list-style-type: none"> <li>• Identify need</li> <li>• Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>• Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>• Implement ongoing initiatives</li> </ul>	2013-14	Short term	Although a pride program has not been developed, the Shire has implemented the Animal, Nuisance and Environment Local Law that includes a property improvement program
<b>EN.1</b> Restore and protect natural environment and landscape	<ul style="list-style-type: none"> <li>• Plan work program to reduce weeds in natural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Roadside weed control</li> <li>• Weed control in reserves</li> <li>• Revegetate roadsides to reduce weed burden</li> </ul>	2013-18	Medium term	This program is ongoing, but subject to Shire budgetary constraints



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>EN.4</b> Protect built environment and resources by reducing water and non-water threats	<ul style="list-style-type: none"> <li>• Education on proper water management</li> <li>• Change to appropriate landscaping for climate and land</li> <li>• Maximise collection and use of rainwater</li> <li>• Waste Minimisation and disposal</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor total water use on public land</li> <li>• Investigate other sources of water, maximising recycling opportunities and reducing water use.</li> </ul>	2014-19	Medium term	<ul style="list-style-type: none"> <li>• The Shire monitors the use of its water on a regular basis</li> <li>• The Shire met with Water Corporation in December 2018 regarding the review of the Shire's Fixed Standpipes and discussed the use of water by the Shire in general.</li> </ul>
<b>EN.5</b> Protect and sustainably use natural resources	<ul style="list-style-type: none"> <li>• Surface water management on valley floors to reduce inundation</li> <li>• Surface drainage to remove ponded water and enable free flow in waterways</li> </ul>	<ul style="list-style-type: none"> <li>• Review effectiveness of townsite water management plan</li> <li>• Prepare drainage plan for road network</li> </ul>	2014-19	Medium term	Not commenced
<b>EN.6</b> Increase capacity of community to implement NRM and Improve NRM information	<ul style="list-style-type: none"> <li>• Education on clearing controls and guidelines</li> <li>• Resource sharing NRM to maximise service to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Develop local clearing policies and develop and distribute educational information to include environmentally sensitive and community high priority areas</li> <li>• Ongoing support to WWLZ</li> </ul>	2013-16	Medium term	<ul style="list-style-type: none"> <li>• The development of clearing policies needs further consideration;</li> <li>• Educational material could be developed in conjunction with DPaW and WWLZ</li> <li>• The Shire has continued both financial and administrative support to WWLZ</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>LO.1</b> Implement adopted recommendations from Woodanilling Crime Prevention Plan.	<ul style="list-style-type: none"> <li>• Appoint project manager and if necessary Project Team to implement Plan</li> <li>• Review Plan on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Liaise with law enforcement agencies for support and to ensure compliance and provide feedback to community</li> <li>• Secure funding for identified needs</li> <li>• Implement projects</li> </ul>	2013-15	Medium term	<ul style="list-style-type: none"> <li>• Plan was due for review in 17/18. Not actioned due to a lack of funding;</li> <li>• Neighbourhood Watch was implemented in August 2018 and is well supported by the Community, Shire (DCEO/ACEO) and the Katanning Police</li> </ul>
<b>LO.2</b> Implementation of Fire Management Plan adopted recommendations including but not limited to: <ul style="list-style-type: none"> <li>• Policies</li> <li>• Committee</li> <li>• Consideration of Town Brigade</li> </ul>	<ul style="list-style-type: none"> <li>• Support Bush Fire Advisory Committee and local Brigades</li> <li>• Annual review of Woodanilling Townsite Fire Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Utilise CESM to support programs</li> <li>• Support for brigades</li> <li>• Support education programs</li> <li>• Source funding for programs</li> <li>• Implement recommendations from Townsite Fire Management Plan</li> </ul>	2013-18	Short term	<b>BFAC</b> DCEO and CESM support <b>BFAC</b> <b>Inspections</b> Are conducted successfully each year <b>Phase 1 - MAF</b> Completed in January 2018 <b>Phase 2 – MAF</b> Underway December 2018
<b>LO.6</b> Local Emergency Management to ensure preparedness for local emergencies	<ul style="list-style-type: none"> <li>• Review Local Emergency Management Arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Continue involvement with Shires of Katanning and Kent for local emergency management and utilise CESM to develop joint and local strategies</li> </ul>	2013-18	Short term	The Shire has continued to successfully be a part of, and use the CESM Program
<b>CS.2</b> Understanding and use of industry innovations to enable improvements in customer service for all areas of the Shire.	<ul style="list-style-type: none"> <li>• Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Engage specialty consultants to identify customer service innovations</li> <li>• Implement innovations that have direct benefit to Shire and Community</li> </ul>	2014-15	Short term	Training undertake by staff as follows: <ul style="list-style-type: none"> <li>• Handling Difficult Customers;</li> <li>• Ongoing Vehicle licensing training;</li> <li>• Reviews of workflow issues undertaken</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CS.3</b> Ensure quality decision making by Council is supported by good policies, procedures and legislation	<ul style="list-style-type: none"> <li>Regular review of policies and existing related plans including use of benchmarking via 4WD VROC</li> </ul>	<ul style="list-style-type: none"> <li>Update Policy Manual annually</li> <li>Utilise 4WD VROC as primary benchmark targets</li> <li>Implement 4WD VROC Common Compliance Systems recommendations</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>The policy manual and delegations to the CEO were reviewed in May 2018;</li> <li>The Shire continues to work effectively with the 4WDL;</li> <li>Common compliance systems were implemented in 2015/16</li> </ul>
<b>CS.4</b> Embracing the Use of new technology to deliver services	<ul style="list-style-type: none"> <li>Develop, adopt and implement IT Plan</li> <li>Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>Develop and Adopt IT Plan</li> <li>Implement IT Plan</li> <li>Implement strategies for reducing paper usage by year 3</li> <li>Utilise social networking sites that benefit Shire &amp; Community</li> </ul>	2013-15	Ongoing	<ul style="list-style-type: none"> <li>A new server was installed;</li> <li>Implemented the NBN for the Shire;</li> <li>Most staff had computers upgraded;</li> <li>Office is secured by security alarm system;</li> <li>The administration has implemented a number of paper saving strategies;</li> <li>The Shire's Facebook Page was implemented in 2017</li> </ul>
<b>CS.5</b> Ensure adequate staffing resources are provided to meet statutory requirement and customer expectations	<ul style="list-style-type: none"> <li>Regular review of staff workload</li> <li>Use of casual and flexible hours to attract quality and experienced staff</li> <li>Use of Traineeships where possible</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a workload analysis and review by CEO and Managers accordingly</li> <li>Establish flexible working policy and guidelines</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>The Shire needs to review its workforce plan;</li> <li>Undertook Work for the Dole Scheme</li> </ul>
<b>CS.6</b> Enhance the image of the Shire and establish a relationship with the public to reflect credibility on the organisation.	<ul style="list-style-type: none"> <li>Develop communication strategy</li> <li>Identify key community members to assist with communication</li> </ul>	<ul style="list-style-type: none"> <li>Develop adopt and implement Communication Strategy and</li> <li>Identify and liaise with key community members</li> </ul>	2013-14	Ongoing	<ul style="list-style-type: none"> <li>Adopted an engagement policy on 15 May 2018;</li> <li>DCEO has community network in place</li> </ul>



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>GO.3</b> Councillor for a Day program – support innovative ideas to encourage community participation in Council elections.	•Engage sitting Councillors to participate in the program	•Issue one invitation every 2nd month allowing each Councillor to nominate one person each calendar year •Implement training sessions that allow community to participate	2013-15	Medium term	Community are invited to election information sessions
<b>GO.4</b> Financial Management Plan – implementation and regular reporting on long term plan.	•See Integrated Planning & Reporting Advisory Standard		2013-14	Ongoing	Not undertaken effectively
<b>GO.6</b> Preparation of relevant local laws as determined by community need.	•Identify need and develop required new local laws (other than those identified in Law and Order LO.4 section)	•Review drafts prepared in 2004 & 2007, select local laws and prepare •Adopt local laws (including advertising)	2014-19	Short term	There were no local laws reviewed or gazetted in 2017/18
<b>GO.7</b> Elected members training including consideration of Company Directors	•Establish policy for elected members training and decide if policy is voluntary or mandatory	•Develop and adopt policy and guidelines •Implement training program. Source regional training opportunities – look into hosting where possible •Establish a “buddy” system where senior sitting Councillors attend with newly elected Councillors to encourage attendance and to refresh skills	2013-14	Medium term	<ul style="list-style-type: none"> <li>• Policy was not developed in 17/18 Review;</li> <li>• Limited councillor training has occurred to date;</li> <li>• Workshops with TPW by ACEO and Bret Howson providing effective re road infrastructure works and planning</li> <li>• Buddy system is not Utilised</li> </ul>
<b>GO.8</b> Councillor resourcing to ensure high level of compliance, ethics, skills & knowledge.	<ul style="list-style-type: none"> <li>•Identify current Councillor profiles and special interests</li> <li>•Identify gaps between the current profiles and the organisational requirements;</li> <li>•Identify activities to foster and develop Councillor input</li> </ul>	<ul style="list-style-type: none"> <li>•Ensure equal opportunity to participate in committees and project teams</li> <li>•Investigate possibility of Councillor portfolios and provide resources and feedback</li> <li>•Ensure individual workload is within acceptable limits</li> </ul>	2013-15	Short term	Not implemented to date

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>GO.10</b> Implementation of community consultation processes that link the Council and the community to ensure open and accountable government.	• See Integrated Planning & Reporting Advisory Standard		2013-15	Short term	Policy 84 - Community Engagement adopted 15 May 2018
<b>GO.11</b> Corporate Risk Management Plan	• Develop and Implement a Corporate Risk Management Plan	<ul style="list-style-type: none"> <li>• Develop Integrated Corporate Risk Management Plan</li> <li>• Implement the plan</li> </ul>	2013-15	Ongoing	<ul style="list-style-type: none"> <li>• Plan not effectively used;</li> <li>• Review of plan initiated by ACEO with DCEO: <ul style="list-style-type: none"> <li>○ Need for reintroduction of Risk Policy and the Review of the Risk Management Governance Framework presented to Audit Committee 18/12/18;</li> <li>○ LGIS to review further framework and Risk Dashboard in January 2019</li> </ul> </li> <li>• Reg 17 Review conducted and presented to Audit Committee 18/12/18</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>RT.1</b> Develop 10 year plan for all Priority 1 roads as per the Road Asset Management Plan.	<ul style="list-style-type: none"> <li>• Identify future trends for use of road</li> <li>• Identify resources to prepare plan</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and adopt Plan</li> <li>• Implement plan in accordance with funding opportunities</li> </ul>	2013-18	Short term	Council adopted the Infrastructure Briefing Report as an outcome of the November TPW workshops. This Report sets out strategic direction for the Shire regarding its road programs and other infrastructure activities
<b>RT.2</b> Rural intersection program:	<ul style="list-style-type: none"> <li>• Revisit Black Spot application for Robinson Rd/GS Hwy</li> <li>• Identify “problem” intersections</li> </ul>	<ul style="list-style-type: none"> <li>• Source funding for program</li> <li>• Implement program in accordance with funding opportunities</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>• Blackspot Application for Robinson Rd/GS Hwy developed, submitted and approved November 2018;</li> <li>• Problem intersections to be identified in 2018/19</li> </ul>
<b>RT.3</b> Develop 10 year Drainage Plan, including culverts, floodways, bridges and open drains.	<ul style="list-style-type: none"> <li>• Develop in conjunction with RT.1 above</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and adopt Plan</li> <li>• Implement plan in accordance with funding opportunities</li> </ul>	2014-19	Short term	Also see RT.1



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>RT.4</b> Advocacy for Regional & State based transport systems	<ul style="list-style-type: none"> <li>Advocate for improved Regional and State based transport systems where these systems interconnect with those of the Shire which directly or indirectly impact residents</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy as required</li> </ul>	2013-18	Ongoing	<ul style="list-style-type: none"> <li>RAV network improved in 2017/18;</li> <li>Further RAV network analysis will be undertaken by Engineering Consultant with the Executive Management Team and TPW in January/February 2019;</li> <li>Great Southern Zone compiling list of issues in December/January for Transport Minister's consideration</li> </ul>
<b>RT.5</b> Review of Road Asset Management Plans, including road hierarchy.	<ul style="list-style-type: none"> <li>Identify future trends for use of roads</li> </ul>	<ul style="list-style-type: none"> <li>Review trends annually and amend plan and hierarchy as required</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>Work was progressed on the Road Asset Management Plan with TPW in two workshops in November 2018;</li> <li>Framework to be developed in 2018/19</li> </ul>

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>RT.6</b> Identify opportunities to increase plant utilisation	<ul style="list-style-type: none"> <li>Support and encourage staff to develop opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Set targets for plant utilisation within realistic parameters and monitor achievements</li> </ul>	2013-18	Long term	An effective Plant Utilisation strategy (Plant Replacement Program) is in the process of being developed: <ul style="list-style-type: none"> <li>Issues identified at TPW Workshop in November 2018;</li> <li>First draft presented by Consultant Engineer and WS to Council on 18/12/18 and referred to TPW for further development</li> </ul>

# Draft Terms of Reference – Shire of Woodanilling Audit Committee 2018

## Statutory Head of Power

In accordance with section 7.1A of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* (set out in Appendix 1), an audit committee is mandatory and responsible for key functions regarding the Shire's financial management and risk management in conjunction with the Shire's CEO.

Under section 7.1A the audit committee must consist of 3 or more persons and at least 3, and the majority of members, are to be council members (elected members).

## Objectives of the Audit Committee

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting;
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit,
- Risk management, internal control and legislative compliance;
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

## Powers of the Audit Committee

The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

## Functions

The specific functions of the Audit Committee are:

1. Review the Annual Compliance Audit Return and to report the results to Council. It would appear that the CEO conducted the review in the past and presented the results directly to the Council.



# Draft Terms of Reference – Shire of Woodanilling

## Audit Committee 2018

2. To guide and assist the Shire regarding Part 6 of the Act (financial management) concerning matters relating to financial management, but cannot undertake those responsibilities directly attributable to the CEO.
3. To guide and assist the Shire regarding the External Audits (Annual and Interim), Performance Audits and other Special Audits.
4. To review the CEO's report Regarding the Regulation 17 Review (Risks, Internal Controls and Compliance).
5. To monitor and advise the CEO when conducting the three yearly Regulation 17 Review and the three yearly Financial Systems Management Review (previously four yearly).
6. To support the auditor to conduct an audit.
7. To oversee the implementation of any action that arises from the external audits, the Regulation 17 Review and the Financial Systems Review.
8. Perform any other function conferred by another law.

The Audit Committee is not required to assist with the Budget Review. However, it may be prudent to do so.

### Membership

The committee will consist of all elected members of Council. However, a suitably qualified person from the community may be considered for membership. All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO and senior staff attend meetings to provide advice and guidance to the committee.

The Deputy CEO takes minutes of the audit committee meetings. Agendas are prepared by the Administration Support Officer.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

### Meetings

The committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the Presiding Member.

### Reporting

Reports and recommendations of each committee meeting are required to be presented to the next ordinary meeting of the Council. If this is not possible, then the Presiding Member must agree to an alternative time and date for them to be presented.

### Document Control

Responsible Officer	Version	Effective Date	Next Review
Acting CEO Sean Fletcher	1 - Original	19/02/2019	22/02/2021

# Draft Terms of Reference – Shire of Woodanilling

## Audit Committee 2018

### Appendix 1 – Audit Regulations

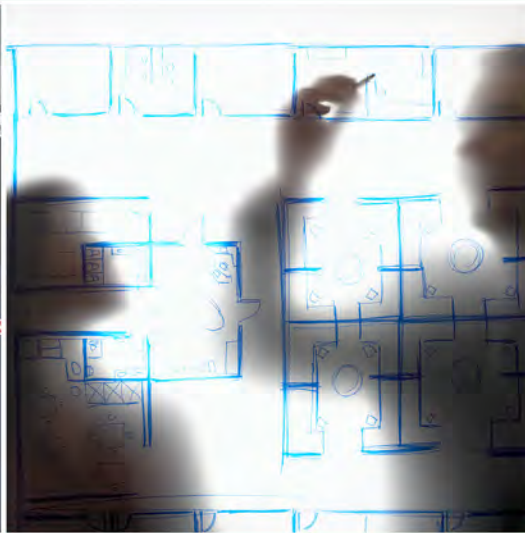
#### Regulation 16

The specific powers of the Audit Committee under the Regulation 16 of the Audit Regulations are:

- a) guide and assist the local government in carrying out its functions:
  - i. under Part 6 (Financial Management) of the Act; and
  - ii. relating to other audits and other matters related to financial management;
- b) guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (Audit) of the Act;
- c) review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
  - i. report to the council the results of that review; and
  - ii. give a copy of the CEO's report to the council;
- d) monitor and advise the CEO when the CEO is carrying out functions in relation to a review under
  - i. regulation 17(1); and
  - ii. the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- e) support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- f) oversee the implementation of any action that the local government:
  - i. is required to take by section 7.12A(3) of the Act; and
  - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
  - iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
  - iv. has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- g) perform any other function conferred on the audit committee by these regulations or another written law.

#### Regulation 14 (3A)

A local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.



## Risk Management Governance Framework

- Risk Management Policy
- Risk Management Procedures

December 2018

Version: 0.2

# Shire of Woodanilling



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# Introduction

The Policy and Procedures form the Risk Management Framework for the Shire of Woodanilling (“the Shire”). It sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on Australia/New Zealand Standard ISO 31000:2009 Risk Management.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from LGIS Risk Management.

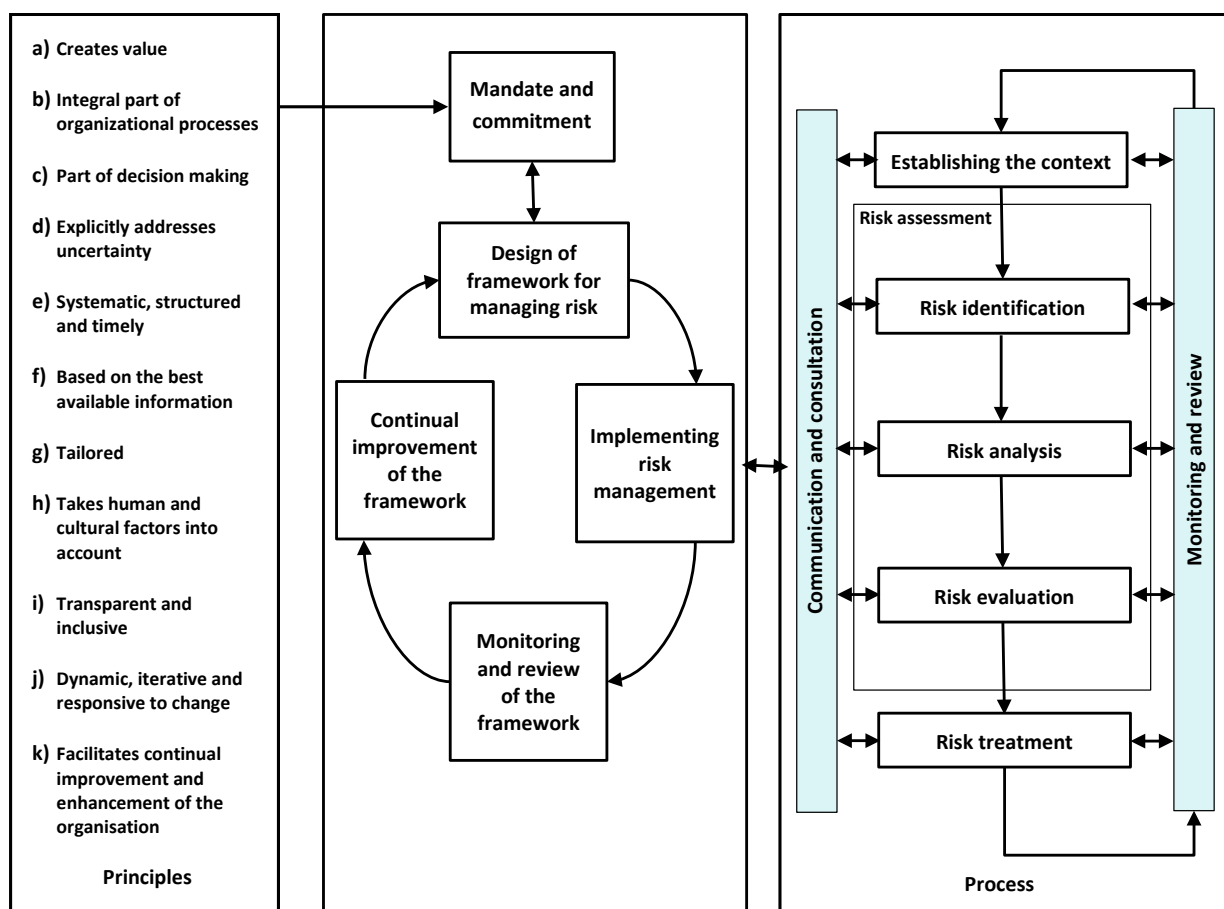


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

# Risk Management Policy

## Purpose

The Shire of Woodanilling's ("the Shire") Risk Management Policy documents the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives.

## Policy

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2009 Risk management), in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives, operations or members of the public.

Risk Management will form part of the Strategic, Operational, Project and Line Management responsibilities and where possible, be incorporated within the Shire's Integrated Planning Framework.

The Shire's Management Team will determine and communicate the Risk Management Policy, Objectives and Procedures, as well as direct and monitor implementation, practice and performance.

Every employee within the Shire is recognised as having a role in risk management, from the identification of risks, to implementing risk treatments and shall be invited and encouraged to participate in the process.

Consultants may be retained at times to advise and assist in the risk management process or management of specific risks or categories of risk.

## Definitions (from AS/NZS ISO 31000:2009)

**Risk:** Effect of uncertainty on objectives.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

**Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.

**Risk Management Process:** Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

## Risk Management Objectives

- Optimise the achievement of our vision, mission, strategies, goals and objectives.
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
- Enhance risk versus return within our risk appetite.
- Embed appropriate and effective controls to mitigate risk.
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
- Enhance organisational resilience.
- Identify and provide for the continuity of critical operations



## Risk Appetite

The Shire quantified its risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Procedures and are subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

## Roles, Responsibilities & Accountabilities

Council's role is to:

- Review and approve the Shire's Risk Management Policy and Risk Assessment and Acceptance Criteria;
- Assist the auditor through providing a copy of the Shire's Strategic Community Plan, the Corporate Business Plan or another plan of informing strategy,
- Establish and maintain an Audit Committee in accordance with the *Local Government Act 1995*.

The Audit Committee's role is to support Council to provide effective corporate governance. It does this through meeting its obligations regarding the *Local Government (Audit) Regulations 1996*.

The CEO is responsible for the allocation of the roles and responsibilities and accountabilities documented in the Risk Management Procedures (Operational Document).

## Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Management Team and its employees. It will be formally reviewed biennially.

# Risk Management Procedures

## Governance

Appropriate governance of risk management within the Shire of Woodanilling (the “Shire”) provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

## Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness annually.

## Operating Model

The Shire has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

### First Line of Defence

All operational areas of the Shire are considered ‘1<sup>st</sup> Line’. They are responsible for ensuring that risks within their scope of operations are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the decision-making process of risk.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

### Second Line of Defence

The Governance Officer (Senior Finance Officer) acts as the primary ‘2<sup>nd</sup> Line’. This position owns and manages the framework for risk management, drafts and implements governance procedures and provides the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1<sup>st</sup> & 3<sup>rd</sup> lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1<sup>st</sup> Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the Shire’s risk reporting for the CEO & Management Team and the Audit Committee.

### Third Line of Defence

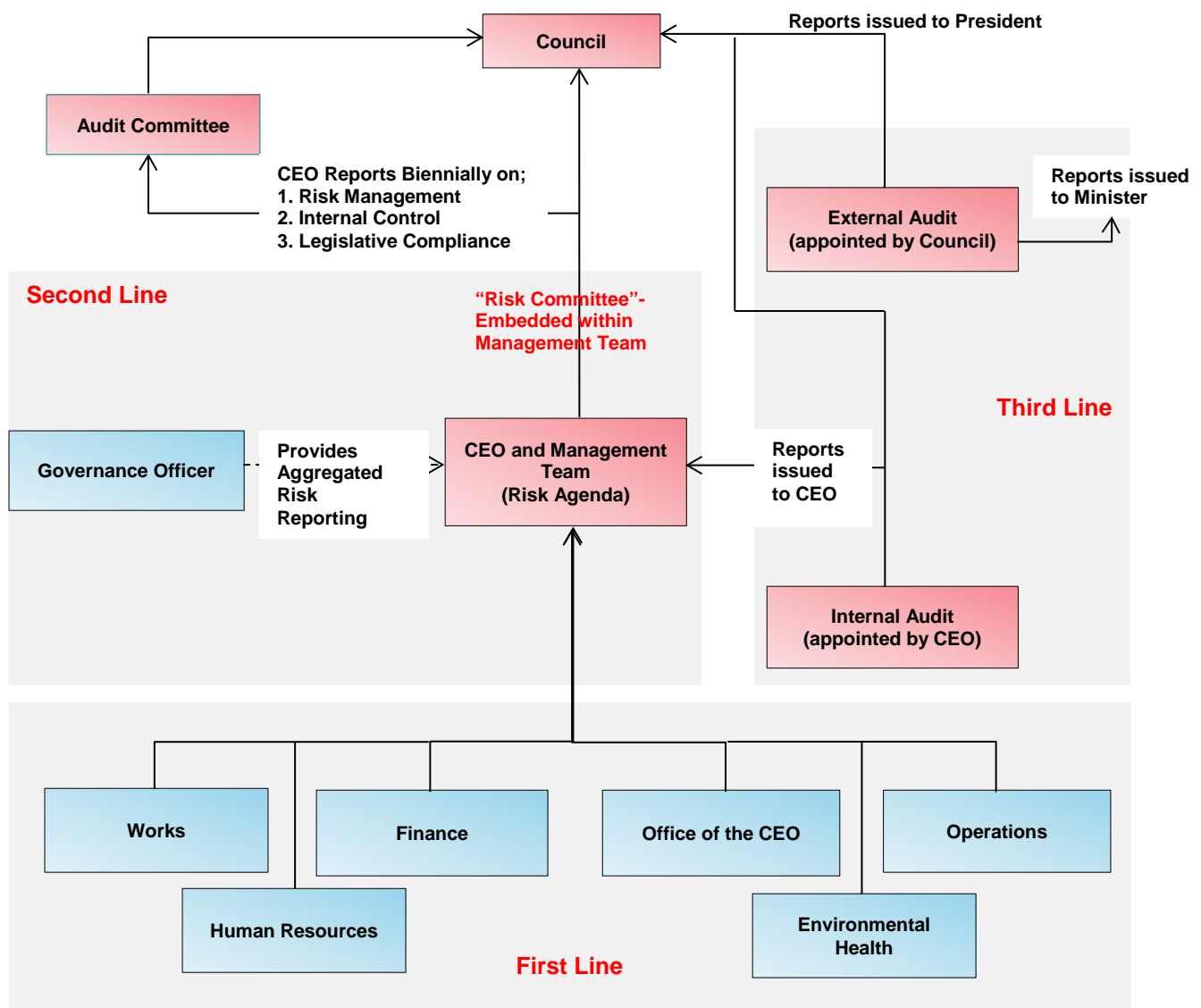
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1<sup>st</sup> & 2<sup>nd</sup> Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

## Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.





## **Roles & Responsibilities**

### **CEO / Management Team**

- Appoint Internal Auditors as required under Local Government (Audit) regulations.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from risk matters.
- Own and manage the Risk Profiles at Shire Level.

### **Governance Officer (Deputy CEO)**

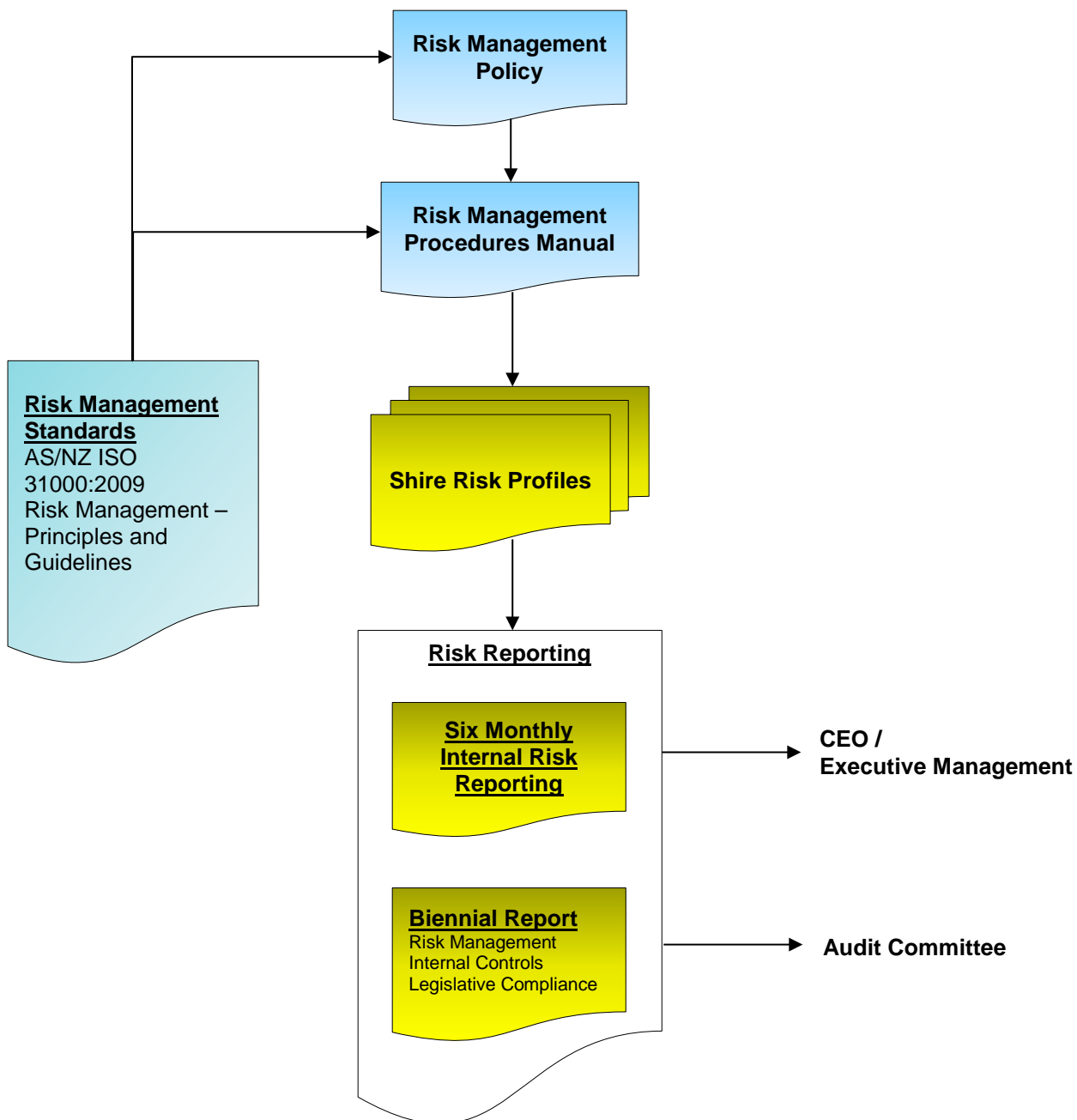
- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for Risk matters.

### **Work Areas**

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
  - New or emerging risks.
  - Review existing risks.
  - Control adequacy.
  - Outstanding issues and actions.

## Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.



## Risk & Control Management

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

Each Manager, in conjunction with the Governance Officer is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

### Risk & Control Assessment

To ensure alignment with AS/NZ ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective:

#### Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

##### Organisational Context

The Shire's Risk Management Procedures provide the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Governance Officer and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

##### Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process.

For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

#### 1. Strategic Context

This constitutes the Shire's external environment and high-level direction. Inputs to establishing the strategic risk assessment environment may include;

- Organisation's Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

#### 2. Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

### 3. Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on current or future process, resources or IT systems) which may prevent the Shire from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

### Risk Identification

Using the specific risk assessment context as the foundation, and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How could this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating? (Consequences)

### Risk Analysis

To analyse the risks, the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

### Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and acceptable risks are then subject to the monitor and review process. Note: Individual Risks or Issues may need to be escalated due to urgency, level of risk or systemic nature.

### Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation



- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Governance Officer<sup>4</sup> is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

### **Monitoring & Review**

The Shire is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- Changes to context,
- A treatment is implemented,
- An incident occurs or due to audit/regulator findings.

The Governance Officer is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of the Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

### **Communication & Consultation**

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

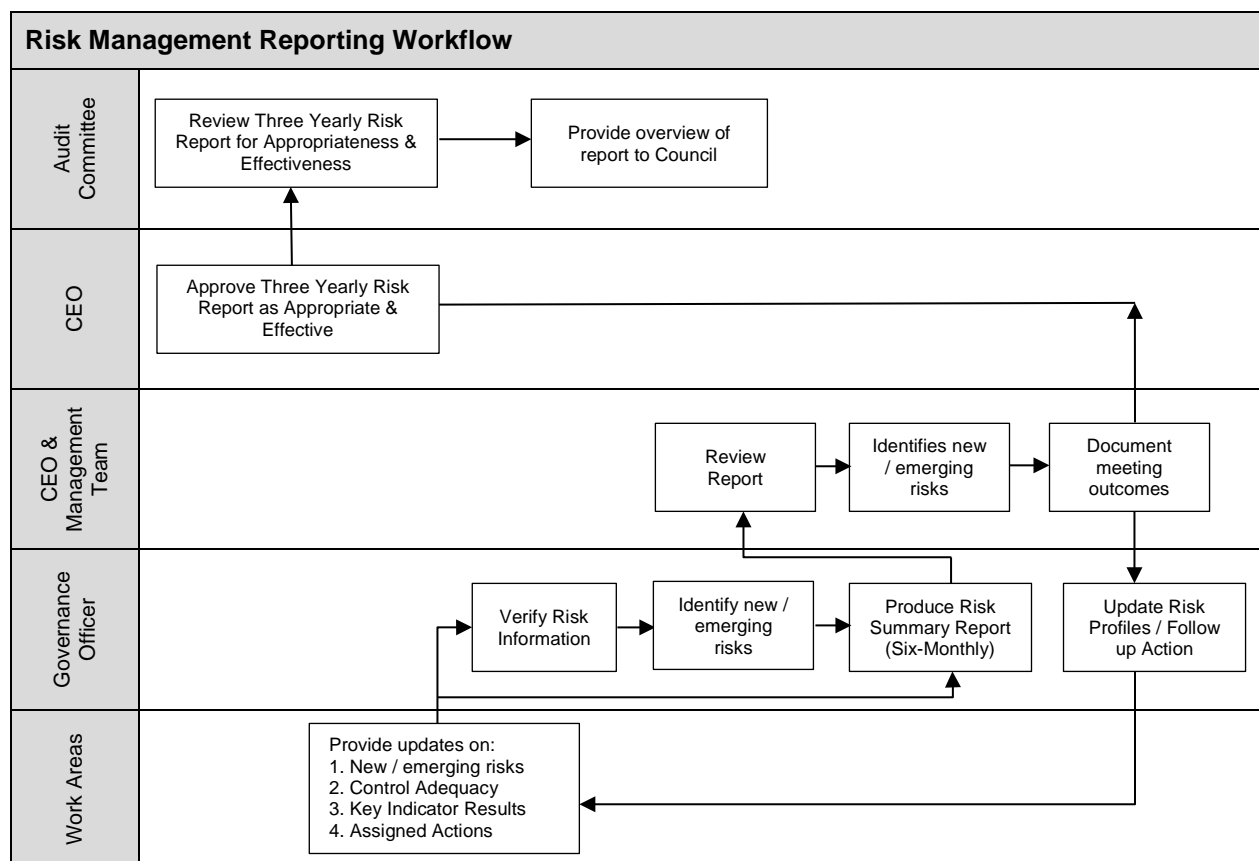
Risk management awareness and training will be provided to staff.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.

## Reporting Requirements

### Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new and emerging risks, control effectiveness and key indicator performance to the Governance Officer.
- Work through assigned actions and provide relevant updates to the Governance Officer.
- Risks / Issues reported to the CEO & Management Team are reflective of the current risk and control environment.

The Governance Officer is responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Producing a six-monthly Risk Report for the CEO & Management Team which contains an overview Risk Summary for the Shire.
- Annual Compliance Audit Return completion and lodgement.

## Key Indicators

Key Indicators are required to be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of Key Indicators:

### Identification

The following represent the minimum standards when identifying appropriate Key Indicator key risks and controls:

- The risk description and casual factors are fully understood
- The Key Indicator is fully relevant to the risk or control
- Predictive Key Indicators are adopted wherever possible
- Key Indicators provide adequate coverage over monitoring key risks and controls

### Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the Key Indicator data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping Key Indicators can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the Key Indicator, the data is required to be revalidated to ensure reporting of the Key Indicator against a consistent baseline.

### Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the Key Indicator must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the Key Indicator must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

### Monitor & Review

All active Key Indicators are updated as per their stated frequency of the data source.

When monitoring and reviewing Key Indicators, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the Key Indicators is specifically used as an input to the risk and control assessment.

## Risk Acceptance

Day-to-day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

- A description of the risk.
- An assessment of the risk (e.g. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (i.e. Management Team)

## Annual Control Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Executive Management Team that sets out the control assurance activities to be conducted over the next 12 months. This plan needs to consider the following components.

- Coverage of all risk classes (Strategic, Operational, Project)
- Existing control adequacy ratings across the Shire's Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2<sup>nd</sup> line assurance information / reviews (e.g. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Governance Officer, input and consultation will be sought from individual Work Areas.



## Appendix A – Risk Assessment and Acceptance Criteria

Shire of Woodanilling Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
<b>Insignificant (1)</b>	First aid injuries	Less than \$5,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential damage.	Contained, reversible impact managed by on site response
<b>Minor (2)</b>	Medical type injuries	\$5,001 - \$15,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
<b>Moderate (3)</b>	Lost time injury <30 Days	\$15,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
<b>Major (4)</b>	Lost time injury >30 Days	\$50,001 - \$250,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
<b>Catastrophic (5)</b>	Fatality, permanent disability	More than \$250,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Shire of Woodanilling Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Shire of Woodanilling Risk Matrix						
Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Shire of Woodanilling Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
<b>LOW (1-4)</b>	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
<b>MODERATE (5-9)</b>	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
<b>HIGH (10-16)</b>	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
<b>EXTREME (16-25)</b>	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Shire of Woodanilling Existing Controls Ratings		
Rating	Foreseeable	Description
<b>Effective</b>	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
<b>Adequate</b>	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
<b>Inadequate</b>	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.

## Appendix B – Risk Profile Template

Risk Theme	Date		
<b>This Risk Theme is defined as:</b> <i>Definition of Theme</i>			
<b>Potential causes include:</b> <i>List of potential causes</i>			
<b>Key Controls</b>	<b>Type</b>	<b>Date</b>	<b>Shire Rating</b>
<i>List of Key Controls</i>			
<b>Overall Control Ratings:</b>			
<b>Risk Ratings</b>			<b>Shire Rating</b>
<b>Consequence:</b>			
<b>Likelihood:</b>			
<b>Overall Risk Ratings:</b>			
<b>Key Indicators</b>	<b>Tolerance</b>	<b>Date</b>	<b>Overall Shire Result</b>
<i>List of Key Indicators</i>			
<b>Comments</b> <i>Rationale for all above ratings</i>			
<b>Current Issues / Actions / Treatments</b>		<b>Due Date</b>	<b>Responsibility</b>
<i>List current issues / actions / treatments</i>			



# Appendix C – Risk Theme Definitions

## **Misconduct**

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

## **External Theft & Fraud (Inc. Cyber Crime)**

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

## **Business Disruption**

A local physical event causing the inability to continue business activities and provide services to the community; this may or may not result in Business Continuity Plans being invoked. This does not include disruptions due to:

- IT Systems or infrastructure related failures should be captured under "Failure of IT Systems and Infrastructure".
- Contractor / Supplier issues should be captured under "Inadequate Supplier / Contract Management".
- People issues should be captured under "Inappropriate People Management".

## **Damage to Physical Assets**

Damage to buildings, property, plant & equipment (all assets) that does not result in a disruption to business objectives (refer Business Disruption); this could be a result of a natural disaster or other events, or an act carried out by an external party (Inc. graffiti and / or vandalism).

## **Errors, omissions, delays**

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

## **Failure of IT &/or Communications Systems and Infrastructure**

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community.

This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Change Management".

#### **Failure to fulfil statutory, regulatory or compliance requirements**

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include;

- Issues in relation to OH&S – refer "Inadequate employee and visitor safety and security"
- Procurement, disposal or tender process failures – refer "Inadequate Procurement, Disposal or Tender Practices"
- HR based legislation – refer "ineffective People Management"

#### **Providing inaccurate advice / information**

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

#### **Inadequate Change Management**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Plant and Equipment design, delivery and maintenance"

#### **Inadequate Organisation and Community Emergency Management**

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies. This includes;

- Lack of (or inadequate) emergency response plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

(References: AS 3745; AS 1851; AIIMS 4 Management Principles)

### **Inadequate Document Management Processes**

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

### **Inadequate employee and visitor safety and security**

Non-compliance with Occupation Health & Safety (OH&S) Regulations and physical security requirements. This risk includes issues relating to:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants in the provision of a working or business environment.
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.

### **Inadequate engagement of Community / Stakeholders / Elected Members**

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

### **Inadequate Procurement, Disposal or Tender Practices.**

Failures in the procurement, acquisition, acceptance or disposal process for assets as governed by the Woodanilling Act. This risk theme also relates to and includes;

- Lack of formalised process to identify specific requirements prior to procurement.
- Acceptance of assets without reference to a formalised process to ensure correct receipt and / or notification of receipt (transfer of ownership).
- Disposing of P & E (either through sale or decommissioning) that did not meet expectations from either a time or financial perspective.
- Failures in the Tender process from RTF preparation, advertising, due diligence and awarding.

### **Inadequate Asset Management**

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet assets in addition to community use based assets including playgrounds, boat ramps and other maintenance based assets. Areas included in the scope are;

- Inadequate design (not fit for purpose).
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate or unsafe modifications.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

### **Inadequate Stock Management**

Lack of stock to ensure continuity of operations or oversupply of stock resulting in dormant (non-performing) assets. Stock includes, consumables, stationery, spare parts and / or other items used for operational purposes. This could be a result of an ineffective stock management system / processes or the peripheral processes in the issuance and / or recording of 'transactions'.

It does not include theft or loss of stock through ineffective operations; refer;

- Theft – “Misconduct” or “External Theft or Fraud”
- Ineffective operations – “Errors, Omissions or Delays”.

### **Inadequate Supplier / Contract Management**

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer “Inadequate Procurement, Disposal or Tender Practices”.

### **Ineffective People Management**

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S)
- Discrimination, Harassment & Bullying in the workplace
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place
- Induction issues
- Terminations (including any tribunal issues)
- Industrial activity

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiency.

### **Ineffective management of Facilities / Venues / Events**

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

### **Not meeting Community expectations**

Failure to provide expected levels of service, events and benefit to the community. This includes where precedents have set Community perceptions or where services are generally expected. This will normally result in reputational impacts, however may have financial considerations with re-work, compensations or refunds. Examples include:

- Reducing the number or quality of events.
- Withdrawing support (or not supporting) other initiatives to provide relief/benefits to the Community.
- Loss of new or ongoing funding requirements for projects, events and other initiatives.
- Technology expectations



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## Shire of Woodanilling Risk Report - December 2018

### Executive Summary

Being the initial risk report, this is focussing on doing the framework for ensuring that future reports will continue to provide relevant insight and recommendations to assist the Shire Executive in managing risks. This report is provided in full (dashboard and individual risk profiles) to allow the Executive an opportunity to review and confirm the current risk landscape of the Shire. It is envisaged that future reports will only be in a dashboard format, highlighting the current Risk & Control ratings together with any current actions / treatments underway.

These internal reports are expected to be generated and discussed twice a year as part of the agenda for the Management Team.

### Recommendations

#### Risk Framework

1. Ensure that the Risk Management Policy is approved by Council.
2. Approve the Risk Management Procedures Manual.

#### Risk Profiles

1. Review and approve all Risk Profiles (from a Risk & Control perspective).
2. Confirm Current Issues / Actions / Treatments (Responsibility & Due Date)

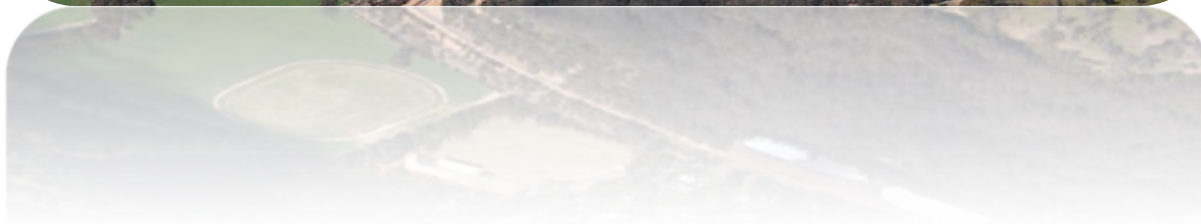
<b>Misconduct</b>			Risk	Control
			Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility		
SynergySoft purchase order system implemented and trained	Aug-14	CEO		
New Purchasing SOP	Sep-14	FO		
<b>Damage to Physical Assets</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>External Theft &amp; Fraud (inc. Cyber Crime)</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Failure to fulfil statutory, regulatory or compliance requirements</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Providing inaccurate advice / information</b>			Risk	Control
			Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility		
Regular review of "Work Instruction" sheets	Dec-18	All Staff		
Training and Development Plan	Jul-19	ACEO/DCEO		
Budget Constraints, allocations for training in 2019/20 Budget	Jun-19	DCEO/WS		
<b>Inadequate Document Management Processes</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate engagement of Community / Stakeholders / Elected Members</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Asset Management</b>			Risk	Control
			Low	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility		
Implement usage of Asset Management System	Sep-14	CEO		
Complete the review and update data in Road Asset Management System (eg. Conditions / Hierarchy)	Dec-18	WS		
I-Auditor program implemented to record property conditions	Dec-18	DCEO		
<b>Inadequate Supplier / Contract Management</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Ineffective management of Facilities / Venues / Events</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Business Disruption</b>			Risk	Control
			Low	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility		
Develop a Business Continuity Program as per Reg 17 review	?	CEO		
<b>Errors, Omissions &amp; Delays</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Failure of IT &amp;/or Communications Systems and Infrastructure</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate safety and security (staff, visitors and community)</b>			Risk	Control
			Moderate	Effective
Current Issues / Actions / Treatments	Due Date	Responsibility		
Undertake 4801 Audit & determine ongoing actions to remedy	Jul-15	CEO (MS)		
<b>Inadequate Organisation and Community Emergency Management</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Project / Change Management</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Procurement, Disposal or Tender Practices</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Stock Management</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Ineffective People Management</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Not meeting Community expectations</b>			Risk	Control
			#N/A	0
Current Issues / Actions / Treatments	Due Date	Responsibility		





# REGULATION 17 REVIEW - 2018

## ANALYSIS OF THE SHIRES RISKS, INTERNAL CONTROLS AND LEVEL OF COMPLIANCE



**Ariel View of Woodanilling**

**Prepared for:** Shire of Woodanilling, Audit Committee

**Prepared by:** Sean Fletcher, Acting Chief Executive Officer – Shire of Woodanilling

**Date:** December 2018

## Introduction

In accordance with the requirements of the Reg. 17 Review and Appendix 3 of Departmental Guideline 9, the Acting CEO has reviewed the risk management of the Shire, the internal control systems and the level of compliance.

In short this review is known more colloquially as the Reg. 17 Review. Until 26 June 2018, the CEO was required to do the review at least once every 2 calendar years. The Regulations were amended at this time requiring the CEO to now do this review no less than once every three financial years.

As part of the December 2014 report to Council the CEO in effect completed the Risk Management component of the Reg 17 Review. The then CEO recommended that Council endorse the initial risk assessment matrix and the risk management assessment. Two attachments were provided:

1. The Risk Assessment and Acceptance Criteria (or Risk Appetite).
2. The November 2014 Risk Report (Risk Dashboard) i.e. the risks identified for the Shire and the progress regarding managing those risks. These are the risk themes found at Appendix C within the Risk Management Governance Framework.

However, the minutes show that Council only endorsed the November Risk Report (Risk Dashboard). This is puzzling in that it indicates Council did not sign off on the Shire's Risk Assessment and Acceptance Criteria, or in otherwords, its' risk appetite! Further to this, the Audit Committee is required to consider the CEO's Reg. 17 Review report in the first instance and then the Committee presents it to Council for adoption. This process was not followed as the review went straight to Council.

In addition to the above, it could be said that the former CEO met her obligations regarding the risk management requirements under the Reg.17 Review. The requirements regarding the internal controls and legislative compliance were not subsequently addressed, although some of the elements from both do occur as themes under the November 2014 Risk Report.

It should also be noted that the Reg. 17 Review did not occur in 2016 as required at that time. As the Reg. 17 Review is now required to be undertaken not less than once in every 3 financial years, it is clear that the CEO needs to undertake the Reg. 17 review, which the Acting CEO has now completed and forms part of today's report below.

As a result, the author has developed a framework to be used by the CEO and the Audit Committee to determine the level of improvements required regarding its financial management and enterprise wide risks. Accordingly, the Reg.17 Frameworks for the Shire of Woodanilling is as follows

**SEAN FLETCHER**

Acting Chief Executive Officer

## Executive Summary

Under Regulation 17 of the Audit Regulations, the CEO is to review the appropriateness and effectiveness regarding the Shire's:

- Risk management;
- Internal control; and
- Legislative compliance.

## Risk Management

The Shire clearly needs to address its risks in an effective way. Critical components include the Audit Committee working effectively hand in hand with the CEO and supporting the CEO to the best of its ability including quarterly risk updating (Recommendations 1 – 4).

Council needs to re-introduce a revised Risk Management Policy. The Audit Committee also needs to adopt an appropriate terms of reference so it can start to perform its functions.

Recommendation 5 is now happening as a matter of course.

## Risk Management

The key risk processes have been assessed as follows:

Risk Management Considerations	Guidance Note 9	Requirement	Assessment & Recommendation
<b>Risk Management System</b>	Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered	<p>The system consists of:</p> <ul style="list-style-type: none"> <li>• Risk Management Policy</li> <li>• Risk Management Procedures (as in the Risk Management Governance Framework Document)</li> <li>• Risk Management Governance Framework Document</li> <li>• Current Risk Profiles (Risk Dashboard)</li> </ul>	<ol style="list-style-type: none"> <li>1. Council needs to re-Implement the updated Risk Management Policy 95</li> <li>2. ACEO has updated the Risk Management Governance Framework – Dec 2018</li> <li>3. Risk Dashboard requires updating by Senior Management</li> </ol> <p><b>Recommendation 1:</b> Items 1, 2 and 3 to be implemented by 19 February 2019</p>
<b>Business Continuity Plan</b>	Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time	<p>The Business Continuity Framework to incorporate:</p> <ul style="list-style-type: none"> <li>• Procedures and approach</li> <li>• Business Continuity Plan</li> <li>• Procedures for emergency management preparedness and response</li> </ul>	<ol style="list-style-type: none"> <li>1. There is no continuity management plan in place</li> <li>2. The ICT Strategy (Plan) requires updating as it was to 2016/17</li> <li>3. Staff awareness required regarding clicking on dubious email links etc.</li> <li>4. Elements in place include: <ol style="list-style-type: none"> <li>a. A back up of the Shire's servers are conducted daily</li> <li>b. 42 Day Change of password protocol</li> </ol> </li> </ol> <p><b>Recommendation 2:</b></p> <ul style="list-style-type: none"> <li>• Continuity plan to be developed by 31/12/19</li> <li>• ICT Strategy to be developed by 31/12/19</li> </ul>
<b>Managing Material Operating Risks in Accordance with Tolerance</b>	Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance.	<p>Risk areas include:</p> <ol style="list-style-type: none"> <li>1. What is the Shire's Risk Acceptance Criteria?</li> <li>2. Potential non-compliance with legislation, regulations and standards and local government's policies;</li> </ol>	<ol style="list-style-type: none"> <li>1. Risk Acceptance Criteria is not recognised at policy level (Council).</li> <li>2. In November 2014, failure to fulfil statutory, regulatory or compliance requirements was rated as a moderate risk with effective controls in place. The key elements are: <ol style="list-style-type: none"> <li>a. Compliance Calendar. This is in place on a limited basis. At the Council meeting on 16 October 2018, the former CEO provided Council with a comprehensive calendar used by other local governments</li> </ol> </li> </ol>



		<p>3. Important accounting judgements or estimates that prove to be wrong;</p> <p>4. Litigation and claims;</p> <p>5. Misconduct, fraud and theft;</p> <p>6. Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government</p>	<p>b. Use of Compliance Audit Return as a detective mechanism – not used</p> <p>c. Managing Subscriptions and memberships to promote awareness of industry changes. The Management Team is not tracking and disseminating information</p> <p>3. Accounting Judgements in Nov 2014 was rated as adequate:</p> <p>a. Inadequate project/change management. PM Is adhoc. Some Recommendations to change culture introduced on a limited basis.</p> <p>b. Inadequate Asset Sustainability Practices. The Shire has commenced a process of implementing a preservation method for its road network</p> <p>4. Litigation and Claims for last four years are Nil</p> <p>5. Fraud and Misconduct in Nov 2014 was rated as a moderate risk with effective controls in place. This criteria is acceptable as follows:</p> <p>a. Procurement Policy in place</p> <p>b. Staff are required to put extraneous requests in writing for approval</p> <p>c. Code of Conduct is in place</p> <p>6. Significant Business Risks:</p> <p>a. Environmental work practices need to be addressed. DPAW has written twice to Shire this year re its clearing practice – this is high risk e.g. fines start at \$250,000;</p> <p>b. OSH is at an effective level</p> <p>c. Other criteria need to be teased out e.g. community disruption, political risks, shire demographics, technology and workforce</p> <p><b>Recommendation 3:</b></p> <ul style="list-style-type: none"> <li>• Risk Acceptance Criteria to be implemented by 19 February 2019</li> <li>• The Compliance Calendar to be implemented by 30 June 2019</li> <li>• Management Team to start using the CAR as an improvement tool</li> <li>• Management Team to review industry changes at the EMT meetings</li> <li>• Works Supervisor to not undertake clearing until permits received</li> <li>• Other business risks to be identified by 31/12/19</li> </ul>
<b>Audit Committee Practices</b>	Obtaining regular risk reports, which identify key risks, the status and the	The Audit Committee is required to undertake these key functions	<p>The Shire has an Audit Committee in place. However the are key issues that require addressing:</p> <p>1. The committee minutes indicate that it has not met as required i.e. yearly.</p>

	<p>effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported</p> <p>Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors</p> <p>Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment</p>		<ol style="list-style-type: none"> <li>Risk reporting has not occurred</li> <li>The Reg 17 Review has been ineffective or not conducted.</li> <li>The Audit Committee requires a terms of reference</li> </ol> <p><b>Recommendation 4:</b></p> <ul style="list-style-type: none"> <li>Audit Committee Terms of Reference to be in place by 19 February 2019: <ul style="list-style-type: none"> <li>Audit Committee to meet quarterly</li> <li>Risk reporting to occur quarterly</li> </ul> </li> <li>Reg 17 Review criteria as presented to Audit Committee on 18 December 2018 to be endorsed at this meeting</li> </ul>
<b>Insurable Risks</b>	Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance	<p>All insurance products are arranged through LGISWA</p> <p>The criteria for assessment includes:</p> <ul style="list-style-type: none"> <li>Motor Fleet Claims</li> <li>Property Claims</li> <li>Workcare Claims</li> </ul>	<p>In most instances, LGISWA has met the claims.</p> <p><b>Recommendation 5:</b></p> <ul style="list-style-type: none"> <li>The Shire's claims for the last four years need to be identified and tracked on an ongoing basis;</li> <li>The Shire needs to look at how it can reduce its claims on an ongoing basis</li> </ul>
<b>Unusual Transactions</b>	Assessing whether management has controls in place for unusual types of	<p>Key elements include:</p> <ul style="list-style-type: none"> <li>Delegation Framework;</li> </ul>	<ol style="list-style-type: none"> <li>Delegations are in place for the relevant staff;</li> <li>Auditors have confirmed there are no irregularities</li> </ol>

	transactions and/or any potential transactions that might carry more than an acceptable degree of risk	<ul style="list-style-type: none"> <li>• Policies regarding Investments and Purchasing;</li> <li>• Test sampling by auditors</li> </ul>	<p>3. The Shire does not have any associations with activities, events or businesses that could be considered unusual</p> <p><b>Finding:</b></p> <p>No actions required</p>
<b>Procurement Framework</b>	Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied	<p>How is the Shire's procurement, disposal and tender practices being applied?</p> <p>Inadequate procurement, disposal and tender practices in Nov 14 were rated as a moderate risk with adequate controls in place</p>	<p>Staff are in the process of transitioning to required levels of responsibility regarding procurement including:</p> <ul style="list-style-type: none"> <li>• Writing memos seeking approvals for extraneous purchases;</li> <li>• Improving their understanding regarding levels of requisition and purchase authority;</li> <li>• Seeking the required number of quotes according to the procurement policy</li> </ul> <p><b>Finding:</b></p> <p>No actions required</p>

### Summary of Key Findings

The Shire clearly needs to address its risks in an effective way. Critical components include the Audit Committee working effectively hand in hand with the CEO and supporting the CEO to the best of its ability including quarterly risk updating (Recommendations 1 – 4). Council needs to re-introduce a revised Risk Management Policy. The Audit Committee also needs to adopt an appropriate terms of reference so it can start to perform its functions.

Recommendation 5 is now happening as a matter of course.

## Internal Controls

The key internal controls for the Shire have been assessed as follows:

Guidance Note 9	Requirement	Assessment & Recommendation
<b>Separation of roles and functions, processing and authorisation;</b>	<ol style="list-style-type: none"> <li>1. Debtors Control – Separation of roles between invoice raiser, invoice approver, and receipting functions</li> <li>2. Purchases, Creditors and Cash Payments – Separation of roles between ordering, invoice entry, invoice approver, petty cash payments and recoups, and payment approvals</li> <li>3. Payroll – Separation of roles between timecard approver, timecard entry, payroll approver and pay run payment authorisers</li> <li>4. Receipting – Separation of roles between daily receipting, cash count at end of day, bank reconciliation process and review by Supervisor</li> <li>5. Rating – Separation of roles between rates levied, cash receipting over the counter and direct deposit, bank reconciliation process and review by supervisor, debt collection and review by supervisor</li> <li>6. Banking – Separation of roles between cash receipting and daily banking, and bank reconciliation process</li> <li>7. Monthly Reconciliations – Separation of roles to ensure supervisor is certifying monthly reconciliations prepared by relevant officers</li> </ol>	<ol style="list-style-type: none"> <li>1. The SynergySoft system is set so that the separation of roles is maintained.</li> <li>2. Appropriate separation of responsibilities are in place for this requirement.</li> <li>3. Timesheets are approved by the respective supervisor, the Payroll Officer conducts entry and the CEO reviews and approves the pay run. The DCEO approves the pay run in the CEO's absence.</li> <li>4. The Deputy CEO authorises the ASO's balancing sheet at the end of each day</li> <li>5. The Rates Officer performs required functions to issue rates. Monies received are by the ASO (in person), Rates Officer (On-line). The Bank reconciliation is by the Finance Officer, the Rates Officer undertakes debt collection once approved by the CEO.</li> <li>6. ASO undertakes processing and the Deputy CEO approves the reconciliation undertaken</li> <li>7. Finance Officer and Rates Officer prepare monthly reconciliations. The CEO reviews and approves such reconciliations. This process should be conducted by the Deputy CEO</li> </ol> <p><b>Recommendation 6:</b> The Deputy CEO to review and approve the monthly reconciliations from 31 March 2019</p>
<b>Control of approval of documents, letters and financial records;</b>	<ul style="list-style-type: none"> <li>• Document Approval – Documents are created by authorised officers and managed in a centrally controlled repository. Versions of documents are controlled by authorised officers in accordance with the local</li> </ul>	<p>Documents are created and stored using SynergySoft - Central Records and in accordance with the Shire's Record Keeping Plan.</p> <p>Financial Records are approved in accordance with the requirements for external reporting by the CEO including the Monthly Financial Reports, the Budget Review and the Annual Financial Statements. This puts quite a strain on the CEO in terms of existing responsibilities.</p>



	<p>governments Document and Records Management Guideline – Access and Security</p> <ul style="list-style-type: none"> <li>Letters Approval – Letters are created by authorised officers and managed in a centrally controlled repository. Versions of letters are controlled by authorised officers in accordance with the local governments Document and Records Management Guideline – Access and Security</li> <li>Financial Records Approval – The local government has sound oversight over the review and approval of financial records</li> </ul>	<p>As one of CEO's KPIs, the Shire from 17/18 now has Moore Stephens prepare the Annual Financial Statements as the former CEO due to the strain experienced in meeting the Shire's compliance obligations and other key work and lack of staff resources.</p> <p><b>Recommendation 7:</b></p> <p>The Shire to engage high level financial management support regarding:</p> <ul style="list-style-type: none"> <li>Preparing the Monthly Financial Statements;</li> <li>Undertaking the Budget Review.</li> </ul>
<b>Comparison of internal data with other or external sources of information</b>	<ul style="list-style-type: none"> <li>Compare Internal Data to External Sources</li> </ul>	<p>This occurs on an adhoc basis</p> <p><b>Finding:</b> Nil</p>
<b>Limit of direct physical access to assets and records;</b>	<ol style="list-style-type: none"> <li>Physical access to electronic records is controlled by sound security policies</li> <li>Physical access to paper records is controlled by sound security policies, procedures and a sign-out, sign-in register</li> <li>Physical access to IT systems hardware is controlled by sound security procedure</li> <li>Physical access to assets, such as keys to plant and equipment, is controlled by a sign-out sign-in register, with keys kept in a lockable cabinet</li> </ol>	<ol style="list-style-type: none"> <li>The Shire does not have an ICT Security Policy and Procedure. Access to electronic records is controlled by unique user login and passwords, with security based on user assigned credentials. The password must be changed every 42 days. The Shire Building has a security system installed. The Shire has a basic Service Level Agreement (SLA) with an external IT Provider, with support based on an annualised service per year. The backs up its electronic information each day. The drive is stored off site at the Depot.</li> <li>Sensitive documents are kept in the secured strongroom accessible by relevant staff. Other paper records are in a lockable compactus, with keys kept in the strongroom. The Shire Building has a security system installed.</li> <li>The server is exposed to both the public and unauthorised staff as the server room is open on two sides (library and admin area) and is a thoroughfare for staff.</li> <li>The keys are kept in a key cabinet in the strong room. The key to the key cabinet is kept in the strongroom</li> </ol> <p><b>Recommendation 8:</b></p> <ul style="list-style-type: none"> <li>The Shire to implement an ICT Security Policy and Procedures by 31/12/19;</li> <li>The Deputy CEO to prepare options to secure the Shire's servers by 31 March 2019;</li> <li>The CEO to restrict folder access on the F Drive and G Drive as soon as practicable.</li> </ul>

<b>Control of computer applications and information system standards</b>	<ul style="list-style-type: none"> <li>• Access to corporate applications is controlled by unique user login and password. User access control is managed via access limitations imposed at individual user level</li> <li>• Corporate network controls include virus protection, cyber-security and firewall protection, regular back-ups and testing, system passwords and access controls</li> </ul>	<ul style="list-style-type: none"> <li>• Access to corporate applications is controlled by unique user login and passwords, with security based on user assigned credentials. The password must be changed every 42 days. Backup tapes are managed daily and kept off site at the Depot.</li> <li>• The corporate network controls are maintained by the Shire's IT Service Provider.</li> </ul> <p><b>Finding:</b> No further action required</p>
<b>Limit access to make changes in data files and systems</b>	<ul style="list-style-type: none"> <li>• Authority to access and use corporate business systems is approved by the Deputy CEO</li> <li>• Access to networked corporate drives is controlled by unique user login and password at each device</li> </ul>	<ul style="list-style-type: none"> <li>• The local government has assigned each user a unique login and password for access to the computer network and for access to corporate applications, such as SynergySoft</li> <li>• Password changes for each user are force changed by the external IT Provider, every 42 days</li> <li>• The local government has a basic Service Level Agreement (SLA) with an external IT Provider, with support based on annualised cost.</li> <li>• Networked drives are controlled by group policy settings implemented by the external IT Provider under direction of the Shire. Most system users have access to a network drive via Remote Session, which allows users to gain access to all data stored on the network drive. There are some to be little or no security protocols in place to prevent any user from viewing, editing and deleting files from the network drive.</li> </ul> <p><b>Finding:</b></p> <ul style="list-style-type: none"> <li>• See Recommendation 8</li> </ul>
<b>Regular maintenance and review of financial control accounts and trial balances</b>	<ul style="list-style-type: none"> <li>• Monthly and regular reconciliations are performed on key financial risk areas with the local government</li> </ul>	<p>A list of reconciliations is required to ensure that all reconciliations are undertaken.</p> <p><b>Recommendation 9:</b> The Management Team to develop the list of reconciliations by 31 January 2019</p>
<b>Comparison and analysis of financial results with budgeted amounts</b>	<ul style="list-style-type: none"> <li>• Presentation of Monthly Statement of Financial Activity and supporting information to Council with actual results compared to year to date budget estimates each month, with adequate explanation of significant variances</li> <li>• Presentation of Mid-Year Budget Review to Council with actual results compared to the budget for the month, and projections</li> </ul>	<ul style="list-style-type: none"> <li>• The Shire CEO prepares a Monthly Statement of Financial Activity with supporting documentation, which is included in the Council Agenda. Significant variances reported in the Statement of Financial Activity are explained in detail. However, the Shire should use the industry benchmark in preparing its monthly financial statements which would also reduce the need to provide quarterly financial reporting.</li> <li>• The Shire prepares a mid-year budget review that is submitted to Council in February/March of each year. Significant variations are explained, and recommendations are made on budget amendments based on projection trends.</li> </ul>

	<p>undertaken through to 30 June, with recommendations on any budget amendments required based on projection trends</p> <ul style="list-style-type: none"> <li>End of Financial Year Review is conducted with actual results compared to amended budget, with significant variations explained</li> </ul>	<ul style="list-style-type: none"> <li>The local government conducts an end of financial year review of its finances, with the aim of identifying key areas that were over or under budget estimates, with explanations provided on what has caused the outcome. The Shire uses external help to prepare these statements.</li> </ul> <p><b>Finding:</b></p> <p>The systems, procedures and processes in place for the above are considered appropriate. However, as per Recommendation 7, it would be appropriate for the CEO to seek assistance regarding the preparation of the monthly financial statements and the Budget Review.</p>
<b>The arithmetical accuracy and content of records</b>	<ul style="list-style-type: none"> <li>Supplier invoices are cross-checked for arithmetic accuracy prior to data entry</li> <li>Customer invoices are cross-checked for arithmetic accuracy prior to issue</li> </ul>	<p>The Shire checks all computations and calculations on supplier invoices, including GST, for accuracy. Each supplier invoice is stamped electronically</p> <p><b>Finding:</b></p> <p>Current system to check invoices for accuracy is adequate.</p>
<b>Report, review and approval of financial payments and reconciliations</b>	<ul style="list-style-type: none"> <li>Accounts Payable Procedure provides guidance on the method for paying creditors that meets internal control, organisational and legislative requirements</li> <li>List of Accounts is prepared, reviewed and submitted to Council</li> <li>Manager reviews monthly reconciliations, cross-checks records and counter-signs reconciliations performed as being completed and are accurate</li> </ul>	<ul style="list-style-type: none"> <li>The Shire undertakes the accounts payable process electronically. However, it has not in the past checked to see if the number of quotes received is compliant to the Shire's Purchasing Policy: <ul style="list-style-type: none"> <li>The Consultant Engineer has worked with the Works Supervisor to ensure relevant number of quotes are obtained using e-quotes;</li> <li>ACEO has reminded staff of the required number of quotes and if they cannot be obtained within the timeframe to seek his approval for an exemption.</li> </ul> </li> <li>The Finance Officer prepares a List of Accounts that is presented to Council each month. The Finance Officer reviews each payment on the list, cross-checking each item has been appropriately authorised and certified prior to payment authorisation and/or signing. It is only recently that the ACEO has ensured that the Deputy CEO and Works Supervisor are part of the approval process</li> <li>The CEO reviews and authorises each payment listing made. Monthly reconciliations are prepared by the respective officer and counter-signed by the CEO to acknowledge completion and accuracy.</li> <li>The auditors found in 2018: <ul style="list-style-type: none"> <li>Bridge Infrastructure Revaluation was not correct.</li> <li>Trust and Reserve bank reconciliations were not carried out in June July and August 2018. We note now carried out since September.</li> <li>Council Investment Policy to be amended to reflect prohibition on investment in terms exceeding 12 months, foreign currency and bond investments not to exceed 3 years (previously recommended in interim management letter)</li> <li>EFT and cheque authorisation require only 1 authorisation up to \$99,999. Our interim management letter recommended a reduction in this threshold.</li> </ul> </li> </ul> <p><b>Recommendation 10:</b></p>

		<ul style="list-style-type: none"> <li>Monthly checklists are required to be implemented by 1 March 2019 to ensure all reconciliations are performed monthly;</li> <li>The Deputy CEO should review and authorise each payment listing instead of the CEO. This is to be phased in by 31 March 2019</li> </ul>
<b>Comparison of the result of physical cash and inventory counts with accounting records</b>	<ol style="list-style-type: none"> <li>Cash float in tills is reconciled at the end of each day</li> <li>Cash collected is accounted for correctly</li> <li>Cash floats at outstations are reconciled at the end of each day and is periodically checked by management</li> <li>Petty cash is recouped on a regular basis and reconciliation is approved by supervisor</li> <li>Physical stock on hand is checked and reconciled to stock register on a monthly basis</li> </ol>	<p>Requirement 3 is not applicable.</p> <p>Requirements 1, 2 and 4 are conducted in accordance with the documented End of Day procedure.</p> <p>Physical stock is managed as follows:</p> <ul style="list-style-type: none"> <li>Fuel, oils and grease, tyres and materials and equipment (once a year);</li> <li>Stationery items are completed on an informal basis, with orders submitted by the Administration Services officer each month.</li> </ul> <p><b>Recommendation 11:</b></p> <p>The Management Team to consider an appropriate stock take process for each month. This is to be in place by 31 March 2019</p>

It can be seen regarding the Shire's internal controls, the demands to ensure a compliant and risk free environment are high (as they should be). Recommendations 6 and 10 show a transition of responsibility from the CEO to the Deputy CEO regarding the monthly reconciliations and the review and approval of the creditors' payment listings. Recommendation 7 addresses the matter of an external provider providing high level financial management support regarding the preparation of the Monthly Financial Statements and the Budget Review. Further recommendations make it clear there is a need for better information, communication and technology controls. Reconciliation lists and checklists need to be implemented regarding end of month practices and there needs to be better management around stock control. Most changes regarding in the internal controls are relatively straight forward to achieve.



## Legislative Compliance

The Shire's legislative compliance has been assessed as follows:

Guidance Note 9	Requirement	Assessment & Recommendation
<b>Monitoring compliance with legislation and regulations</b>	<ul style="list-style-type: none"> <li>Implementation and use of a Compliance Calendar;</li> <li>Management reviews key information circulars;</li> <li>Management reviews agenda report template to ensure headings meet legislative compliance issues;</li> <li>The local government holds regular executive management meetings</li> </ul>	<p>As identified under the Risk Management criteria - Managing Material Operating Risks in Accordance with Tolerance re</p> <ol style="list-style-type: none"> <li>Compliance Calendar. This is in place on a limited basis. At the Council meeting on 16 October 2018, the former CEO provided Council with a comprehensive calendar used by other local governments</li> <li>Managing Subscriptions and memberships to promote awareness of industry changes. The Management Team is not tracking and disseminating information</li> <li>The Agenda Template requires amendment to include Risk Criteria</li> <li>The Shire now holds a weekly managers meeting</li> </ol> <p><b>Recommendation 12:</b></p> <ul style="list-style-type: none"> <li>The agenda template to be updated to include Risk Criteria</li> <li>Management Team to review industry changes at its management meetings</li> </ul>
<b>Reviewing the annual Compliance Audit Return and reporting to Council the results of that review</b>	The Compliance Audit Return (CAR) must be a completed between 1 January and 31 March of each year for the previous calendar year	<p>The CEO did not submit the CAR for 2017 to the Audit Committee as required by the Audit Regulations. It went straight to Council at its meeting on 20 February 2018. There were five elements that did not meet the requirements:</p> <ul style="list-style-type: none"> <li>One elected member submitted a late annual return;</li> <li>The audit for 2016/17 was not completed by the required times;</li> <li>The Corporate Business Plan was not completed as required</li> <li>The Shire then submitted the CAR for 2017 to the Department on 22 February 2018 via Smart Hub. The CAR Process compliant.</li> </ul> <p><b>Recommendation 13:</b></p> <ul style="list-style-type: none"> <li>Audit Committee needs to ensure the Auditor meets timeframes and remind councillors of their compliance obligations</li> <li>CEO needs to close out IPR updates by 30 June 2019</li> </ul>
<b>Staying informed about how management is monitoring the effectiveness of its compliance and making</b>	1. The local government has an audit committee that is responsible for reviewing the audit function, including legislative compliance requirements:	<ol style="list-style-type: none"> <li>The Audit Committee has not met its obligations regarding the LG Act and the Audit Regulations.</li> <li>The Shire does have the required IPR documents in place. However, the major review for the SCP has stalled which also impacts the relevance of the other plans</li> </ol>

<p><b>recommendations for change as necessary</b></p>	<p>a. From a financial perspective; and b. Monitoring enterprise financial risks</p> <p>2. The local government has Integrated Planning and Reporting Documents that guide the strategic direction of Council, provide implementation and action plans, and identify asset, financial and human resourcing requirements</p> <p>3. The local government reviews policies on a regular basis and changes to legislation are considered and incorporated during the review process</p> <p>4. The local government reviews procedures and internal processes regularly, and changes to legislative requirements are considered and incorporated during the review process</p> <p>5. The local government has authorised persons to carry out some of its discretionary functions under its legislative obligations and delegated authority to do the same. The Delegations Register is reviewed on an annual basis, and authorisations are reviewed when changes to legislation are identified. Delegations are included in the Compliance Calendar and reviewed accordingly</p>	<p>3. Council reviewed all of its policies in May 2018. Policy 95 re risk management was repealed and needs re-introduction.</p> <p>4. The CEO and the management team do review its processes regularly. There is an extensive list of procedures and work instructions documented and in place that cover:</p> <p>a. Administration and Finance b. Regulatory applications</p> <p>5. The Shire has a list of authorised officers and authorisations for these officers in place. These were reviewed in May 2018.</p> <p><b>Recommendation 14:</b></p> <ul style="list-style-type: none"> <li>As per Recommendation 4 Audit Committee Terms of Reference to be in place by 19 February 2019: <ul style="list-style-type: none"> <li>Audit Committee to meet quarterly</li> <li>Risk reporting to occur quarterly</li> </ul> </li> <li>The Management Team to sign off on new and reviewed procedures.</li> </ul>
<p><b>Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints</b></p>	<p>1. The local government has a Customer Services Charter that details the steps the local government will follow when dealing with a complaint. The Charter sets out the standards of service, compliments, enquiries, requests and complaints. The local government has a Customer Services Policy that provides guidance to staff and customers on the standards of service</p>	<p>1. The Shire does have a Customer Service Charter in place (2018).</p> <p>2. There is no grievance policy or procedures in place to deal with staff issued.</p> <p>3. The PID Officer is the CEO and the CEO and Acting CEO attended training on relevant updates to the complaints process.</p> <p>4. There is no complaints procedure in place to deal with elected members. This is currently handled using the Departmental process.</p> <p><b>Recommendation 15:</b></p> <p>The CEO to develop and implement by 30 June 2019:</p>

	<ol style="list-style-type: none"> <li>2. The local government has a grievance policy and procedure for the investigation and resolution of grievances, disputes and allegations of serious misconduct are managed</li> <li>3. The local government has appointed a Public Interest Disclosure (PID) Officer to handle any PID complaint in a confidential manner, and has implemented internal procedures relating to the local governments obligations under the PID Act</li> <li>4. The local government has implemented an Elected Member Official Conduct Complaints Procedure</li> </ol>	<ul style="list-style-type: none"> <li>• Grievance policy and procedure;</li> <li>• Elected Member Official Conduct Complaints Procedure (in accordance with the new legislative requirements)</li> </ul>
Obtaining assurance that adverse trends are identified and review management's plans to deal with these	<ul style="list-style-type: none"> <li>• Non-compliance issues identified in the Compliance Audit Return are reported to the Audit Committee and to Council, as well as the action to be taken to ensure compliance in future years</li> <li>• The local government holds management team meetings on a regular basis to discuss matters of strategic and operational importance. This includes compliance issues with the potential to significantly impact on business operations and consideration of any adverse trends</li> <li>• The Management Team provides advice and guidance to all areas on how achieve compliance in context of service activities</li> </ul>	<ul style="list-style-type: none"> <li>• The non-compliant areas of the CAR 2017 is identified at Recommendation 9</li> <li>• The management team are meeting each week: <ul style="list-style-type: none"> <li>○ Discuss strategic issues</li> <li>○ Discuss how to improve operational issues</li> </ul> </li> </ul> <p><b>Finding</b></p> <p>No further action (Refer Recommendation 9)</p>
Reviewing management disclosures in financial reports of the effect of significant compliance issues	<p>The Annual Financial Report and Annual Budget of the local government contain disclosures that report on significant compliance issues, their effect and impact on the local government. This includes:</p> <ul style="list-style-type: none"> <li>• <i>National Competition Policy Principles</i></li> <li>• <i>States Records Act 2000</i></li> </ul>	<p>The Shire's previous Annual Reports do not include the following:</p> <ul style="list-style-type: none"> <li>• Competitive Neutrality Statement:</li> </ul> <p>To ensure that the Competition Principles are being implemented. Local government will be required in their annual reports to verify compliance with this statement. This process is consistent with the new reporting requirements under the Local Government Act (1995). The annual reports must include sufficient information to allow interested parties to ascertain whether or not the principles have been complied with. This will include a requirement that local</p>

	<ul style="list-style-type: none"> <li>• <i>Equal Opportunity Act 1984</i></li> <li>• <i>Freedom of Information Act 1992</i></li> <li>• <i>Disability Services Act 1983</i></li> </ul>	<p>government also indicate areas where it does not intend to implement the Competition Principles, accompanied by evidence of a transparent and open analysis supporting that conclusion.</p> <p>It is the Shire's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. The Shire is not engaged in such activities and so does not need to apply the principles.</p> <p><b>Recommendation 16:</b></p> <p>The Shire is to include in its Annual Report a statement regarding Competitive Neutrality</p>
<p><b>Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee</b></p>	<ul style="list-style-type: none"> <li>• The local government uses the Office of the Auditor General appointed registered company auditor and the audit contract details the compliance areas covered and whether ethics risks are addressed</li> <li>• The audit process consists of an interim and final audit, with any findings arising from the audit process reported to the local government. Audit and management reports are provided to the local government detailing noncompliance issues and any significant deficiencies in internal controls</li> </ul>	<p>The final (annual) audit is now conducted under the auspices of the Office of the Auditor General from 17/18. The arrangements were received and confirmed by the CEO and President 22 April 2018. The Annual Audit will be finalised in time for the Audit Committee meeting on 18 December 2018.</p> <p>The interim is conducted April/May each year. The OAG advised for the 17/18 Interim Audit there were four moderate items that included the CEO's response regarding how the matters will be rectified.</p> <p><b>Recommendation 17:</b></p> <p>The Audit Committee to be advised by the CEO on the progress of:</p> <ul style="list-style-type: none"> <li>• Matters for rectification under the 17/18 Interim Audit;</li> <li>• Matters for rectification under the 17/18 Final Audit</li> </ul>
<p><b>Considering the internal auditor's role in assessing compliance and ethics risks in their plan</b></p>	<p>Who has responsibility for conducting internal audits?</p>	<p>The Shire does not conduct a discrete internal audit function. The CEO in the past has reviewed systems and processes on a sporadic basis rather than a periodic one. There is now in place:</p> <ul style="list-style-type: none"> <li>• A fortnightly administration staff meeting where issues are addressed;</li> <li>• Weekly managers' meeting to address issues.</li> </ul> <p><b>Finding:</b></p> <p>This action is considered reasonable given the size of the local government</p>
<p><b>Monitoring the local government's compliance frameworks dealing with relevant external legislation</b></p>	<p>1. A Governance Manual has been implemented that outlines the governance framework and the legislation applicable to local government</p>	<ol style="list-style-type: none"> <li>1. A draft governance manual was prepared in 2015. It requires completion.</li> <li>2. The Compliance Calendar requires review and updating. The ACEO has implemented at Council Briefing Sessions key compliance dates.</li> <li>3. The Management Meetings to address issues of compliance once the revised compliance calendar is in place. In the interim the Managers meeting is reviewing key dates.</li> </ol>



<p><b>and regulatory requirements</b></p>	<ol style="list-style-type: none"> <li>2. The local government has an Annual Compliance Calendar which contains key legislative obligations it is required to comply with each month of the year</li> <li>3. The local government holds regular management meetings where compliance items for the current and forthcoming months are monitored</li> <li>4. The local government prepares business plans for key activities and major projects that identify relevant external legislation and regulatory requirements, including risk management and financial modelling</li> </ol>	<p>4. Business cases are now required for key activities and major projects.</p> <p><b>Recommendation 18</b></p> <p>The CEO to ensure that items 1 – 3 are implemented.</p>
<p><b>Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest</b></p>	<ol style="list-style-type: none"> <li>1. Inductions are provided for newly elected members which covers conflicts of interest</li> <li>2. Elected Members are provided with the opportunity to attend relevant training delivered by Western Australian Local Government Association (WALGA)</li> <li>3. The local government has a Code of Conduct that clearly sets out the requirements for elected members declaring conflicts of interest, including not misusing their position to gain an advantage for themselves or another</li> <li>4. A Governance Manual clearly sets out the overarching governance framework that the local government operates within and describes in detail the statutory obligations of the local government and of a Councillor</li> <li>5. The local government has implemented and maintains Registers for Annual and Primary Returns, Declarations of Financial Interests and Gifts</li> </ol>	<ol style="list-style-type: none"> <li>1. Inductions have not been held previously.</li> <li>2. Councillors are always advised when training is available. There has been a reluctance to access the subsidised WALGA training.</li> <li>3. The Shire does have a Code of Conduct in place.</li> <li>4. As per Recommendation 16.</li> <li>5. The appropriate registers are in place for these activities.</li> </ol> <p><b>Recommendation 19</b></p> <p>The CEO is to ensure that inductions are made available for new elected members</p>

The level of compliance by the Shire requires quite a bit of work. The key issues to note are:

- Implementation of an appropriate compliance calendar (Recommendation 12). This has been a key matter highlighted in previous inquiries into local government;
- The new Strategic Plan needs to be closed out as soon as possible. The final consultation with the community can commence in February 2019;
- The Audit Committee needs to start performing its functions including meeting quarterly;
- The Management Team is to ensure it reviews and approves changes in internal procedures and the CEO implement relevant grievance processes and procedures.

## CONCLUSION

In all there are 19 recommendations that will form an action plan for the CEO to undertake in conjunction with the Management Team and the Audit Committee. This plan is required to be monitored by the Audit Committee in conjunction with the CEO. The Audit Committee is also to assist the CEO as required. The Action Plan is as follows:

### Recommendation 1:

Items 1 (Risk Management Policy), 2 (Risk Governance Framework) and 3 (Risk Dashboard) to be implemented by 19 February 2019;

### Recommendation 2:

- Continuity plan to be developed by 31/12/19
- ICT Strategy to be developed by 31/12/19

### Recommendation 3:

- Risk Acceptance Criteria to be implemented by 19 February 2019
- The Compliance Calendar to be implemented by 30 June 2019
- Management Team to start using the CAR as an improvement tool
- Management Team to review industry changes at the EMT meetings
- Works Supervisor to not undertake clearing until permits received
- Other business risks to be identified by 31/12/19

### Recommendation 4:

- Audit Committee Terms of Reference to be in place by 19 February 2019:
  - o Audit Committee to meet quarterly
  - o Risk reporting to occur quarterly
- Reg 17 Review criteria as presented to Audit Committee on 18 December 2018 and to be endorsed at the meeting on 19 February 2019

### Recommendation 5:

- The Shire's claims for the last four years need to be identified and tracked on an ongoing basis;
- The Shire needs to look at how it can reduce its claims on an ongoing basis

### Recommendation 6:

The Deputy CEO to review and approve the monthly reconciliations from 31 March 2019

### Recommendation 7:

The Shire to engage high level financial management support regarding:

- Preparing the Monthly Financial Statements;
- Undertaking the Budget Review.

### Recommendation 8:

- The Shire to implement an ICT Security Policy and Procedures by 31/12/19;
- The Deputy CEO to prepare options to secure the Shire's servers by 31 March 2019;
- The CEO to restrict folder access on the F Drive and G Drive as soon as practicable.

### Recommendation 9:

The Management Team to develop the list of reconciliations by 31 January 2019

**Recommendation 10:**

- Monthly checklists are required to be implemented by 1 March 2019 to ensure all reconciliations are performed monthly;
- The Deputy CEO should review and authorise each payment listing instead of the CEO. This is to be phased in by 31 March 2019

**Recommendation 11:**

The Management Team to consider an appropriate stock take process for each month. This is to be in place by 31 March 2019.

**Recommendation 12:**

- The agenda template to be updated to include Risk Criteria
- Management Team to review industry changes at its management meetings

**Recommendation 13:**

- Audit Committee needs to ensure the Auditor meets timeframes and remind councillors of their compliance obligations
- CEO needs to close out IPR updates by 30 June 2019

**Recommendation 14:**

- As per Recommendation 4 Audit Committee Terms of Reference to be in place by 31 December 2018:
- Audit Committee to meet quarterly
- Risk reporting to occur quarterly
- The Management Team to sign off on new and reviewed procedures.

**Recommendation 15:**

The CEO to develop and implement by 30 June 2019:

- Grievance policy and procedure;
- Elected Member Official Conduct Complaints Procedure (in accordance with the new legislative requirements)

**Recommendation 16:**

The Shire is to include in its Annual Report a statement regarding Competitive Neutrality

**Recommendation 17:**

The Audit Committee to be advised by the CEO on the progress of:

- Matters for rectification under the 17/18 Interim Audit;
- Matters for rectification under the 17/18 Final Audit

**Recommendation 18**

The CEO to ensure that items 1 – 3 are implemented (Governance Manual, Confirmation of Items for action from the Compliance Calender).

**Recommendation 19**

The CEO is to ensure that inductions are made available for new elected members



## Action Plan

Recommendation	Who	Reference	Risk	Update	Due
<b>Recommendation 1:</b> Items 1 (Risk Management Policy), 2 (Risk Governance Framework) and 3 (Risk Dashboard) to be implemented by 19 February 2019	CEO Council				
<b>Recommendation 2:</b> <ul style="list-style-type: none"> <li>Continuity plan to be developed by 31/12/19</li> <li>ICT Strategy to be developed by 31/12/19</li> </ul>	DCEO				
<b>Recommendation 3:</b> <ul style="list-style-type: none"> <li>Risk Acceptance Criteria to be implemented by 19 February 2019</li> <li>The Compliance Calendar to be implemented by 30 June 2019</li> <li>Management Team to start using the CAR as an improvement tool</li> <li>Management Team to review industry changes at the EMT meetings</li> <li>Works Supervisor to not undertake clearing until permits received</li> <li>Other business risks to be identified by 31/12/19</li> </ul>	Council  CEO  EMT  EMT  WS  EMT				
<b>Recommendation 4:</b> <ul style="list-style-type: none"> <li>Audit Committee Terms of Reference to be in place by 19 February 2019: <ul style="list-style-type: none"> <li>Audit Committee to meet quarterly</li> <li>Risk reporting to occur quarterly</li> </ul> </li> <li>Reg 17 Review criteria as presented to Audit Committee on 18 December 2018 and to be endorsed at the meeting on 19 February 2019</li> </ul>	Audit  CEO				
<b>Recommendation 5:</b> <ul style="list-style-type: none"> <li>The Shire's claims for the last four years need to be identified and tracked on an ongoing basis;</li> </ul>	DCEO				

<ul style="list-style-type: none"> <li>The Shire needs to look at how it can reduce its claims on an ongoing basis</li> </ul>					
<b>Recommendation 6:</b> The Deputy CEO to review and approve the monthly reconciliations from 31 March 2019	DCEO				
<b>Recommendation 7:</b> The Shire to engage high level financial management support regarding: <ul style="list-style-type: none"> <li>Preparing the Monthly Financial Statements;</li> <li>Undertaking the Budget Review.</li> </ul>	CEO				
<b>Recommendation 8:</b> <ul style="list-style-type: none"> <li>The Shire to implement an ICT Security Policy and Procedures by 31/12/19;</li> <li>The Deputy CEO to prepare options to secure the Shire's servers by 31 March 2019;</li> <li>The CEO to restrict folder access on the F Drive and G Drive as soon as practicable.</li> </ul>	DCEO				
<b>Recommendation 9:</b> The Management Team to develop the list of reconciliations by 31 January 2019	CEO				
<b>Recommendation 10:</b> <ul style="list-style-type: none"> <li>Monthly checklists are required to be implemented by 1 March 2019 to ensure all reconciliations are performed monthly;</li> <li>The Deputy CEO should review and authorise each payment listing instead of the CEO. This is to be phased in by 31 March 2019</li> </ul>	CEO/ DCEO				
<b>Recommendation 11:</b> The Management Team to consider an appropriate stock take process for each month. This is to be in place by 31 March 2019.	Rates Officer				
<b>Recommendation 12:</b> <ul style="list-style-type: none"> <li>The agenda template to be updated to include Risk Criteria</li> <li>Management Team to review industry changes at its management meetings</li> </ul>	ASO  CEO				

<b>Recommendation 13:</b> <ul style="list-style-type: none"> <li>Audit Committee needs to ensure the Auditor meets timeframes and remind councillors of their compliance obligations</li> <li>CEO needs to close out IPR updates by 30 June 2019</li> </ul>	Audit				
<b>Recommendation 14:</b> <ul style="list-style-type: none"> <li>As per Recommendation 4 Audit Committee Terms of Reference to be in place by 31 December 2018:</li> <li>Audit Committee to meet quarterly</li> <li>Risk reporting to occur quarterly</li> <li>The Management Team to sign off on new and reviewed procedures.</li> </ul>	Audit  Audit EMT EMT				
<b>Recommendation 15:</b> The CEO to develop and implement by 30 June 2019: <ul style="list-style-type: none"> <li>Grievance policy and procedure;</li> <li>Elected Member Official Conduct Complaints Procedure (in accordance with the new legislative requirements)</li> </ul>	CEO				
<b>Recommendation 16:</b> The Shire is to include in its Annual Report a statement regarding Competitive Neutrality	CEO				
<b>Recommendation 17:</b> The Audit Committee to be advised by the CEO on the progress of: <ul style="list-style-type: none"> <li>Matters for rectification under the 17/18 Interim Audit;</li> <li>Matters for rectification under the 17/18 Final Audit</li> </ul>	CEO				
<b>Recommendation 18</b> The CEO to ensure that items 1 – 3 are implemented (Governance Manual, Confirmation of Items for action from the Compliance Calender).	CEO				
<b>Recommendation 19</b> The CEO is to ensure that inductions are made available for new elected members	CEO				







**COUNCIL ENDORSED FEEDBACK ON THE REVIEW OF THE LOCAL GOVERNMENT ACT 1995 –  
PHASE 2**



**Ariel View of Woodanilling**

## Submission to WALGA and the Department of Local Government

The submission by the Shire of Woodanilling consists of comments and feedback regarding the:

- WALGA Advocacy Positions regarding Phase 2 of the Local Government Act Review; and
- A submission to the Department of Local Government if required.

In making its submission, the Shire supports the WALGA State Council endorsed general principles as in the review of the *Local Government Act 1995* follows:

- (a) Uphold the General Competence Principle currently embodied in the Local Government Act;
- (b) Provide for a flexible, principles-based legislative framework; and
- (c) Promote a size and scale compliance regime.

Council considered this matter at its meeting on 19 February 2019 and has endorsed the comments as contained in this submission.

Further information can be obtained from the Shire's Chief Executive Officer if required.

**Sean Fletcher**

Acting Chief Executive Officer

Theme	Discussion Paper - Topic Area	WALGA Position/Suggestion (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Beneficial Enterprises (Local Government Run Businesses)</b>					
Agile	<p>The Local Government Sector has been requesting the ability to form independent corporations.</p> <p>An independent corporation could be used to manage part of a local government's existing business activity or pursue new commercial opportunities.</p> <ul style="list-style-type: none"> <li>• Modernise the legislation to provide local governments with the option to form beneficial enterprises.</li> <li>• Local government to develop a business plan to address community expectations and ensure transparency of funding and viability arrangements.</li> <li>• Introduce eligibility criteria that a local government must meet before it can establish a beneficial enterprise.</li> </ul>	<p><b>The Local Government Act 1995 should be amended to enable Local Governments to establish Beneficial Enterprises (formerly known as Council Controlled Organisations)</b></p> <p>Beneficial Enterprises provide services and facilities that are not attractive to private investors or where there is a market failure.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Urban regeneration. A land development that is not attractive to a private developer but may be of benefit to the strategic development of an area;</li> <li>• Economic decline. A small business may not be viable in Regional WA, but may be an essential service e.g. pharmacy, mechanical workshop.</li> </ul> <p>These stand alone business entities will be run as a private going concern governed by the Corporations Act (Commonwealth) i.e. company law</p>	<p>Local Governments in Regional WA are hamstrung when trying to find a solution to deal with departing doctors, pharmacists, mechanics and so on.</p> <p>Currently, these local governments provide substantial subsidies and/or infrastructure to attract and retain such businesses.</p> <p>A beneficial enterprise must have more than one participating local government and the level of contribution should be based on each LGs capacity to invest.</p> <p>A key advantage is that the local government partners will be able to provide a service for the area without local</p>	Yes	Nil

			politics undermining the service		
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Theme	Discussion Paper - Topic Area	WALGA Position/Suggestion (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Financial Management</b>					
	<u>Tender Regulations</u> <ul style="list-style-type: none"> <li>Set the tender threshold for each local government based on: <ul style="list-style-type: none"> <li>A prescribed percentage (0.25%) of operating expenditure; or</li> <li>Salaries and Allowances Tribunal Band ie 1,2,3or4</li> </ul> </li> </ul>	WALGA supports an increase in the tender threshold to align with the State Government tender threshold of \$250 000, with a timeframe of one financial year for individual vendors.	<p>The Tender Threshold is currently \$150,000.</p> <p>The simplest solution and one that is easier to comply with is a new threshold rather than a more involved model</p>	Yes	Nil
	<u>Procurement</u> <p>Procurement is widely acknowledged as an area vulnerable to corruption:</p> <ul style="list-style-type: none"> <li>Tender threshold (dealt with in previous section);</li> <li>Timely payment to suppliers: <ul style="list-style-type: none"> <li>Put a policy in place directing timely payments; or</li> <li>Align the rules with Treasurer's instruction</li> </ul> </li> </ul>	<p>WALGA seeks inclusion of the following position, to permit a procurement activity involving a disposal trade-in activity to qualify as a broad exemption under Regulation 30(3) of the Local Government (Functions and General) Regulations:</p> <p>That Regulation 30(3) be amended to delete any financial threshold limitation (currently \$75,000) on a disposition where it is used exclusively to purchase other</p>	<p>The measure proposed by WALGA regarding disposals will make it much easier for a Local Government to manage a trade-in</p> <p>Woodanilling currently pays its creditors weekly to help keep on top of financial administration. A policy is not really required as this activity</p>	Yes	Nil



	<p>323 i.e. payment within 30 days;  <u>Regional Price Preference</u>  Encourages the use of local suppliers. The current caps could be adjusted, however, this may open a further impost on the local government</p>	<p>property in the course of acquiring goods and services, commonly applied to a trade-in activity.</p>	<p>can be managed operationally  It would be prudent to keep the current caps in place. However, it might be appropriate to adjust these upwards for a larger local government</p>		
	<p><u>Power to Borrow: Section 6.20</u>  Local governments are currently restricted in their borrowings as security can only be provided over income from general rates or untied government grants:</p> <ul style="list-style-type: none"> <li>• Perhaps loans could be secured against assets;</li> <li>• Remove the need to publicly advertise for one month when raising a loan – however, reduces transparency</li> </ul>	<p>That Section 6.20(2) of the Local Government Act, requiring one month's public notice of the intent to borrow, be deleted.</p>	<p>Ceasing to give one month's notice will reduce the administrative burden:</p> <ul style="list-style-type: none"> <li>• Very few local governments receive public submissions;</li> <li>• Loans can currently be undertaken without public notice through the Budget Adoption process</li> </ul> <p>Woodanilling historically rarely uses loan debt</p>	Yes	
	<p><u>Basis of Rates: Section 6.28</u>  The mining sector currently argues that due to the negligible impact of <b>prospecting and exploration</b> licences on local government facilities and the fact that they are a right to explore, not a mining business,</p>	<p>That Section 6.28 be reviewed to examine the limitations of the current methods of valuation of land, Gross Rental Value or Unimproved Value, and explore other alternatives including simplifying and providing consistency in the rating of mining activities.</p>	<p>The argument that prospecting and exploration licences are negligible on local government services is far from true. Those local governments that have exploration happening on a regular</p>	Yes	

	<p>they should be exempt. Options include:</p> <ul style="list-style-type: none"> <li>• Status quo – ie P&amp;E continue to pay rates;</li> <li>• Prospecting and exploration licences are exempt;</li> <li>• Local governments must rate P&amp;E lower than general mining</li> </ul>		<p>basis have constantly experienced exploration rigs causing key damage on wet, or rain affected roads.</p> <p>The use of Differential Rating to handle mining activities is far from satisfactory due to the level of Ministerial and industry approval required each year. A more simple methodology makes sense.</p>		
	<p><u>Differential General Rates: Section 6.33</u></p> <p>Differential general rates are generally imposed to ensure that the rate burden is more evenly distributed across ratepayers, with those requiring or using more services being charged at a higher rate in the dollar.</p> <p>Local governments are permitted to impose differential rates according to Land Zoning, Land Use, or a combination of both. Options are:</p>	<p>That Section 6.33 of the Local Government Act be reviewed in contemplation of time-based differential rating, to encourage development of vacant land.</p>	<p>Vacant blocks throughout districts across WA is quite prevalent. Time based differential rating is one way to ensure that vacant land is developed in a timely manner.</p> <p>Changing the set maximum would need to be far more than what is currently suggested regarding Ministerial exemption as quite often it is many times more than the</p>	Yes	

	<ul style="list-style-type: none"> <li>Setting the differential rate categories in legislation (NSW Model);</li> <li>Increase the types of differential rate categories (Vic Model)</li> </ul> <p>Ministerial approval is required where the rate in the dollar is more than twice that imposed on the lowest category. Options include:</p> <ul style="list-style-type: none"> <li>The differential difference could be raised to 3 or 4 times the lowest before ministerial approval is required (NSW Model);</li> <li>The differential could be set to a maximum of four times with no ability to seek Ministerial approval (Vic Model)</li> </ul>		<p>suggested three or four times the lowest category.</p> <p>The issue that causes stress and the administrative burden is Objects and Reasons submission required each year by the Department when seeking Ministerial approval and that it changes from year to year</p>		
	<p><u>Member Interests - Exemption from AASB 124</u></p>	<p>Elected Member obligations to declare interest are sufficiently inclusive that WALGA seeks an amendment to create an exemption under Regulation 4 of the Local Government (Financial Management) Regulations relating to AASB 124 'Related Party Transactions' of the Australian Accounting Standards (AAS).</p>	<p>Declaring Related Party Transactions adds no benefit to the governance and compliance regime for Local Government. Interests are more than adequately dealt with through the use of the Primary and Annual Return for both elected</p>	Yes	

			members and staff that have delegated authority		
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Theme	Discussion Paper - Topic Area	WALGA Position/Suggestion (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Rates, Fees and Charges</b>					
	<u>Objects and Reasons Statement</u>	No position or comment		N/A	
	<u>Imposition of Fees and Charges: Section 6.16</u>  Local governments can subsidise a service but not at the expense of competitive neutrality. Alternatives to fees and charges are: <ul style="list-style-type: none"> <li>• Impose a levy for a particular service, facility or activity; or</li> <li>• On the basis of cost recovery</li> </ul>	<b>That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services.</b>	The Discussion Paper talks about Local Government Services only and not fees set by other government agencies. The removal of this requirement from legislation may lessen the administrative burden.  Local Governments can already impose a specified area rate or self supporting loan for those who want additional services/ facilities provided	Yes	
	<u>Rating Exemptions – Charitable Purposes: Section 6.26(2)(g)</u>	1.Amend the Local Government Act to clarify that Independent Living Units should only be exempt from rates		Yes	



	<p>All land is rateable unless it is exempt. This includes Crown Land (for a public purpose) or a local government. Other exemptions include:</p> <ul style="list-style-type: none"> <li>• Churches (religious bodies);</li> <li>• Schools;</li> <li>• Charitable purposes;</li> <li>• Trustees for agriculture or horticulture show purposes;</li> <li>• CBH;</li> <li>• Land exempted by the Minister.</li> </ul> <p>Here is an argument that everyone should pay rates. Nevertheless, a number of organisations provide important services within the community with very limited funding. Options include:</p> <ul style="list-style-type: none"> <li>• Each owner of land is required to pay rates – Local governments could offer concessions;</li> <li>• Every occupier has to pay a minimum contribution. This could be capped in legislation</li> </ul> <p>Charitable purposes is not defined in the Local Government Act. In recent times the State</p>	<p>where they qualify under the <i>Commonwealth Aged Care Act 1997</i>;</p> <p>2. Either:</p> <p>(a) amend the charitable organisations section of the <i>Local Government Act 1995</i> to eliminate exemptions for commercial (non-charitable) business activities of charitable organisations; or</p> <p>(b) establish a compensatory fund for Local Governments, similar to the pensioner discount provisions, if the State Government believes charitable organisations remain exempt from payment of Local Government rates; and</p> <p>3. Request that a broad review be conducted into the justification and fairness of all rating exemption categories currently prescribed under Section 6.26 of the Local Government Act.</p>			
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	<p>Administrative Tribunal has handed down decisions that allowing exemptions for charitable organisations that provide aged care facilities even when residents are paying market rates and to industry associations because they have a training arm. Options include:</p> <ul style="list-style-type: none"> <li>• Exemptions do not apply to charitable organisations;</li> <li>• Exemptions for those that qualify under the <i>Commonwealth Aged Care Act 1997</i>;</li> <li>• Clarify that land is not used for charitable purposes if the land is used as a residence and is exclusively occupied by persons, including the caretaker</li> </ul>				
	<u>Rating Exemptions – Rate Equivalency Payments</u>	Legislation should be amended so rate equivalency payments made by LandCorp and other Government Trading Entities are made to the relevant Local Governments instead of the State Government.	It is only fair that revenue due to local government is paid to it	Yes	
	<u>Rates or Service Charges Recoverable in Court: Section 6.56</u>	That Section 6.56 be amended to clarify that all debt recovery action costs incurred by a Local Government in pursuing recovery of unpaid rates and services charges be recoverable and not be limited by	This particular matter has been an issue for Woodanilling including recently where costs were required to be written off that were	Yes	

		reference to the 'cost of proceedings'.	raised against the property		
	<u>Rating Restrictions – State Agreement Acts</u>	Resource projects covered by State Agreement Acts should be liable for Local Government rates.	Currently, local government cannot raise rates regarding key mining projects where an exemption occurs due to a State Agreement Act covering this situation	Yes	

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<b>Administrative Efficiencies</b>					
	<u>Local Laws</u> Local Governments can make local laws considered necessary for the good government of their districts. Issues include: <ul style="list-style-type: none"> <li>During earlier consultations, comment was made regarding the inconsistency of local laws from local government to local government. Options include: <ul style="list-style-type: none"> <li>Implementing regulations to replace local law activity;</li> </ul> </li> </ul>	Nil	Local laws and regulations have the same standing in law ie they are both subsidiary legislation. The advantage of a local law is that it allows a local government to tailor regulatory activity that suits its local communities. Model laws already exist and are used.  The main issue for local government is the	N/A	The local law making and review process would be better suited in a guideline that is called up by the Function and General Regulations.  A guideline can be altered by the local government sector at any time without the need to go through a review of the Act or the Regulations.

	<ul style="list-style-type: none"> <li>○ Adoption of model local laws</li> <li>• WA is the only jurisdiction that requires a local law is given to the Minister prior to enactment;</li> <li>• Local Laws must be reviewed every eight Years</li> </ul>		development, making and review process regarding local laws. It is cumbersome and very time consuming		It is acknowledged though that the Parliamentary Joint Standing Committee on Delegated Legislation would not like this approach
	<u>Control of Certain Unvested Facilities: Section 3.53</u>  Nil	WALGA seeks consideration that Section 3.53 be repealed and that responsibility for facilities located on Crown Land return to the State as the appropriate land manager.	A number of local governments have had to manage infrastructure in State reserves without compensation from the State	Yes	
	<u>Local Government Grants Commission and Local Government Advisory Board (LGAB)</u>  The Review suggests that both bodies are combined. In South Australia, the Grants Commission is responsible for overseeing boundary changes	WALGA seeks inclusion of a proposal to allow electors of a Local Government affected by any boundary change or amalgamation proposal entitlement to petition the Minister for a binding poll under Schedule 2.1 of the Local Government Act	It would be appropriate to combine both the Grants Commission and the LGAB.  WALGA - poll provisions is that they should be extended to include communities whose Local Government is undergoing a boundary change as well as an amalgamation:	Yes	See ACEO's Comments
	Schedule 2.1 – Proposal to the Advisory Board, Number of Electors	That Schedule 2.1 Clause 2(1)(d) be amended so that the prescribed number of electors required to put forward a proposal for change increase	This proposal will allow different size local governments to have true representation of	Yes	

		from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.	the views by communities		
	Schedule 2.2 – Proposal to amend names, wards and representation, Number of Electors	That Schedule 2.2 Clause 3(1) be amended so that the prescribed number of electors required to put forward a submission increase from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.	This proposal will allow different size local governments to have true representation of the views by communities	Yes	
	Transferability of employees between State & Local Government (Questions 82-84)	A General Agreement between State and Local Government should be established to facilitate the transfer of accrued leave entitlements (annual leave, sick leave, superannuation and long service leave) for staff between the two sectors of Government. This will benefit public sector employees and employers by increasing the skills and diversity of the public sector, and lead to improved collaboration between State and Local Government.	This could be a further additional cost to both State and Local Government. However, it would be an excellent incentive for talented officers looking to move between the public two sectors	Yes	
	Proof in Vehicle Offences may be shifted: Section 9.13(6)	That Section 9.13 of the Local Government Act be amended by introducing the definition of 'responsible person' to enable Local Governments to administer and apply effective provisions associated with vehicle related offences.	The issue is to ensure the correct person is identified. So either inserting a definition equivalent to what is in the Road Traffic Act or referring to that definition specifically	Yes	

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Council Meetings					
	<u>Public Question Time</u>  To ensure transparency, Council meetings are held in public. The opportunities for reform to engage a greater number include: <ul style="list-style-type: none"> <li>• Using email or social media to accept questions;</li> <li>• Greater prescription in the Act to ensure consistent rules across the sector;</li> <li>• Implement public statement time</li> </ul>	Nil	Standing orders or a Council policy generally dictate how public question time is dealt with. The fact it varies from local government to local government. The issue is how public question time is managed by the Presiding Member.  Email or social media during public question time would be extremely hard to manage although this is done in other local governments elsewhere e.g. Spain  Public Statements can already be dealt with during the part of the Agenda that deals with deputations, petitions etc.	N/A	See ACEO comments
	<u>Managing Interests</u>  Providing an appropriate framework that will allow	Nil	The current legislation is adequate. However, it is unwieldy re what is in the Act and the Rules of	N/A	See ACEO comments

	council members to manage their conflicts of interest.		Conduct Regulations. The Department also has a guide in place to assist. Perhaps it is as simple as reworking Guideline X		
	<u>Electors' General Meeting: Section 5.27</u>  The sector has long called for this requirement to be scrapped. It is not a requirement in any other State or Territory	Section 5.27 of the <i>Local Government Act 1995</i> should be amended so that Electors' General Meetings are not compulsory.	Regarding Woodanilling, the Shire President/Shire provides an excellent overview at the Australia Day Breakfast. 25% of the population generally attends	Yes	
	<u>Special Electors' Meeting: Section 5.28</u>  Special Elector's Meetings may be called if a sufficient number of people that reside in the District request one.  They are not held in Victoria, NSW or SA. In other States it is the Mayor and CEO or at the request of three or more councillors who call such meetings.  To ensure that these meetings are called when necessary it is	That Section 5.28(1)(a) be amended: (a) so that the prescribed number of electors required to request a meeting increase from 100 (or 5% of electors) to 500 (or 5% of electors), whichever is fewer; and (b) to preclude the calling of Electors' Special Meeting on the same issue within a 12 month period, unless Council determines otherwise.		Yes	

	suggested to raise the current number from 100 (5%) to 500(5%) and that a meeting cannot be held if the issue has been held to discuss the same issue in a 12 month period				
	<u>Minutes, contents of: Regulation 11</u> <ul style="list-style-type: none"> <li>Keeping of the minutes be moved from the Presiding Member to the CEO;</li> <li>Provide greater clarity on what is published regarding confidential motions</li> </ul>	Regulation 11 should be amended to require that information presented in a Council or Committee Agenda must also be included in the Minutes to that meeting.	<p>This is done in hardcopy form. The issue may be more to do with what is posted on a local government's website.</p> <p>On the matter of confidential motions and public minutes, it is generally understood what is required here;</p>	Yes	
	<u>Revoking or Changing Decisions: Regulation 10</u> <p>The sector has advocated for reforms to clarify and strengthen rules regarding revoking or changing Council decisions</p>	That Regulation 10 be amended to clarify that a revocation or change to a previous decision does not apply to Council decisions that have already been implemented.	This is self explanatory	Yes	
	<u>Elected Member attendance at Council meetings by technology</u> <p>The member must be 150km away in a Council approved place in a townsite (WA).</p>	The current <i>Local Government (Administration) Regulations 1996</i> allows for attendance by telephone, however only if approved by Council and in a suitable place. A suitable place is then defined as in a townsite as defined in the Land Administration Act 1997. This restricts an Elected	This is self explanatory	Yes	

	Alter the distance or remove the townsite requirements	<p>Members ability to attend the meeting to a townsite in Western Australia.</p> <p>This requirement does not cater for remote locations or the ability to attend via teleconference whilst in another state or overseas. The regulations require amendment to consider allowing attendance at a meeting via technology from any location suitable to a Council.</p>			
	<p><u>Access to Information for Council Members</u></p> <p>The current legislation limits access to what elected members are currently undertaking. This is so that the local government's resources are wasted unnecessarily. The question on what is relevant rests with the CEO. It may be appropriate to include a mechanism that allows Council to review the CEO's decision</p>	Nil	<p>The current requirement is adequate, although it is acknowledged this could cause a "bone of contention". Allowing the CEO's decision to be reviewed through a legislative provision may, conversely, also cause an unnecessary tension.</p> <p>This matter ultimately comes down to a good relationship between the CEO and Council</p>	N/A	See ACEO's comments
	<p><u>Creating Consistent Meeting Procedures Across All Local Government Jurisdictions</u></p>	Nil	<p>Standing Orders are a local law.</p> <p>There are at least four local governments</p>	N/A	See ACEO's Comments

	A key part of the reform process is creating consistency across all local governments i.e. one set of Standing orders to avoid confusion		(including Woodanilling) that do not have standing orders in place.  The consistency is for everyone to have standing orders in place. Local Governments should then be able to tailor it to their situation		
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Theme	Discussion Paper - Topic Area	WALGA Position/Suggestion (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Interventions, Oversight And Local Enforcement Under The Local Government Act</b>					
	<u>Remedial intervention; Powers of appointed person; Remedial action process</u>  In 2017-18 the number of authorised inquiries was three times that of the previous year, so the highest number ever.  Complaints against Elected Members are dealt with through: <ul style="list-style-type: none"> <li>• Minor Misconduct – referred by the CEO to the Standards Panel;</li> </ul>	In respect to remedial intervention, the appointed person should be a Departmental employee with the required qualifications and experience. This provides a connection back to the Department and its requirements.  The appointed person should only have an advice and support role. Funding of the remedial action should be by the Department where the intervention is mandatory. The Local Government to pay where the assistance is requested.  <b>This area relates to the bigger picture of differentiating between Local</b>	Self explanatory	Yes	



	<ul style="list-style-type: none"> <li>• Serious Misconduct – by a person directly to the Director General of the Department</li> </ul> <p>An amendment proposed is that all complaints are referred to the Director General who will then decide on who deals with the matter</p> <p><b>Remedial Action</b> Feedback shows that there is support for the implementation of a remedial action process that involves:</p> <ul style="list-style-type: none"> <li>• The appointment of a person to the administration of a local government with the power to perform certain functions and override decisions of the administration;</li> <li>• Additionally embedding a person to direct the council to perform certain actions and to override decisions if they were illegal or contrary to the community interest. This allows councillors to still be maintained on council. It is based on the Victorian</li> </ul>	<p><b>Governments based on their size and scale. Suitable arrangements to determine a size and scale compliance regime should be prioritized.</b></p>			
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	approach “Municipal Monitor”				
	<p><u>New offence – Improper Use of Position (CEO and Employees and former CEOs and Employees)</u></p> <p>Currently applies to Elected Members. Officers can be dealt with by the CCC or Public Sector Commission. This provision deals with matters outside their jurisdiction</p>	Nil	<p>Self explanatory, although the other matters need to be defined.</p> <p>Councils should deal with CEO’s in this situation through a disciplinary process. The same for CEO’s re employees</p>	N/A	See ACEO’s comments
	<p><u>New Offence – Knowingly Providing False or Misleading Information to Council</u></p> <p>The Department has received complaints on this matter where the CEO or other employees have provided false written reports or verbal advice</p>	Nil	<p>Councils should deal with CEO’s in this situation through a disciplinary process.</p> <p>The same for CEO’s re employees</p>	N/A	See ACEO’s comments
	<p><u>New Offence – Tendering Requirements</u></p> <p>Currently, the Act does not provide a penalty for those who breach the tender provisions</p>	Nil	<p>Councils should deal with CEO’s in this situation through a disciplinary process</p> <p>The same for CEO’s re employees</p>	N/A	
	<u>Infringements</u>	Nil	Self explanatory	N/A	See ACEO’s Comments

	The Department can currently commence a prosecution against local governments and individuals. An infringement notice, where, appropriate is a cost effective way of dealing with offences for non-compliance or where the impact has been small				
	<u>Harmonisation</u>  The Act should be updated to reflect what authorised officers (e.g. rangers) need to conduct their role that includes the major reforms made to Criminal Investigation, Criminal Procedure and the Road Traffic Act	Nil	Support	N/A	See ACEO's Comments
	<u>Default Penalties for Local Laws</u>  Insert a clause for a default penalty to cater for local laws that do specify a specific penalty for offences	Nil	Self explanatory	N/A	See ACEO's Comments
	<u>Notice Issued by a Local Government to Require a Person to Undertake an Action</u>  Local government has identified that there is an issue with the ability to issue a notice to a land	Nil	Self explanatory	N/A	See ACEO's Comments

	owner or occupier. Additional powers suggested include: <ul style="list-style-type: none"> <li>• Provide a notice that requires an owner to make a vacant building secure;</li> <li>• Expand the list of disused materials to be removed other than vehicles/machinery;</li> <li>• Clarify the procedure regarding the disposition of property (all types)</li> </ul>				
Theme	Discussion Paper - Topic Area	<b>WALGA Position/Suggestion</b> (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Community Engagement and Integrated Planning and Reporting (IPR)</b>					
Inclusive	<u>Community Engagement</u>  It is important to understand the difference between informing the community and empowering (through engagement) the community to play an integral role in determining the goals, strategies and actions to be undertaken. Options include: <ul style="list-style-type: none"> <li>• Implementation of a Community Engagement Charter that also sets methods of performance;</li> <li>• Implementation of a Social media Policy (supported by</li> </ul>	Nil	The implementation of a mandatory policy for both community engagement and the use of social media is appropriate. However, this may be better placed in a guideline that is mandated by the appropriate regulations	N/A	See ACEO's Comments

	the Mandatory Code of Conduct re Elected members and Candidates)				
	<u>Integrated Planning and Reporting</u>  State Government requires local government to have other plans in place eg local health plans and so on.  There is concern that the advisory standards are not appropriate for some local governments due to their size, location or capacity	Nil	There is sufficient flexibility in the advisory standards. However, they probably are due for a refresh including explaining the modern approach to strategic planning (less is more, shorter plans).  In terms of the other plans, many are using these as informing strategies. The advisory standard could be expanded to include this instead of legislating for it	N/A	See ACEO's comments

Theme	Discussion Paper - Topic Area	<b>WALGA Position/Suggestion</b> (WALGA Position Statements ie Adopted by State Council are highlighted in yellow)	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Complaints Management</b>					
	<u>Complaints Management</u>  There is no legislated requirement for local governments to deal with	Nil	To legislate for this issue is perhaps overkill. However, as part of good practice these elements should be in	N/A	See ACEO's comments



	<p>complaints i.e. dissatisfaction with products, services, staff or how a complaint was handled.</p> <p>The suggestions are to have local governments:</p> <ul style="list-style-type: none"> <li>• Adopt the Australian/New Zealand Standard for Complaints;</li> <li>• Implement a Customer Service Charter;</li> <li>• Have someone external investigate unresolved complaints</li> </ul>		<p>place rather than legislated for.</p> <p>The Acting CEO has recently dealt with a number of complaints using the Ombudsman's guidelines</p>		
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Theme	Discussion Paper - Topic Area	<b>WALGA Position/Suggestion</b> <small>(WALGA Position Statements ie Adopted by State Council are highlighted in yellow)</small>	ACEO's Advice	Support WALGA Yes/No	Alternative Proposal/Further Comment
<b>Elections</b>					
	<p><u>Compulsory Voting</u></p> <p><u>Voluntary Voting: Section 4.65</u></p> <p>Victoria, NSW, Qld and the NT have compulsory voting for local government elections.</p> <p>Voter turnout in WA is 34.2%.</p>	<p>Voting in Local Government elections should remain voluntary.</p>	Self explanatory	Yes	

	<p><u>First Past the Past - Method of Voting - Schedule 4.1</u></p> <p>The proposal is to make it optional to use preferential voting</p>	<p>Elections should be conducted utilising the first-past-the-post (FPTP) method of voting.</p>	The experiment with preferential voting back in 2007 did not go well across the sector	Yes	
	<p><u>In-person/postal/electronic voting</u></p> <p><u>Conduct of Postal Elections: Sections 4.20 and 4.61</u></p> <p>Electronic (on-line) voting is suggested although there are concerns with data integrity at the moment</p>	<p>That WALGA continue to investigate online voting and other opportunities to increase voter turnout.</p> <p>The Local Government Act 1995 should be amended to allow the Australian Electoral Commission (AEC) and or any other third party provider to conduct postal elections.</p>	Self explanatory	Yes	
	<p><u>Who Can Vote</u></p> <p>Currently there are those who can have an additional franchise:</p> <ul style="list-style-type: none"> <li>• Property – a person can vote in multiple districts if they own property in that district;</li> <li>• Corporate – A company that owns land can have a maximum of two votes;</li> <li>• Occupiers – Business operators are eligible if they apply</li> </ul>	Nil	The franchise principle that is currently applied goes against the notion of one vote one value	N/A	See ACEO's Comments

	<p><u>Changing the Election Cycle</u></p> <p>From two years to four years. This may resolve voter fatigue</p>	Nil	A four year election cycle would be appropriate. Apart from saving cost the only other matter is that all of council would be up for election	N/A	See ACEO's Comments
	<p><u>Representation</u></p> <p><u>The issues include:</u></p> <ul style="list-style-type: none"> <li>• Number of Council Members. Currently set at 6-15 with the most common being 9. It may be appropriate to link population directly to councillor numbers;</li> <li>• Elections of Mayors and Presidents – either directly from the community or from within council;</li> <li>• Wards – 54 out of 137 local governments have wards. Wards reduce the pool of candidates and the number of votes;</li> <li>• Population Threshold for Wards. Setting a minimum population threshold of 2,000 will streamline the ward process. Alternatively, characteristics need to be</li> </ul>	<div>Local Governments should determine whether their Mayor or President will be elected by the Council or elected by the community.</div>		Yes	

	<p>defined before wards can be introduced;</p> <ul style="list-style-type: none"> <li>• Overseeing of Wad Structures- This could be done by the Electoral Commissioner instead of the Local Government Advisory Board;</li> <li>• Resolving ties – lots are drawn in the event of a tie</li> </ul>				
	<p><u>Candidates</u> Issues include:</p> <ul style="list-style-type: none"> <li>• Who can run for Council. It has been proposed that a person who has been convicted under planning and building legislation in the previous 5 years should also be disqualified;</li> <li>• Candidate Nomination – Profile is 150 words and is considered restrictive. It may be appropriate to allow candidates to provide additional information;</li> <li>• Social Media Use – Was used to disparage candidates in the 2017 Election. The new Code of Conduct will be extended to deal with this matter</li> </ul>	Nil	Support suggestions	N/A	See ACEO's comments
	<u>Campaigns</u>	Nil	Support	N/A	See ACEO's comments

	<p>Issues for resolution include:</p> <ul style="list-style-type: none"> <li>• Campaign spending limit – in Tasmania the limit is set at \$8,000;</li> <li>• Donation/Gift Rules –should be an aligned framework of election gift provisions with those for council members;</li> <li>• Prohibited election gifts – it has been suggested that donations are prohibited from certain entities e.g. property developers;</li> <li>• Donor declarations are seen as a duplication when the candidate is already making a declaration</li> </ul>				
	<p><u>Leave of Absence when Contesting State or Federal Election</u></p> <p>Not in discussion paper</p>	<p>Amend the Act to require an Elected Member to take leave of absence when contesting a State or Federal election, applying from the issue of Writs. The options to consider include:</p> <p>(i) that an Elected Member remove themselves from any decision making role and not attend Council and Committee meetings; or</p> <p>(ii) that an Elected Member take leave of absence from all aspects of their role as a Councillor and not be able to perform the role as specified in Section 2.10 of the Local Government Act</p>	<p>This is consistent with requirements in the public sector</p>	<p>Yes</p>	





# INFOPAGE

**To: All Local Governments**

**From: Tony Brown  
Executive Manager Governance &  
Organisational Services**

**Date: 16 November 2018**

**Priority: High**

**Subject: Review of the Local Government Act 1995**



## IN BRIEF:

Operational Area:	<b>Governance</b>
Key Issues:	<ul style="list-style-type: none"> <li>WALGA in conjunction with the Department of Local Government, Sport &amp; Cultural Industries coordinated 19 Local Government Act Review forums across the State in Zone groupings in October and November 2018.</li> <li>Member Local Governments are requested to provide a submission on the Act Review to WALGA by 1 February 2019.</li> </ul>
Action:	<b>Council endorsed feedback by 1 February 2019</b>

## Background

The Minister for Local Government commenced a review of the Local Government Act with both a community and a Local Government consultation process in 2017. WALGA conducted a comprehensive consultation process with member Local Governments, resulting in the adoption of policy positions on Phase 1 of the Local Government Act by State Council in December 2017 and March 2018.

The Minister for Local Government announced Phase 1 policy positions at the WALGA Annual General Meeting on 1 August 2018 and intends to introduce legislation prior to the end of the year. WALGA and Local Government Professionals have been consulted on the draft legislation. It is anticipated an Amendment Bill dealing with matters raised under Phase 1 – gifts, training for Council members, behaviours, administrative efficiencies etc - will soon be presented to Parliament.

## State-wide Forums

The Minister for Local Government announced the consultation process for Phase 2 of the Act review in August 2018, with 11 themes arranged under the 'Smart, Agile, Inclusive' headings:

- Agile
  - Beneficial Enterprises
  - Financial Management
  - Rates
- Smart
  - Administrative Efficiencies
  - Local Laws
  - Council Meetings
  - Interventions
- Inclusive
  - Community Engagement
  - Integrated Planning and Reporting
  - Complaints Management
  - Elections

To inform the development of a new Local Government Act for Western Australia, WALGA and the Department of Local Government Sport and Cultural Industries hosted a series of Local Government Act Review Forums. These facilitated forums were held generally in WALGA Zone groupings between 10 October and 15 November 2018.

The Department developed detailed Discussion Papers for each of the 11 themes with accompanying questionnaires and they are accepting responses from Local Governments, individual Elected Members, Officers and the general community.

### **WALGA Feedback Opportunity**

WALGA is offering an opportunity for member Local Governments submissions to consider, review, amend and add to the advocacy positions endorsed by State Council in March 2018 following the Phase 1 review process, which are attached.

Our intention is to provide a means for Local Governments to offer submissions on any aspect of the 11 themes discussed under the 'Smart, Agile, Inclusive' headings or any other matter of interest that can feed into the Act review process.

Your response would be appreciated by **Friday, 1 February 2019** so that an Agenda Item can be presented to the Zone Meetings leading up to the March 2019 State Council Meeting.

In addition to this opportunity, WALGA is planning a State-wide Forum on the future of Local Government in late January/ early February 2019. The forum will include a review of the information coming through from the Local Government Act forums and submissions. In addition there will be guest speakers presenting on the future of Local Government.

### **For further information please contact:**

Executive Manager Governance & Organisational Services, Tony Brown  
on 9213 2051 or email [tbrown@walga.asn.au](mailto:tbrown@walga.asn.au).

## WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW

### **LOCAL GOVERNMENT ACT REVIEW PRINCIPLES**

That State Council endorse the following general principles as being fundamental to its response to the review of the Local Government Act:

- (a) Uphold the General Competence Principle currently embodied in the Local Government Act;
- (b) Provide for a flexible, principles-based legislative framework; and
- (c) Promote a size and scale compliance regime

### **BENEFICIAL ENTERPRISES**

<b>Position Statement</b>	The Local Government Act 1995 should be amended to enable Local Governments to establish Beneficial Enterprises (formerly known as Council Controlled Organisations).
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WALGA has been advocating for Local Governments to have the ability to form Beneficial Enterprises (formerly known as Council Controlled Organisations) for approximately ten (10) years.

A Beneficial Enterprises is a standalone arm's length business entity to carry out commercial enterprises and to deliver projects and services for the community. Local Governments would have the ability to create Beneficial Enterprises through the Local Government Act, however the stand alone business entity would be governed by the Corporations Act (ie normal company law).

Beneficial Enterprises provide services and facilities that are not attractive to private investors or where there is market failure. A Beneficial Enterprise cannot carry out a regulatory function of a Local Government.

#### **Examples**

- Urban regeneration; A Land Development may not be attractive to a private developer, however the ability to develop the land may be beneficial for the Local Government in respect to strategic development/connection of an area. Or may be worth a joint venture with a developer.
- Measures to address economic decline in Regional WA – A small business may not be viable for a private citizen, however maybe considered an essential service for the Local Government. ie Could be the local Pharmacy or local mechanical workshop.

#### **Benefits of establishing a Beneficial Enterprise include:**

- (a) The ability to employ professional directors and management with experience specific to the commercial objectives of the entity;
- (b) Removal of detailed investment decisions from day-to-day political processes while retaining political oversight of the overarching objectives and strategy;
- (c) The ability to take an overall view of commercial strategy and outcomes rather than having each individual transaction within a complex chain of inter-related decisions being subject to the individual notification and approval requirements of the Local Government Act;

## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

- (d) The ability to quarantine ratepayers from legal liability and financial risk arising from commercial or investment activities;
- (e) The ability to set clear financial and non-financial performance objectives for the entity to achieve; and
- (f) Greater flexibility to enter into joint venture and partnering relationships with the private sector on conventional commercial terms.

### **FINANCIAL MANAGEMENT**

#### **Tender Threshold**

<b>Position Statement</b>	WALGA supports an increase in the tender threshold to align with the State Government tender threshold of \$250 000, with a timeframe of one financial year for individual vendors.
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#### **Procurement**

WALGA seeks inclusion of the following position, to permit a procurement activity involving a disposal trade-in activity to qualify as a broad exemption under Regulation 30(3) of the Local Government (Functions and General) Regulations:

<b>Position Statement</b>	That Regulation 30(3) be amended to delete any financial threshold limitation (currently \$75,000) on a disposition where it is used exclusively to purchase other property in the course of acquiring goods and services, commonly applied to a trade-in activity.
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#### **Imposition of Fees and Charges: Section 6.16**

<b>Position Statement</b>	That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services.
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#### **Power to Borrow: Section 6.20**

That Section 6.20(2) of the Local Government Act, requiring one month's public notice of the intent to borrow, be deleted.

#### **Basis of Rates: Section 6.28**

That Section 6.28 be reviewed to examine the limitations of the current methods of valuation of land, Gross Rental Value or Unimproved Value, and explore other alternatives including simplifying and providing consistency in the rating of mining activities.

#### **Differential General Rates: Section 6.33**

That Section 6.33 of the Local Government Act be reviewed in contemplation of time-based differential rating, to encourage development of vacant land.



## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

### **Member Interests - Exemption from AASB 124**

Elected Member obligations to declare interest are sufficiently inclusive that WALGA seeks an amendment to create an exemption under Regulation 4 of the Local Government (Financial Management) Regulations relating to AASB 124 'Related Party Transactions' of the Australian Accounting Standards (AAS).

### **RATES, FEES AND CHARGES**

#### **Imposition of Fees and Charges: Section 6.16**

<b>Position Statement</b>	That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services.
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#### **Rating Exemptions – Charitable Purposes: Section 6.26(2)(g)**

1. Amend the Local Government Act to clarify that Independent Living Units should only be exempt from rates where they qualify under the Commonwealth Aged Care Act 1997;
2. Either:
  - (a) amend the charitable organisations section of the Local Government Act 1995 to eliminate exemptions for commercial (non-charitable) business activities of charitable organisations; or
  - (b) establish a compensatory fund for Local Governments, similar to the pensioner discount provisions, if the State Government believes charitable organisations remain exempt from payment of Local Government rates; and
3. Request that a broad review be conducted into the justification and fairness of all rating exemption categories currently prescribed under Section 6.26 of the Local Government Act.

#### **Rating Exemptions – Rate Equivalency Payments**

<b>Position Statement</b>	Legislation should be amended so rate equivalency payments made by LandCorp and other Government Trading Entities are made to the relevant Local Governments instead of the State Government.
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#### **Rates or Service Charges Recoverable in Court: Section 6.56**

<b>Position Statement</b>	That Section 6.56 be amended to clarify that all debt recovery action costs incurred by a Local Government in pursuing recovery of unpaid rates and services charges be recoverable and not be limited by reference to the 'cost of proceedings'.
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#### **Rating Restrictions – State Agreement Acts**

<b>Position Statement</b>	Resource projects covered by State Agreement Acts should be liable for Local Government rates.
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## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

### **ADMINISTRATIVE EFFICIENCIES**

#### **Control of Certain Unvested Facilities: Section 3.53**

WALGA seeks consideration that Section 3.53 be repealed and that responsibility for facilities located on Crown Land return to the State as the appropriate land manager.

#### **Local Government Grants Commission and Local Government Advisory Board**

WALGA seeks inclusion of a proposal to allow electors of a Local Government affected by any boundary change or amalgamation proposal entitlement to petition the Minister for a binding poll under Schedule 2.1 of the Local Government Act

#### **Schedule 2.1 – Proposal to the Advisory Board, Number of Electors**

That Schedule 2.1 Clause 2(1)(d) be amended so that the prescribed number of electors required to put forward a proposal for change increase from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.

#### **Schedule 2.2 – Proposal to amend names, wards and representation, Number of Electors**

That Schedule 2.2 Clause 3(1) be amended so that the prescribed number of electors required to put forward a submission increase from 250 (or 10% of electors) to 500 (or 10% of electors) whichever is fewer.

#### **Transferability of employees between State & Local Government (Questions 82-84)**

A General Agreement between State and Local Government should be established to facilitate the transfer of accrued leave entitlements (annual leave, sick leave, superannuation and long service leave) for staff between the two sectors of Government. This will benefit public sector employees and employers by increasing the skills and diversity of the public sector, and lead to improved collaboration between State and Local Government.

#### **Proof in Vehicle Offences may be shifted: Section 9.13(6)**

That Section 9.13 of the Local Government Act be amended by introducing the definition of 'responsible person' to enable Local Governments to administer and apply effective provisions associated with vehicle related offences.

### **COMPLAINTS MANAGEMENT**

#### **Querulous, Vexatious and Frivolous Complainants**

The Complaints Management commentary contemplates the issue up to the point of unresolved complaints and then references the Ombudsman resources with regard to unreasonable complainants. WALGA seeks inclusion of commentary and questions relating to Local Governments adopting within their proposed complaints management framework, the capacity to permit a Local Government to declare a member of the public a vexatious or

## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

frivolous complainant, subject to the declaration relating to the nature of complaint and not to the person.

Amend the *Local Government Act 1995*, to:

- Enable Local Government discretion to refuse to further respond to a complainant where the CEO is of the opinion that the complaint is trivial, frivolous or vexatious or is not made in good faith, or has been determined to have been previously properly investigated and concluded, similar to the terms of section 18 of the *Parliamentary Commissioner Act 1971*.
- Provide for a complainant, who receives a Local Government discretion to refuse to deal with that complainant, to refer the Local Government's decision for third party review.
- Enable Local Government discretion to declare a member of the public a vexatious or frivolous complainant for reasons, including:
  - Abuse of process;
  - Harassing or intimidating an individual or an employee of the Local Government in relation to the complaint;
  - Unreasonably interfering with the operations of the Local Government in relation to complaint.

### **COUNCIL MEETINGS**

#### **Electors' General Meeting: Section 5.27**

<b>Position Statement</b>	Section 5.27 of the Local Government Act 1995 should be amended so that Electors' General Meetings are not compulsory.
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#### **Special Electors' Meeting: Section 5.28**

That Section 5.28(1)(a) be amended:

- (a) so that the prescribed number of electors required to request a meeting increase from 100 (or 5% of electors) to 500 (or 5% of electors), whichever is fewer; and
- (b) to preclude the calling of Electors' Special Meeting on the same issue within a 12 month period, unless Council determines otherwise.

#### **Minutes, contents of: Regulation 11**

Regulation 11 should be amended to require that information presented in a Council or Committee Agenda must also be included in the Minutes to that meeting.

#### **Revoking or Changing Decisions: Regulation 10**

That Regulation 10 be amended to clarify that a revocation or change to a previous decision does not apply to Council decisions that have already been implemented.

#### **Elected Member attendance at Council meetings by technology**

The current Local Government (Administration) Regulations 1996 allows for attendance by telephone, however only if approved by Council and in a suitable place. A suitable place is then defined as in a townsite as defined in the Land Administration Act 1997. This restricts an Elected Members ability to attend the meeting to a townsite in Western Australia.

## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

This requirement does not cater for remote locations or the ability to attend via teleconference whilst in another state or overseas. The regulations require amendment to consider allowing attendance at a meeting via technology from any location suitable to a Council.

### **INTERVENTIONS**

#### **Remedial intervention; Powers of appointed person; Remedial action process**

In respect to remedial intervention, the appointed person should be a Departmental employee with the required qualifications and experience. This provides a connection back to the Department and its requirements.

The appointed person should only have an advice and support role. Funding of the remedial action should be by the Department where the intervention is mandatory. The Local Government to pay where the assistance is requested.

This area relates to the bigger picture of differentiating between Local Governments based on their size and scale. Suitable arrangements to determine a size and scale compliance regime should be prioritized.

### **ELECTIONS**

#### **Conduct of Postal Elections: Sections 4.20 and 4.61**

<b>Position Statement</b>	The Local Government Act 1995 should be amended to allow the Australian Electoral Commission (AEC) <u>and or any other third party provider</u> to conduct postal elections.
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#### **Voluntary Voting: Section 4.65**

<b>Position Statement</b>	Voting in Local Government elections should remain voluntary.
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#### **Method of Election of Mayor/President: Section 2.11**

<b>Position Statement</b>	Local Governments should determine whether their Mayor or President will be elected by the Council or elected by the community.
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#### **On-Line Voting**

That WALGA continue to investigate online voting and other opportunities to increase voter turnout.

#### **Method of Voting - Schedule 4.1**

<b>Position Statement</b>	Elections should be conducted utilising the first-past-the-post (FPTP) method of voting.
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## **WALGA ADVOCACY POSITIONS LOCAL GOVERNMENT ACT REVIEW**

### **Leave of Absence when Contesting State or Federal Election**

Amend the Act to require an Elected Member to take leave of absence when contesting a State or Federal election, applying from the issue of Writs. The options to consider include:

- (i) that an Elected Member remove themselves from any decision making role and not attend Council and Committee meetings; or
- (ii) that an Elected Member take leave of absence from all aspects of their role as a Councillor and not be able to perform the role as specified in Section 2.10 of the Local Government Act.



SUBMISSION TO THE REVIEW OF THE  
LOCAL GOVERNMENT ACT (1995)  
BY  
LARRY GRAHAM  
22 January 2018

**INTRODUCTION**

How to get local Government to be more responsive and inclusive, less autocratic and belligerent while operating in the public interest is one of the great conundrums of public governance.

To qualify as a form of representative government, a body requires some form of popular mandate and local government does not meet that basic criteria.

Representative government is created by a constitution or legislation, has a definite tenure and involves the power to carry out some governmental function/s; should the majority of points in the discussion paper ever be introduced they will take us a long way from those ideals.

That is because the discussion paper does not meaningfully address any of the fundamental issues confronting local government in Western Australia.

Apart from the Legislative Council, local government is the last vestige of colonialism in our State; the voting entitlement provisions of S4.30 of the Local Government Act best highlight this.

These provisions bestow property-voting rights to non-residents owning or occupying rateable property within a local government area.

This property franchise is at odds with any understanding of modern democratic processes and the colonial landed gentry's rights of this type were abolished at State level in WA in the 1890's and nationally in 1902.

It is time local government was dragged towards adopting the democratic advances of the century before last.

The Local Government Act is a very dated piece of legislation that attempts to pre-empt proper process and democratic outcomes by imposing detailed and legislated procedures. The Act suffers from legislators attempting to remediate trivial detail with lengthy and prescriptive law; this approach almost always fails.

Any thinking person attending nearly any Council meeting will attest to a slavish focus on process at the expense of merit. Outcomes, cost and civic inconvenience are mostly disregarded whilst Councils wrangle over rigid adherence to obtuse bureaucratic/legislative processes.

Modern laws creating general powers, with the detail being addressed in regulations, have long replaced that 19th century formulaic approach to lawmaking.

These modern options always produce more competent legislation by creating heads of power whilst allowing relatively rapid regulatory change that can better respond to changing circumstances.

Later, I will address a more appropriate process for reviewing this legislation; but for now I submit that the current public consultations, while well meant, are definitely not the optimum vehicle for such a complex and far-reaching review.

The fundamental problem confronting local government is that it lacks any constitutional basis, is wanting for universal franchise while suffering inordinately low voter turnouts and all of the other issues addressed in the discussion paper pale into insignificance when compared to establishing some form of legitimacy for this level of government.

Until that legitimacy is in place, local government's claims (and those of their fellow travellers) to being either a functioning democratic system or a legitimate level of Government should be ignored.

## **PRELIMINARY**

There are some preliminary matters that need addressing.

The major reason why local government is the most dysfunctional and least accountable level of government is that most of the regulatory, Parliamentary, political and public oversight measures that operate at every other level government are non-existent at this level.

The combination of the lack of democracy and competent oversight negates all of the accepted checks and balances that typify a modern democratic system; their absence is compounded by local government's structural unsoundness.

That structural unsoundness stems from antiquated local government borders that entrench high costs and inefficiencies; these lines on maps are based on long forgotten and irrelevant historical decisions.

There is no doubt that local government boundaries need to be modernised to reflect 150+years of civic change.

Even if we overlook (and I trust we will not) that major structural issue, this review of the Local Government Act is immaterial unless its recommendations for change are based on the very accurate and recent Public Accounts Committee and Crime and Corruption Commission reports and comments about local government.

Because it accurately encapsulates the issues confronting local government, particular emphasis should be placed on the CCC report into Exmouth and the ensuing recommendations (released on 2 May 17).

However, the structure of this Review dictates that this outcome is unlikely. As it is unlikely that the review will adequately address any of the fundamental issues confronting local government.

Parliamentary Committees are best placed to conduct comprehensive Legislative reviews of this type. These committees have the ability to travel, hold public hearings, take formal public evidence and submissions; draft laws, make recommendations and monitor their progress at a Parliamentary level in a way that this review cannot.

Instead of that open, transparent Parliamentary system, the reference group for this review excludes the public and comprises a group mainly with interests in retaining the status quo within the local Government club:

- Western Australian Local Government Association, and
- Local Government Professionals Australia (WA), and
- Western Australian Electoral Commission, and
- Western Australian Council of Social Service, and
- Regional Chamber of Commerce and Industry and
- WA Rangers Association.

As the Parliamentary option has not been adopted, it is a perfectly reasonable demand that there be some public involvement in this review process.

There is a monumental difference between the public being consulted, which it is, albeit in a minor manner, and the public being part of the decision-making, which it is not.

It is untenable for the major regulator in the local government system (i.e. the Department) to be the arbiter of change; as it is unreasonable that there is no civic representation (notwithstanding the public consultations) at any level.

This is demonstrably a case of the club reviewing the club and most likely acting in the interests of the club; the political attraction of this process is that involving the most vocal critics of change ensures they will not offer any.

The downside of that soft political option is that much needed reform is unlikely to be forthcoming.

Another important matter worthy of consideration is the introduction of the State Administrative Tribunal (SAT) processes and its impact on diminution of local planning powers. These initiatives have significantly reduced the power, role and function of local government.

The impact of SAT and other centralist planning bodies are dramatic changes that have disenfranchised local communities and severely diminished their ability to influence development within their local government areas.

It is my view that local communities should be the final arbiter on important decisions that affect their amenity and lifestyles. It is also my view that the relevant planning

legislation should be amended to reinstate local/third party input into every level of decision making in planning.

However, while these planning responsibilities have shifted to the State, the cost of local government has increased in real terms.

Competent planning is another entire subject that remains unaddressed in local government but what the changes that have occurred mean is that as local government's responsibilities have diminished, the cost has gone up – please explain?

Australia is a democracy, not a technocracy or bureaucracy and the current Act appears to be constructed on the premise that anyone elected cannot be trusted; while anyone not elected, can be.

This attitude reverses the very important democratic principle of the primacy of those elected and, even more inappropriately, many State Departmental responsibilities for training, advice and governance have shifted to WALGA.

### **WALGA**

Formed under the Gallop Government with the intent of providing advice to the Government on matters relating to local government WALGA arose out of an amalgamation of all the previous local government organisations.

WALGA is not a body that represents the public interest; it defines itself as:

*“The WA Local Government Association is the voice of Local Government in Western Australia. As the peak industry body WALGA advocates on behalf of the 139 WA Local Governments and negotiates service agreements for the sector”*

WALGA has a vision to:

*...be powerful and influential in representing, supporting and leading Local Government.”*  
And says that:

*“The WA Local Government Association (WALGA) lobbies and negotiates on behalf of 139 WA Local Governments. As the peak lobbying and advocacy organisation, we have a strong influence on how policy decisions are made that affect the sector”*

It is important to note that WALGA is not a local government, has no regulatory powers and has no authority over Councils; but since its inception it has self promoted itself into the mainstream of decision making in a way that no other lobby group in WA has ever been able to.

WALGA is now a centralised monolith that occupies a large city office building and so dominates discussion on local government that it has become decidedly dangerous to any meaningful democratic discourse.

Many incumbent councilors routinely turn to WALGA for advice on Council matters and many of them are surprised to find that it (WALGA) is not the Department responsible for regulating and monitoring local government.

That dominance is not in the public interest and challenges the very nature of local government. Local governments can be small country towns, larger country urban councils; suburban or city based and each of these bases has different dynamics, demands and requirements.

At times what is being advocated by WALGA can be advantageous to one kind of council while disadvantaging others and these matters are decided behind closed doors inside WALGA.

Representatives making these deals have no mandate whatsoever from the vast bulk of Western Australians and whilst WALGA office holders may be elected (albeit with low turnouts) in their relative constituency; the privately negotiated decisions they make affect all citizens and are devoid of either democratic input or public scrutiny.

The best example of this public disconnect was the process related to local government amalgamations. The local government campaign was a work of beauty; it was a scare campaign that was brilliantly presented by those protecting their own interests.

When the results of their amalgamation polls/referenda were assessed, voters stayed away in their droves and the polls clearly failed even the most rudimentary democratic test.

- The highest voter turnout was 54.68% in East Fremantle with 75.93% or 2,145 of those voting against the merger proposals; the required democratic majority was 2,589 votes.
- Kwinana was next highest turnout with 52.93%; 87.98% or 8,462 opposed and they also fell short of the 9,104 needed for a democratic outcome.
- Victoria Park: 4,697 voted against and the target needed was 10,068.
- South Perth: 10,572 voted against and the target needed was 13,394.
- Cockburn: 18,654 voted against and the target needed was 30,944.

Even with all the preceding controversy and media coverage, these five local governments had an average voter turnout of 46.52%; meaning that the majority of the voting public stayed away and consequently there was never a majority of eligible voters rejecting the amalgamation proposals.

Only in local government world could not getting a democratic majority in a referendum be claimed as a win; but claimed it was.

And that corrupted claim changed the political agenda, removed mergers and amalgamations from the public arena with the effect of simultaneously entrenching high costs on ratepayers and rewarding vested interests.

Therein lies the dilemma. In a democracy, when the public does not vote, there can be no public mandate or electoral legitimacy and the best our locally elected ones can ever claim is a license to consult.



And local government consulting with their communities is traditionally met with similar levels of involvement as voting; that is, the public largely ignores it.

But the reality is that the local government boundaries in WA largely reflect colonial times and if they did not exist, any person suggesting the current boundaries be adopted would be laughed out of the room.

It is obvious from that poor voter turnout that the public is not concerned about changing boundaries, as it is clear that the power of the status quo and vested interests overrode that public view.

Has there ever been a time in Australia's history when voters have asked for more government? I don't think so and a most significant and important change to the Act should be to enable boundary changes to be made easier, more effective and reflective of the realities of modern civic life.

It is equally obvious from the moves to regional council bodies that local government itself understands that, in order to reduce the unit costs of delivering services, they need to expand and are amalgamating in everything but name.

But whilst they are regionalising, local government is simultaneously retaining the multitudes of councillors, administrations and executives that are all paid for by ratepayers; these unnecessary and entrenched costs are sustained by higher rates and the poorer provision of community amenities.

In my hometown, the litmus test would be to ask any ratepayer if they would prefer less highly paid executives and councillors or a swimming pool? The answer is obvious, but the result has been more highly paid functionaries.

Unless changes to boundaries and elections are meaningfully addressed, this review cannot, and will not, deal with the most substantive and fundamental issues confronting local government.

## **ELECTORAL MATTERS**

Local government consistently claims to be "grass roots" and describes itself as the level of government closest to the people; for their part, the people reward this view by staying as far away from local government as possible.

An examination of the turnout for elections is illuminating and I have used the figures from Toodyay, but I suspect a wider examination will confirm a similar trend elsewhere.

The turnout for the last local government elections was the highest ever; and while that is a great thing that demonstrates something, it does not demonstrate any meaningful democratic outcome.

It was a huge improvement, but that record turnout was still the lowest of any of the recent elections in the town:

- 1017 - Turnout for Toodyay Shire Council elections
- 1117 - Turnout for same sex marriage plebiscite
- 1442 - Turnout for 2017 State Election
- 1595 - Turnout for 2016 Federal Election

That is pathetic – even at its record high (50.86%), the local government election turnout is significantly lower than the postal vote on same sex marriage (76.3%) and this is a very valid comparison; because, unlike the obligatory voting at State and Federal levels, both these ballots were voluntary postal votes.

No person elected under that deficient system can claim any sort of electoral mandate or legitimacy; but even those who are brave enough to claim it are undermined by the farcical first past the post voting system.

I reiterate that, while it has such pathetic voter turnouts and such a terrible voting system, local government cannot make any meaningful claim to being either a representative democratic system or a legitimate level of government.

There are a number of initiatives and legislative changes that could address this:

- The WA Electoral Commission being required to conduct all council elections.
- All council elections should use postal voting systems (Requires amendments to S4.61).
- The introduction of compulsory voting.
- The removal of property based voting rights.
- The removal of first past the post voting.
- The introduction of optional preferential voting.
- The removal of ward systems.
- Introducing a legislative requirement that councillors elected unopposed only hold office until someone nominates against them; then the position is immediately declared vacant until an election is held.

As pointed out earlier, the anachronistical property based voting right is a hangover from colonial days that has not been implemented since the 18th century Georgists; it does not exist, nor would it be accepted, in any other level of government and it should be abolished.

The combined effect of the above proposals would be to re-engage local government with the community, provide some electoral legitimacy, remove corruptions of the system and replace the large chunks of the current act that relate to elections with one section referring to a suitably amended Electoral Act.

## **VOTING**

For whatever reason, past state legislators thought that continuity was important so they required staggered elections; thereby making it impossible to vote a council out of office.

No such provision could, or would, exist in any other level of government.

Can you imagine the response to the unlikely scenario of the newly elected Premier, Mark McGowan being required to have former Liberal/National Ministers in his cabinet for “continuity purposes”?

It is nonsense – local government is not supposed to be political so there is no formal party representation; and while can be both a good and bad thing, it means that there are no legitimate and loyal oppositions.

The effect of this is that policy, procedures and decisions are usually uncontested publicly and the public cannot vote any party or group in or out of power.

That absence of formal parties and oppositions means that when the public may wish to vote out an existing council, staggered terms for councillors thwarts that legitimate civic desire.

In our most recent elections, the town voted for change and got none because a rump of councillors who did not have to contest this election remained in office and the status quo prevails.

It poses the very important question that if citizens do not have the right to change their council, what is the point of voting?

I reiterate that the electoral system for local government badly needs overhaul and until that is competently done; the current system invalidates any claims of democratic legitimacy.

That lack of legitimacy demolishes the rhetorical nonsense that local government is the level of government closest to the people and, I recommend that:

- Postal voting be legislatively imposed as the method of election for all local government elections; and
- all elections be administered by the WAEC; and
- anyone elected unopposed should only hold the position until someone nominates, then an election be held; and
- Councillors all face election/re-election simultaneously

## **WARDS**

Wards are a corruption.

They are a poor imitation of the State and Federal Parliamentary systems, where winning a majority of seats grants government – as discussed in the previous part, no such system exists in local government.

Across our Shire there were 11 Candidates for 5 Vacancies; however, because in one ward there was only one candidate; that person was deemed elected uncontested and is now our Shire President.

This is not, and should not be, considered a personal attack on that individual, but how can the leader of the elected representatives claim any legitimacy when they are appointed and not elected?

Appointing people to positions that are intended to be directly elected has no role in a democracy and while candidates being elected unopposed is unhealthy at any time, the ward system magnifies the issue of elected representatives having no public mandate or authority to act.

Aside from abolishing wards (which I strongly recommend) people appointed into any local government elected position should only hold it until someone wishes to contest their position; once someone expresses that desire an election should be held without delay.

The ward system undermines the provisions of S4.56 of the Act that lays out the process when there are more candidates than vacancies, subverts the will of the people and I note that:

- There are no residency requirements in the ward system (nor should there be), and
- prior to elections there is no requirement for a candidate to have ever visited a ward, and
- there are no restrictions on nominating in a ward where a candidate has never lived.

Wards are an abomination that should be abolished.

### **COUNCILLOR/CEO PAYMENTS**

Since the 1980's, the concept of centralised wage fixing has been dead in this country, however in local government it remains alive and well.

As it is subservient to the State, local government is bound by direction from, and decisions of, that superior level of government and the introduction of the State Salaries and Allowances Tribunal to set payments has had a deleterious effect.

The introduction of obligatory payments for Councillors was a fundamental error; the system operated for over 150 years with unpaid volunteers and, self interest aside, there was no substantive reason for this to change.

There is no meaningful consideration given to a community's ability to pay.

In a town that has fire and ambulance services fully staffed by unpaid volunteers prepared to put their lives at risk in the interests of the community, it is offensive that volunteer councillors who may go to meetings (but don't even have to attend them) in air conditioned offices then get paid to do it.

Previously Councillors were unpaid volunteers working in the interests of the community and no charitable person objected to them being reimbursed reasonable expenses incurred doing that.

But what has happened is that the expenses have been retained after the payment system was introduced. This has resulted in councillors being paid while still receiving ratepayer's funds for iPads, clothing, travel within the Shire, child minding and unverified phone/communications expenses.

That is a classic case of double dipping, however a bigger outrage is the remuneration of CEO's; a community's ability to pay what are now large salary packages is ranked 10th out of the 13 points of consideration by the Tribunal.

It is interesting to note that, whilst there are proposals for mandatory training for elected representatives; there are no qualifying requirements for CEO's; basically anyone can do the job if Council gives it to them. Please note that I am not recommending this change, I am simply highlighting the duplicitous nature of the proposals for mandatory Councillor training.

The change to the Tribunal setting payments for CEO's arose out of a previous Minister's indignation at what he considered to be the (then) high level of CEO payments; as the following shows, that Minister's intent of controlling CEO pay and conditions has failed.

<input type="checkbox"/> State MP salary:	\$156,536
<input type="checkbox"/> Band 3 CEO salary:	\$156,356 - \$256,711
<input type="checkbox"/> State Minister:	\$277,230
<input type="checkbox"/> State Premier:	\$355,681

I have chosen Band 3 because it reflects a small to medium size council, but I note that Band 1 ranges from \$247,896 - \$375,774 which absurdly places the income of a Council CEO some \$20,000 pa higher than the State Premier.

When one considers the roles, responsibilities and demands placed on each of those positions, that paradox is further highlighted.

Contrast the responsibility for State Government expenditure this year of \$30.7 Billion and 166,000 FTE's with the combined expenditure of ALL local governments in WA of approximately \$5.5 billion and 22,000 FTE's. Then factor in the pay for ONE of those jurisdictions at \$20,000 pa above the person with responsibility for the entire state, including local government and the absurdity is plain to all.

This bizarre outcome is what happens when decisions are taken without any direct financial responsibility being incurred by the decision maker and is a process that can only operate in the absence of meaningful market forces; it screams out for reform.

Much will be made of privacy, however the balance is currently too heavily weighed against the public's right to know what they are paying for. Because they pay for it,



ratepayers have every right to know all the detail relating to the total cost to them of CEO and staff salary packages.

It is interesting to note that in the 5 Nov 17, Sunday Times the Mayor of Cambridge, Keri Shannon, said:

*“There appears to be reluctance in local government to accurately disclose the total remuneration paid to senior staff and CEO’s. This has been acquiesced to by the Department of Local Government and Communities, which has interpreted “annual salary entitlement” to mean only the cash component of the salary paid. Given reforms in the corporate sphere, this position is no longer tenable.”*

Mayor Shannon is completely correct and the legislation should change to reflect this modern, open and transparent reporting requirement.

The legislation should also change to require Councils to take direct responsibility for their CEO’s pay, conditions and performance; AND the legislation should require Councils and Councillors be held accountable for those matters by way of external public assessment and audit by the Department.

### **CEO’s POWERS**

Individually Councillors have little power over CEO’s, but collectively they are legally required to oversight the operations of the CEO.

The plethora of reports into local government make it plain that many Councillors do not understand their role in this regard; it is also clear that many Councillors do not have the skills necessary to address this matter.

These matters were addressed by the [CCC report of 2 May 17](#); bizarrely this comprehensive and important report from the State’s top corruption body was rejected by [WALGA on 3 May 17](#), the very next day!

While many Councillors are oblivious of the fact that the CEO is not their friend or their boss; the reality is that the CEO sits at the centre of many local government processes. Many well meaning attempts to oversight CEOs are frustrated by the tried and proven defense of classifying those attempts as either witch-hunts, being politically motivated or retributive.

I am not recommending that this change but it is interesting to note that there are no formal qualifications required to become a CEO of a Council, as there is little electoral accountability of Councillors for any appointment made.

I reiterate that there are no mandatory training requirements for CEO’s and because Councils provide safe political cover for them, CEO’s are effectively insulated from the consequences of their decisions.

That insulation is strengthened by the current Act’s range of provisions that place the CEO of a Council in the position as the holder of information, source of official advice,

the protector of process, hirer, firer and manager of staff, usually the person to whom complaints should be referred and, frequently, as the election returning officer.

Any person with control of those functions is in an extremely dominant position in an organisation; this was highlighted by the WA Corruption and Crime Commissioner, the Hon John McKechnie's May 2017 statement relating to the Shire of Exmouth, that said:

*"Importantly, the report spotlights the failure of a council to exercise oversight over its CEO."*

And

*"The report into the activities at Exmouth underlines disturbing features that have proved common to other local government authorities and are areas worthy of assessment and focus by all local governments."*

McKechnie then went on to list the areas that ALL local governments should assess and focus on, including:

- "inadequate governance, whether due to placing friendship above probity, ignorance of robust procedures or some other reason;
- a culture of entitlement;
- lack of adherence to local government policy and inadequate oversight;
- authority and responsibility for very significant procurement and contract management resting with administrators who are not necessarily appropriately qualified, experienced or monitored;
- councillors who are ill-equipped to oversight complex and often high-stakes activities, particularly in the area of procurement and contract management;
- confusion as to the extent to which a councillor can make enquiries of administrative staff; and
- difficulty and conflicts arising for people who are aware of potentially corrupt activity, but reticent to speak up."

This powerful statement from the State's peak anti corruption body paints a decidedly unhealthy picture that should alarm legislators and regulators.

I restate that this statement was officially rejected by WALGA the day after its public release and few, if any, Councils appear to have acted on the sage advice provided by the CCC.

This review needs to act on the CCC recommendations by recommending amendments to the relevant provisions of the Act aimed at correcting the significant power imbalance between local government administrations and their elected representatives.

But this is where the biased and conflicted nature of the reference group comes into play.

If this matter was to be dealt with on a Council and any Councillors were as conflicted as the reference group is; those Councillors would not be allowed in the room when this matter was being discussed.

In this case the fundamental flaw is that the reference group for this study consists vested interests that are highly unlikely to ever agree to the sort of changes that are necessary to redress the power imbalance in local government.

That unhealthy influence is reflected in the discussion document provisions that relate to:

- The shortening of complaint times, and
- mandatory training, and
- conditions relating to the transfer of staff between levels of government, and
- CEO appointment/contracts/termination.

Whilst those matters may be of importance to the vested interests, few, if any of them are matters that should be enshrined in a modern law and I doubt any dispassionate citizens spontaneously raised them.

Apart from creating general heads of power allowing Councils to hire, fire, monitor CEO's and the specific provisions requiring open reporting of the full cost of pay and allowances, all those matters that relate to CEO contracts should be removed from the Act and any applicable detailed conditions should be contained in the Regulations.

It is often the case that senior management of a Council is a hot topic at council elections times and the proposals aimed at preventing this by setting time periods for contract renewals are as unworkable and as open to rorting as are the current provisions.

If implemented the only effect of the suggested changes will be to shift the time of contract deliberations to a period prior to whatever is set as the statutory requirement.

Operative dates, extensions of contracts, contract details, entitlements and costs of executive staff should all be required to be published in the same way as entitlements of MP's are and Councils should be free to hire and fire at will.

The only restriction on those powers should be the terms of any contract (terms preventing public disclosure should be invalid), the laws, rules and processes of the relevant Industrial Relations/Public Sector Management systems.

Any legislative changes should preclude any terms and conditions of senior staff and CEO contracts being withheld from publication. Either the law or regulations should make it clear that the expiration of a contract should not favourably predispose Council towards rewarding incumbency.

Another failing in the current Act are the provisions relating to Senior Employees; under the provisions of S5.37 it is optional for Council to designate such positions.

The provisions of S5.37 (2) are subverted if Councils do not take the appropriate actions; it is hard to envisage a Council operating competently without these positions and those holding executive positions within councils should be required to be designated accordingly.

Unless that occurs and puts in place the desired checks and balances; a CEO has unfettered and unhealthy power to dismiss or replace executive staff without involving the Council.

In order to facilitate public input into the critical decision of who should hold executive positions, all details should be required to be prominently and locally advertised PRIOR to council making a decision to hire.

I am not advocating any public veto on an appointment, however the public advertising initiative alone would preclude secrecy and negate the issues of timing and non-disclosure.

## **RATES**

The GRV residential rate on my small (2bedroom) 1890's home has increased from \$608.39 in 2005 to \$1574.98 last year; these figures relate purely to the rate paid and not services that I (may) use such as the Emergency Services Levy or rubbish collection.

Apart from driving on the roads, I use no other Council facilities and my rates constitute a tax for living in my town. This cost has increased far in excess of what it would have been had simple CPI adjustments been applied.

There is no redress to these formulaic and unwarranted rate increases because the complex, expensive and anachronistic way of setting and adjusting rates drives dysfunction. The irrational defence used to justify rate increases is usually that other Councils have increased by more and increases are within the band of "normalcy".

The usual council budgetary process starts with the setting of an expenditure figure and then working backwards to set a rate in the dollar. Given the poor democratic inputs into councils, rate increases are automatically driven by this process and are not subject to any meaningful external scrutiny.

The current rating system depends on an expensive process where the Valuer General periodically issues a valuation and then Council decides on a rate in the dollar for properties; there are legislative prohibitions of rates being struck based on location alone or land size alone.

Whilst there are extensive Parliamentary processes and committees and government departments that scrutinise State and Federal budgets, there are no similar provisions at the local level.

Councils meet in secret and decide budget matters that are then ratified in open meetings and, provided the struck rate complies with the legislation; there is no meaningful examination or assessment of it.

Then that simple, and perennial, blame shifting exercise of Councils pointing the finger at the Valuer General as the primary instigator of rate increases follows to obfuscate disgruntled ratepayers.

These anachronistic processes could be replaced by a simple council tax based on a combination of the use of the property (i.e. commercial/residential/rural/recreation etc.) and land size.

Even if the current system is retained, the accountability and transparency of budget processes requires significant alteration and modernisation and a new Act should require this to occur by creating an independent, external and public auditing power.

### **MANDATORY TRAINING**

John Curtin did not need training to oversee WW2; Paul Keating did not need an economics degree to reform our economy and Charlie Court was not a miner, but he oversaw the development of the iron ore industry.

And that is because our entire system of Government is based on elected generalists acting in the public interest by overseeing experts – to do so competently the elected ones have to be able to take advice and the experts have to be able to give it.

Mandatory training is a popular red herring, but in the scheme of things it is a minor diversionary tactic.

The best Shire I have ever lived in was the Shire of Bayswater where the long term Mayor was a chemist; and there are many other “untrained” Councillors elsewhere who do a great job.

John Bowler in Kalgoorlie, Peter Brown in Claremont, Gary Brennan in Bunbury were senior people at the state level who have shifted to local government and are doing an outstanding job.

Why would those people need to have mandatory basic training funded by their ratepayers?

And, after being democratically elected, what would happen if they refused it?

At page 27 of the discussion document there is a note that WALGA recommends mandatory training – what a surprise!

The body that will charge to deliver this service says we need more of it.

This is a great example of what is wrong with local government – there is a clear and direct pecuniary interest in that recommendation and yet that conflict is completely overlooked.

Then that conflicted recommendation is granted validity and credence by being included in official reports and discussion papers.



One wonders how this issue would have manifested itself if WALGA not raised and promoted it; I doubt too many ratepayers are volunteering to pay more or make do with less so WALGA can be paid to train Councillors.

This conflicted process borders on official corruption.

Inductions should not be classified as mandatory training; they are important and mandatory public reporting of attendance at them should be legislated for.

The arguments against mandatory training are simple, but powerful:

- As already stated, there is no such requirement at any other level of government.
- The effect of mandatory training is to make the people we elect to represent us subservient to an administrative process that we have no say in, and no control over; and that alone raises serious questions:
- Will names of those undergoing training be published?
- Will long-term sitting Councillors be required to undergo training?
- Will those undergoing training be required to pass exams?
- If so, and an elected representative fails – what happens?
- If not, what is the point?
- The cost of mandatory training for every Councillor in WA will be significant, with a far greater proportionate cost falling on smaller country Shire Councils

As Councillors are now paid, they already have the publicly funded resources to attend any training they wish and their legitimate costs will be compensated by the taxation system.

It is our right as electors to vote in or out those we want to represent us and with the changes recommended to democratise local government, that task should be more inclusive.

It is not the role of WALGA and bureaucracies to restrict that democratic right. (Albeit I accept general provisions that are pretty much the same exclusions as those applying at State level).

## **CODES OF CONDUCT**

Local government advocates, and this discussion document persistently promotes the nonsensical premise that local government is a free standing level of government that is in control of its own destiny; but it is not.

It has no electoral or constitutional legitimacy and only exists as a subordinate level to the State Government.

Codes of conduct exist in many places including industry, other levels of government, sporting bodies and professional associations, but only local government seems to struggle with the requirements of operating according to social, ethical or professional norms.

Most formal investigations/enquiries (e.g. Joondalup & Exmouth) conclude that office holders are usually unaware of, or fail to follow their own procedures or policies; two Parliamentary enquiries and the CCC have also expressed concern in this regard.

I know for certain that our local council office holders do not understand the implications of policy, as I also know that most of them have not read the Act.

Councillors have a duty to oversee the operations of the Council, set policy, monitor and modernise policy, plan and make decisions; and these are the tasks they struggle with – they find making decisions hard and most Councillors I have ever spoken to want the law, policy and regulations to tell them what to do.

That is not how it works; their job is detail and decision-making and when it is not carried out competently, petty officialdom and the status quo become the norm with the consequential stagnation, civic dysfunction and administrative pedantry.

All of which constitute major impediments to good public governance.

When confronted with the mix of banal officialdom of local government, people lash out and attack what they see as the obstacles; if that results in a complaint it is most likely to be considered a petty grievance and dismissed accordingly – however the issues that gave rise to the complaint in the first instance usually remain unaddressed.

Result: The complicated and pedantic complaints process drives a citizen with a legitimate issue to angrily disengage from local government.

Unless a local government is one of the very few where openness and transparency is the norm, the requirement to instigate enquiries with the local government concerned is counterproductive and counter intuitive.

Genuine complaints made in this way often attract retributive and belligerent responses from Councils and it is often the case that the person to whom the complaint must be made can be the very person to whom the complaint refers.

The public's responsibility is to conduct themselves civilly; but the truth is that members of the public neither know nor care whether a matter is minor, major, serious or corrupt and they have little opportunity to access the detail necessary to make formal complaints.

Of course there should be codes of conduct – but they apply to office holders and staff and not the public with the salient questions being; to whom does one complain and who investigates the complaint.

The options presented in the paper are once again based on perceptions of local government's autonomy and I repeat, this is a myth. Local governments are not autonomous.

Local government is totally subservient to the state and it follows that the State operate the complaints system (I note that Auditor General's powers are to be expanded) but that still leaves the question of general complaints open.

The CCC has some powers, as does the Ombudsman; however those independent statutory bodies should not be responsible for day-to-day indiscretions/misdemeanours that are clearly the responsibility of the investigative branch of the Department of Local Government.

That Department is the appropriate regulatory authority.

Knowing a little about the time necessary to research and develop a formal complaint I am amazed that any ever happen.

The options in the discussion paper are further flawed in that they seek to allow three months as the period after which complaints are deemed to be no longer applicable; the effect of this will be that administrations that cover up indiscretions for three months will never be called to task.

The normal process is that a matter comes to council; it is considered at staff level, then put to Council after a period of time (that may already be two months) then Council makes a decision and this is confirmed in the minutes a month later.

At that time the three months may have already expired. That is a wonderful bureaucratic catch 22 - a complaint cannot be instigated until some basic facts are determined and if determining them consumes the allotted time - there is no complaint.

What kind of gobbledygook is that?

Even the current two year provision is an artificial inhibitor; there is no need for any such provision in the Act, nor is there any need for any regulatory restriction. All that may be required is a stipulation that the only time constraint on the complaint processes of local government is the statute of limitations.

### **POLITICAL DONATIONS/GIFTS**

Unlike a lot of other countries, and apart from family and religious occasions, Australia does not have a culture of gift giving to public officeholders.

Some public office holders appear under the misapprehension that folks just give them gifts because they really are nice people; that is not the case. Public gift giving is not

about spontaneous generosity; it is about exercising or establishing influence over public office holders by creating an obligation/connection to the giver.

Whether those in public office accept gifts, or not, is solely a decision for them; but the public has a right to know who is giving, what they gave and there should be no minimum threshold on this disclosure.

Once accepted, there are no valid reasons why any donation/gifts given to holders of public office should be concealed from the public. If gifts are official gifts to the organisation, they are not personal and as such should be immediately disclosed by the organisation and not the recipient; and because these gifts are public property they should remain as such.

Those opposing disclosure will talk at length about the impost of having to report, however the advent of modern technology makes the public reporting of gifts a relatively minor administrative impost.

Once adopted, mandatory live time reporting of gifts is a simple task of sending one email.

Any candidate or office holder receiving a donation or gift of any value should be required to electronically transmit details to the Council by close of business on the day following the giving taking place.

Similar provisions should apply to any donor; that is, within the required time they are also compelled to electronically transmit gift details to the Council.

Not only should Council be obligated to publicly report the same within 24 hours; any details of gifts should be also be prominently re-promulgated in the agenda of any related matters that come before Council.

I suggest that anyone who does not understand the need to report receiving gifts whilst in public office, does not deserve to hold office and I recommend that the legislation and regulations change in order to:

- make anonymous donations/gifts illegal; and
- require disclosure of the source of all donations/gifts; and
- require identification of the person/organisation making the donation/gift; and
- set a number for breaches after which the mandating of removal from office of those not reporting. (I prefer one breach only, but I accept that there needs be some genuine discussion over the number of times a public office holder can breach these provisions.) Such a decision should relate to the number of breaches and not the amount concerned; and
- mandate heavy penalties for those incorrectly reporting; and
- require gift information to be published in related matters coming before Council.

## **RED TAPE**

The matters raised in the discussion paper about “Red Tape” are interesting, but, when compared to the more significant issues confronting this level of government, they are also of little account.

Many rules and regulations that are called “Red Tape” are in fact imposed on local governments by the State’s central decision making bodies. Decisions that make perfect sense in a meeting room on St George’s Terrace can be quite absurd when trying to be implemented across the entirety of a state the size of WA; however there is nothing local government can do about that.

Local “Red Tape” is another matter that can only be meaningfully addressed at a local level. This is only likely to occur when there is competent and confident government in place; even then, the issue is an extremely subjective one.

If “Red Tape” means those local rules that affect building restrictions, setbacks, lot sizes, heritage, community free space, litter, signage, pets, animals and other ancillary matters, the community attitude is generally one of silent support for well thought out rules that impose improved conditions.

That general support does not manifest itself vocally in the public arena; that is in direct contradiction to the very noisy public opponents shouting about how “Red Tape” is killing them, their community or their business.

The issue needs to be accurately defined before it can even be rationally discussed because one person’s well-meaning regulation aimed at improving the well-being and amenity of their community is another person’s “Red Tape”.

As described earlier, the lack of public support for local government severely hampers Council’s endeavours to act in the community interest. Another significant issue affecting how Councillors deal with “Red Tape” is their ability, or otherwise, to effectively and positively discriminate between personal/commercial interests and the public interest.

Personal and commercial interests are probably the most quoted arguments against regulating; however neither of those is the responsibility of local government and I submit that the Local Government Act ONLY empowers Councils to act in the public interest and not an individual/company’s interest.

This proposition is best supported by Part 1; Section 1.3 (2) of the Act that says:

*“(2) This Act is intended to result in -*

- a. better decision-making by local governments; and*
- b. greater community participation in the decisions and affairs of local government; and*
- c. greater accountability of local governments to their communities; and*
- d. more efficient and effective local government.”*



Whilst there is always a delicate balance to be struck; it is obvious from that part of the Act that the Parliament did not want local government minimising regulation because it deleteriously affects an individual or a business.

It may be that this review recommends such a change to the Act; however, before the embarking on such a brave and adventurous move, I recommend the review panel read the [reports](#) of the Royal Commission into Commercial Activities of Government.

I also strongly recommend that they refresh their memories of the CCC May 2017 statements about where the focus of ALL local governments should lie. If local authorities address ALL those matters, the problems regarding “Red Tape” will solve themselves.

Given that the most likely outcome to address the imposition of excessive local “Red Tape” is for the State to impose some of their own “Red Tape” through the introduction of obligatory reporting regimes.

One wonders how many will appreciate the delicious irony of that.

## **GENERAL**

There are a number of other matters, which, if the panel decides to act on, will require legislative changes.

- Whilst I understand the issues surrounding portability of entitlements, there are ways of dealing with that that do not fly in the face of the recommendation of Commissioner Ian Fletcher in Exmouth, who said the Department:

*“...needed to crack down on officials who were able to move from shire to shire after being exposed doing the wrong thing.”*

The discussion about freeing movement of staff between authorities clearly and directly contradicts that sensible and fundamental accountability reform proposed by Commissioner Fletcher. The soft suggestions put forward by the local government sycophants that are contained in the discussion paper should never be countenanced.

Simply put Commissioner Fletcher is correct and the discussion paper suggestions are not.

Even if his recommendation is unpopular with local government, what Commissioner Fletcher has proposed is a probity and governance initiative aimed at reducing the chances of further corrupt behaviour.

To not heed his advice would be sheer negligence.

- Depending on the circumstances, and after the appropriate level of enquiry, the relevant Minister should have the authority to dismiss entire Councils, individual Councillors or groups of Councillors.

Again, after the appropriate level of enquiry, the relevant Minister should also have the power to order training or any other corrective measure entire Councils, individual Councillors or groups of Councillors; on the sole proviso that it is aimed at improving governance and performance of a Council.

The current bizarre requirement that an entire council be removed because of the actions of one errant individual is silly, poor governance and it is expensive.

It needs changing.

- Local government claims to have no political involvement – however the truth is the opposite of that because in many jurisdictions, partisan politics based on pettiness and personalities plays a major role. It is the lack any of political apparatus to manage those divisions that is a serious issue confronting local government.

Office holders are regularly subjected to “bullying” from on high – by way of threats, intimidation and improper use of the gag under the pretext of “adverse reflection”. The intent and provisions of the LGA are poorly understood and often totally ignored and similar things can be said for the legislated roles and responsibilities of office holders.

- The direct election of Mayors/Presidents is most likely to entrench dysfunction by producing office holders who have no genuine electoral authority and can lack the collegiate support of their peers.

Direct election of Mayors/Presidents is an unwarranted Americanism inserted into a system that has none of the necessary executive supports. If it is to be maintained then we should adopt the entire US system at a local level, including an independent executive staff and stand alone oversight bodies.

However, my preference is to revert to the collegiate system of electing one Councillor to be the first among equals.

- S5.94 of the LGA prescribes what information the public can access and notwithstanding the subsequent disclaimer, this section is at odds with the general right of access created by the FOI Act. This section should be removed and the provisions of FOI then apply unfettered as with every other level of government.

That step alone would assist bringing local government into the modern world of disclosure and would have the added benefit of overcoming the old fashioned backroom mentality that afflicts local government.

If there are things that are required to be disclosed/reported (e.g. CEO contracts) a specific obligatory clause requiring the matters in the regulations to be reported is a far better way of handling these issues. Local government has argued strongly on both sides of the debate about whether it should, or should not, be in the Federal Constitution without ever fully comprehending the consequences of a shift to the Federal system.

### 1.1. INFORMATION REPORT – KPI STATUS

#### GOVERNANCE & COMPLIANCE

Action	Time frame	Officer Assisting	Date	Actions
<b>Complete review of the Shire's Community Strategic Plan in conjunction with Council</b>	<b>December 2018</b>	<b>DCEO</b>		
Co-ordinate public workshop - Heidi Coucher agreed to facilitate – liaise with her for content etc.		DCEO	TBA February 2019	<b>19/02/19</b> <ul style="list-style-type: none"> <li>To meet the Basic Standard in developing the Strategic Community Plan (SCP), two levels of engagement are required e.g. survey and workshop and engage with 250 or 10% of the population (whichever is the lesser)</li> <li>The workshops to be facilitated by Heidi were scheduled for September 2018, but did not occur;</li> <li>Although the Shire early last year conducted a survey with the community to seek feedback on service delivery and ideas, time has moved on. The ACEO has agreed for the Shire to participate in the joint regional and local community survey for all local governments in the Great Southern through February 2019. This survey will be important in framing: <ul style="list-style-type: none"> <li>Local priorities;</li> <li>Joint funding opportunities across the Great Southern</li> </ul> </li> <li>The Workforce Plan will need updating as well</li> </ul>

Discussion item to Council on Stakeholder Engagement		CEO	21/08/2018	<b>COMPLETED</b>  <b>19/02/19</b> <ul style="list-style-type: none"> <li>• Council has in place Policy 84 – Community Engagement;</li> <li>• The framework outlined in the discussion item to Council on 21/08/19 could be used as one of the mechanisms under Policy 84 when engaging with the community. It would seem this came about regarding the CEO undertaking a service delivery review of the Shire. Such a review in effect is equivalent to a review of the Strategic Community Plan</li> </ul>
<b>Update Shire's Corporate Business Plan in conjunction with Council</b>	<b>June 2019</b>			
				<b>19/02/19</b> <ul style="list-style-type: none"> <li>• The new CBP will be developed by the incoming CEO once the new SCP is in place;</li> <li>• ACEO has implemented quarterly reporting against the current CBP</li> </ul>
<b>Update Shire's Long Term Financial Plan in conjunction with Council</b>	<b>June 2019</b>			
				<b>19/02/19</b> <ul style="list-style-type: none"> <li>• The Long Term Financial Plan will need to be updated at the same time as the CBP;</li> <li>• Note that the Asset Management Plans may need updating;</li> </ul>
<b>Full review of Shire's policies and delegations and report to Council</b>	<b>by June 2019</b>	<b>Consultant</b>		
Meeting scheduled to workshop Register of Delegations		Steven Tweedie	10/09/2018	<b>COMPLETED</b>
Policies reviewed and adopted		Steven Tweedie	15/05/2018	<b>COMPLETED</b>

<b>Other Policies</b>				
<b>Volunteer Policy</b> 19/12/2017 – Council resolved: <ul style="list-style-type: none"> <li>• Not adopt the attached Policy 99 – Volunteers; and</li> <li>• Instructs the CEO to obtain legal advice as to the need for such a Policy to protect the risk to the Shire and the CEO.</li> </ul>		DCEO		<b>17/04/2018</b> LGIS attended meeting. <b>15/05/2018</b> <ul style="list-style-type: none"> <li>• Noted in progress. Council would like to see copies of adjoining local government's volunteer policies.</li> <li>• Williams and Kojonup policies obtained</li> </ul>

## FINANCE AND ASSET MANAGEMENT

Action	Time frame	Officer Assisting	Date	Actions
<b>Report to Council and advise in relation to the financial and asset ratios prescribed by the Department of Local Government</b>	<b>May 2019</b>			
				<b>19/02/19</b> Refer to the Auditor's Report for the 2017/2018 Annual Financial Statements
<b>Undertake research and report to Council on alternative funding sources for discretionary items as listed in the Shire's Corporate Business Plan</b>	<b>June 2019</b>	<b>DCEO</b>		
Corporate Business Plan under review				<b>19/02/19</b> The ACEO has discussed with the DCEO to have the Shire be a member of <a href="http://ourcommunity.com.au">http://ourcommunity.com.au</a> and use Australia's most comprehensive grant finder <a href="http://www.fundingcentre.com.au/grant/home">http://www.fundingcentre.com.au/grant/home</a>
<b>Provide business cases to Council for items of significant planned capital expenditure</b>	<b>As required</b>	<b>WS/DCEO</b>		
Outsourcing compilation of Statutory Annual Financial Report Report and recommendation accepted Moore Stephens appointed PO3654			17/07/2018	<b>COMPLETED</b>

<b>Backhoe Replacement</b>				
Replacement & Upgrade of Volvo BL51 Backhoe/FEL Email Bret Howson seeking estimate to assist with preparation. QU191 - Quote \$2,185 + GST – QU192 Quote accepted – PO3659 Issued – Business Case provided. Business Case to Council – ACCEPTED		WS & Mechanic	20/07/2018  09/08/2018 21/08/2018	<b>COMPLETED</b>  <b>ACCEPTED BY COUNCIL</b>
<b>Review and advise Council as part of the 2019/20 budget development process, the most effective use of Shire plant and equipment, including normal operations, private or contracted works</b>	<b>March 2019</b>	<b>WS</b>		
				<b>19/02/19</b> The Works Supervisor, Mechanic and Consultant have developed a Whole of Plant Business Case for consideration by the TPW in late February or March 2019

## WORKS & SERVICES

Action	Time frame	Officer Assisting	Date	Actions
<b>Manage completion of the Shire's s adopted and funded Capital Works program for 2018/19</b>	<b>June 2019</b>	<b>WS</b>		
				<b>19/02/19</b> See Attachment 1
<b>Review the Shire's Road Maintenance Plan and provide a feasibility report to Council regarding the plan's implementation</b>	<b>February 2019</b>	<b>WS</b>		
Bret Howson preparing 10 year road program from RAMM review and update. RAMM Updated and valuations provided for 2017/2018 Annual Financial Reports			12/09/2018	<b>18/12/18</b> <ul style="list-style-type: none"> <li>TPW workshops conducted in November 2018;</li> <li>Council adopted Infrastructure Report Framework – See Attachment 2</li> </ul> <b>19/02/19</b> Works Supervisor, Mechanic and Consultant Engineer currently developing: <ul style="list-style-type: none"> <li>Five Year R2R Plan;</li> <li>Updating the Plant Replacement Program;</li> <li>Identify and Build a RAV Network</li> </ul>



<b>Research and report to Council on options for funding a footpath maintenance plan for the town</b>	<b>March 2019</b>	<b>WS</b>		
WS trialling various surface types for repairs – need to ensure reporting follows.			01/07/2018	<b>19/02/19</b> No progress
<b>Manage WANDRRA funded projects and ensure compliance with financial requirements and provide regular reports to Council</b>	<b>June 2019</b>			
				<b>19/02/19</b> ACEO has advised Council regularly on status of the WANDRRA Project
<b>Report to Council on completion and acquittal of WANDRRA funded projects</b>	<b>June 2019</b>			
				<b>19/02/19</b> See KPI above

## COMMUNICATIONS

Action	Time frame	Officer Assisting	Date	Actions
<b>Provide information updates to Councillors</b>	<b>Monthly</b>			
July – September 2018			14/09/2018	<b>September 2018</b> 3 required – 7 achieved <b>December 2018</b> ACEO is providing weekly updates and introduced a regular briefing session
<b>Provide ‘user friendly’ newsletter/ information updates to the community via the ‘Woody Wongi’</b>	<b>Monthly</b>	<b>DCEO</b>		
Implement “meet the staff” section in each Wongi – one staff member each month. Need to work through with staff at regular meetings.				<b>19/02/19</b> Not actioned
Staff to assist with innovative ideas to make Shire Notes interesting and informative.				<b>19/02/19</b> ACEO has introduced new sections such as Hello from the CEO and From the DCEO’s Desk. Other staff are also including a much improved level of information

## PROJECTS & PROGRAMS

Action	Time frame	Officer Assisting	Date	Actions
<b>Administration Office Refurbishment - Undertake research and provide a business case to Council in conjunction with Council's Community Development Committee</b>	<b>June 2019</b>	<b>DCEO</b>		
CD Committee to identify what they would like to see in the Business Case.		DCEO		<b>30/09/18</b> Source Consultant to assist with Business Case (consider Strategic Teams or Howson Management) <b>19/02/19</b> ACEO has reviewed the possibility of relocating the Works Supervisor and the Leading Hand to the former Playgroup Room at the back of the Town Hall: <ul style="list-style-type: none"> <li>This will free up office space in the current area used by the Rates Officer, Works Supervisor and Leading Hand and Landcare Officer and Consultants;</li> <li>This change can be done at low cost: \$1,000</li> </ul>

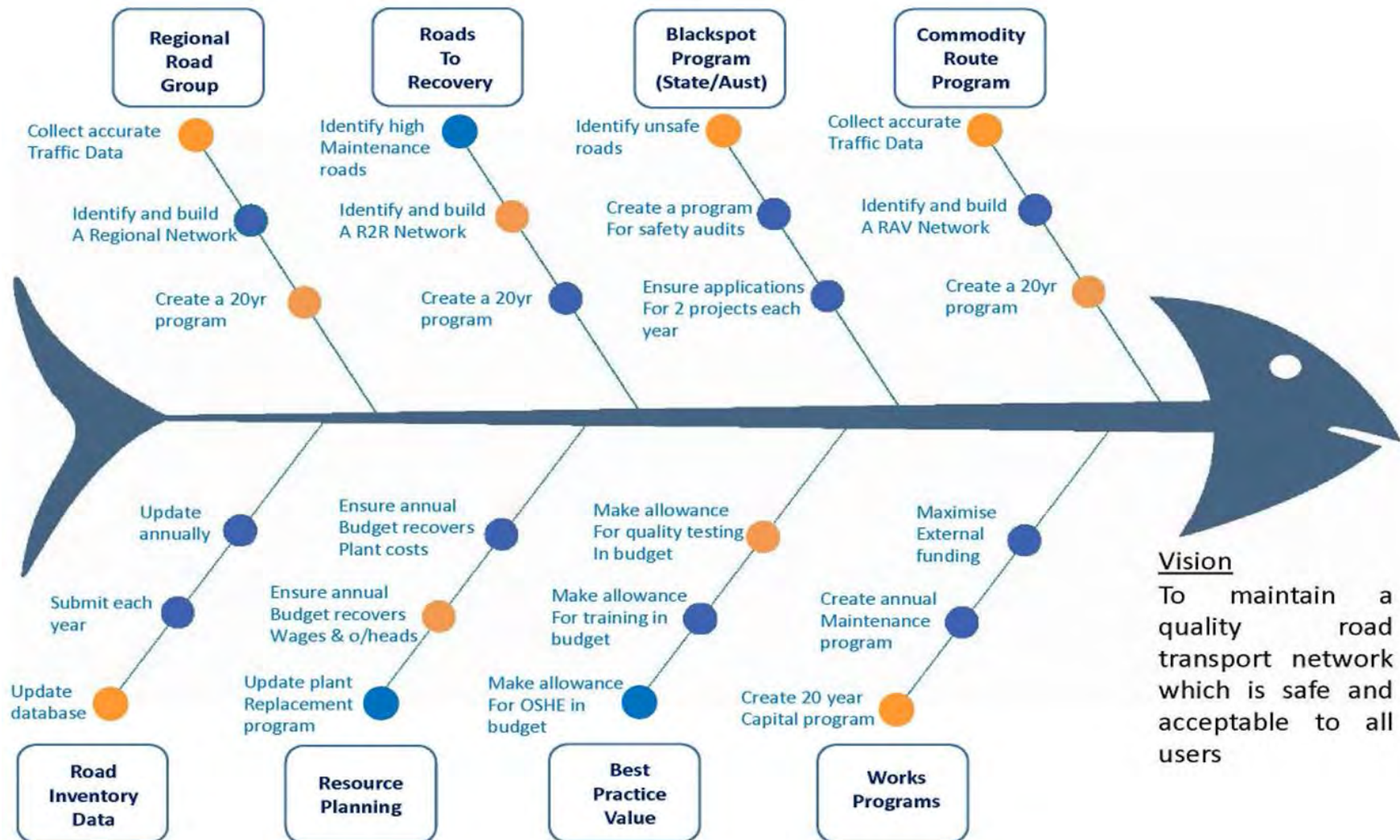
## Legend

Indicator	Level of Completion	Comment
Off-track	0 – 49%	Projects generally in this category have not started or have stalled due to loss of funding or have achieved initial progress
Monitoring	50 – 69%	Projects that are well underway, but may be prone to going off-track
On-track	70 – 100%	Projects that are well on-track or completed
Deferred		Projects that are no longer relevant or put back until they can be suitably resources

## Attachment 1 – Capital Road Program

Road	Km	\$	Status	Other
Robinson Rd – Shoulder Widening - RRG		\$108,146	Culvert extensions	<ul style="list-style-type: none"> <li>• Culvert extensions completed</li> <li>• Prepared back slope/water table</li> <li>• 500m on each side of the road</li> </ul>
Robinson Rd Reseal - RRG		\$62,992	Feb/March	
Katanning – Dumbleyung Rd Reseal - RRG		\$66,175	Feb/March	
Cartmeticup Reseal - RRG		\$45,020	Feb/March	
Orchard Road Pruning - R2R 55		\$45,955	Completed	Final costs to be allocated

## Attachment 2 Infrastructure (Road) Plan





Your Ref : Job 4863

35 Degrees South  
46 Stirling  
ALBANY WA 6330

## Approval Freehold (Green Title) Subdivision

Application No : 155982

### *Planning and Development Act 2005*

Applicant	:	35 Degrees South 46 Stirling ALBANY WA 6330
Owner	:	C R Wise Wililoo Pty Ltd Hensman Road KATANNING WA 6317
Application Receipt	:	28 November 2017

Lot Number	:	1430
Diagram / Plan	:	P105159
Location	:	
C/T Volume/Folio	:	831/127, 1387/357
Street Address	:	Lot 1430 Cartmeticup Road, Woodanilling
Local Government	:	Shire of Woodanilling

The Western Australian Planning Commission has considered the application referred to and is prepared to endorse a deposited plan in accordance with the plan date-stamped **28 November 2017**.

This decision is valid for **three years** from the date of this notice.

The deposited plan must be submitted within the term of the approval, that is by the close of business on **16 January 2021**.

A request for endorsement of a deposited plan is to be submitted to the WAPC on a Form 1C with appropriate fees. Form 1C and a schedule of fees are available on the WAPC website: <http://www.planning.wa.gov.au>.





*KM Blenkinsop*

Kerrine Blenkinsop  
Secretary  
Western Australian Planning Commission  
16 January 2018

Enquiries : Matthew Bunce (Ph 9892 7306)

VERSION	AMENDMENT	AUTHORISED BY	DATE

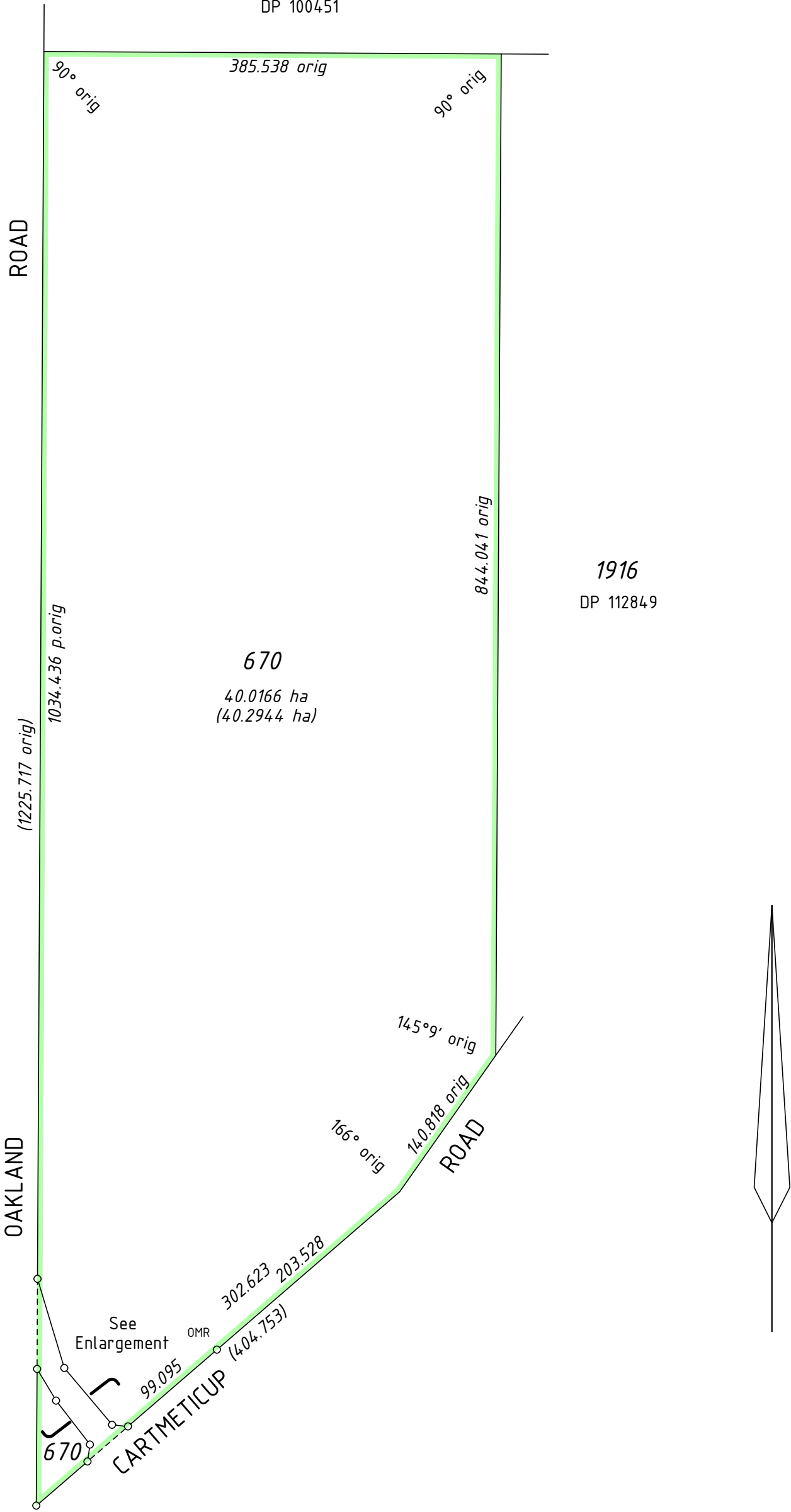
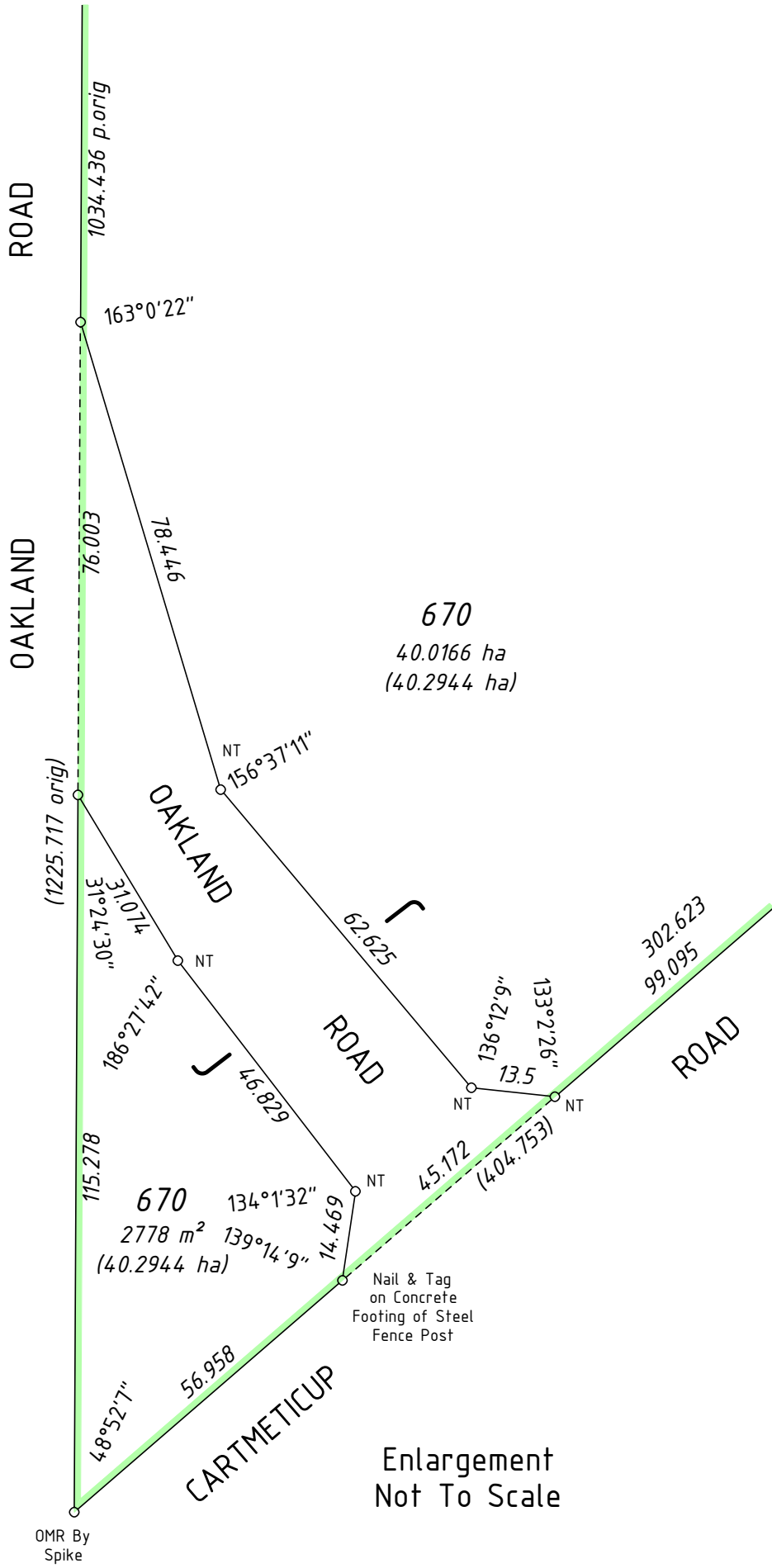
LIMITED IN DEPTH TO 609.6 METRES

35 DEGREES SOUTH

Consulting Licensed Surveyors & Hydrographers

Phone: 0843 3766 Fax: 0842 1010

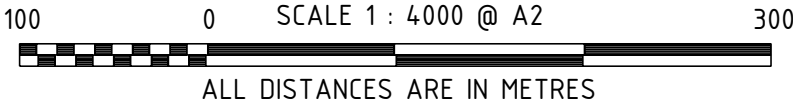
Our Ref: 4863-D1





**WARNING**  
THIS IS A COPY OF THE PLAN  
TO BE LODGED AT LANDGATE  
AND MAY BE SUBJECT TO  
AUDIT CHANGES

INTERESTS AND NOTIFICATIONS

SUBJECT	PURPOSE	STATUTORY REFERENCE	ORIGIN	LAND BURDENED	BENEFIT TO	COMMENTS



TYPE	FREEHOLD	SSA - NO
PURPOSE	SUBDIVISION	
PLAN OF	LOT 670 AND ROAD	
FORMER TENURE	LOT 1430 ON DP 105159 CT'S 831/127 & 1387/357	
LOCAL AUTHORITY	SHIRE OF WOODANILLING	
LOCALITY	CARTMETICUP	
DoL FILE		
FIELD RECORD	131166	
SURVEYOR'S CERTIFICATE - Reg 54		
I, hereby certify that this plan is accurate and is a correct representation of the - (a) *survey; and/or (b) *calculations from measurements recorded in the field records, [*delete if inapplicable] undertaken for the purposes of this plan and that it complies with the relevant written law(s) in relation to which it is lodged.		
LICENSED SURVEYOR	DATE	
LODGED		
DATE	FEE PAID	ASSESS No.
I.S.C.		
EXAMINED		
DATE		
WESTERN AUSTRALIAN PLANNING COMMISSION File 155982		
DELEGATED UNDER S.16 P & D Act 2005		
DATE		
IN ORDER FOR DEALINGS		
SUBJECT TO		
FOR INSPECTOR OF PLANS AND SURVEYS		
DATE		
APPROVED		
INSPECTOR OF PLANS AND SURVEYS		
DATE		
<div><div><div>GOVERNMENT OF WESTERN AUSTRALIA</div></div><div></div></div>		
DEPOSITED PLAN		
405913		
SHEET 1 OF 1 SHEETS		
VERSION 1		

**SHIRE OF WOODANILLING**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the Period Ended 30 November 2018**

**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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**PREPARATION TIMING AND REVIEW**

Date prepared:  
All known transactions up to 20 December 2018

**BASIS OF PREPARATION**

**REPORT PURPOSE**

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996 , Regulation 34* . Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

**BASIS OF ACCOUNTING**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 11.

**SIGNIFICANT ACCOUNTING POLICES**

**GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

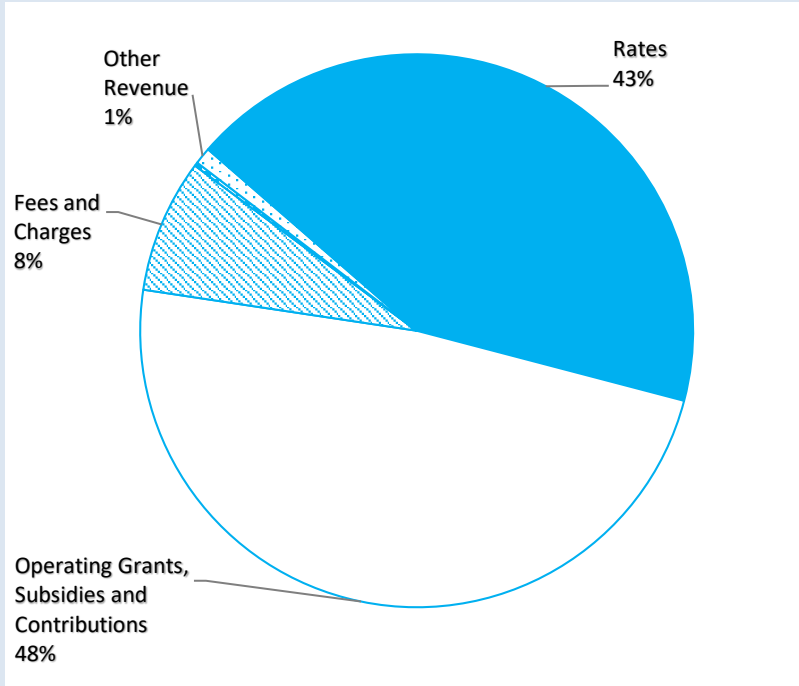
**CRITICAL ACCOUNTING ESTIMATES**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

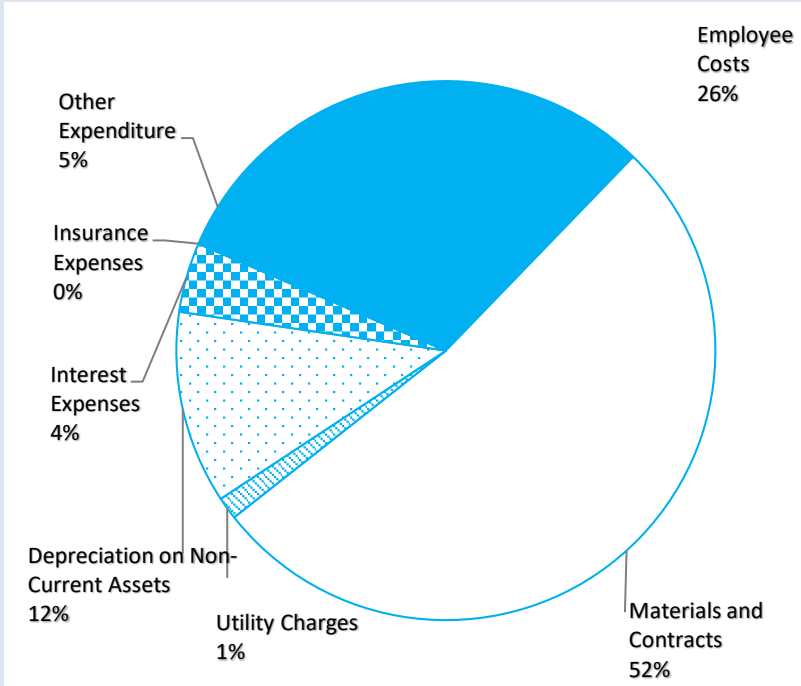
**ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.

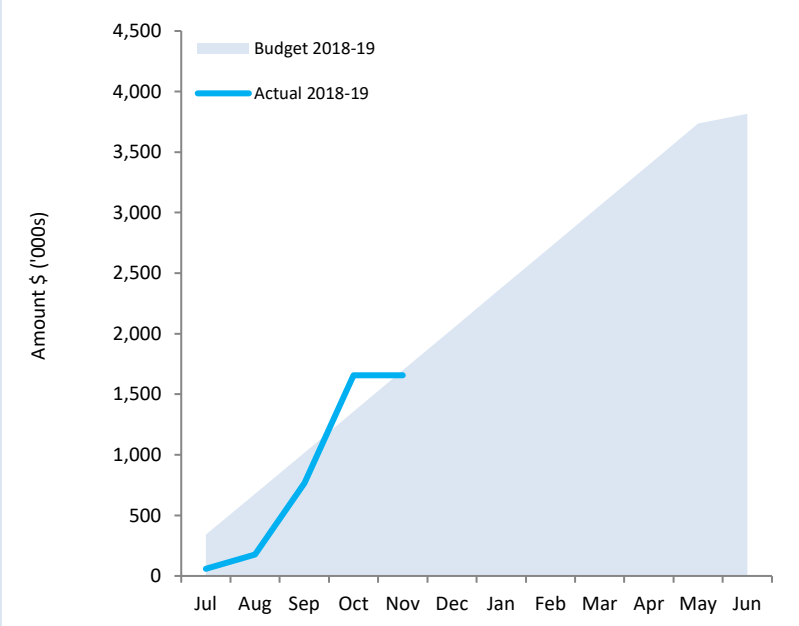
OPERATING REVENUE



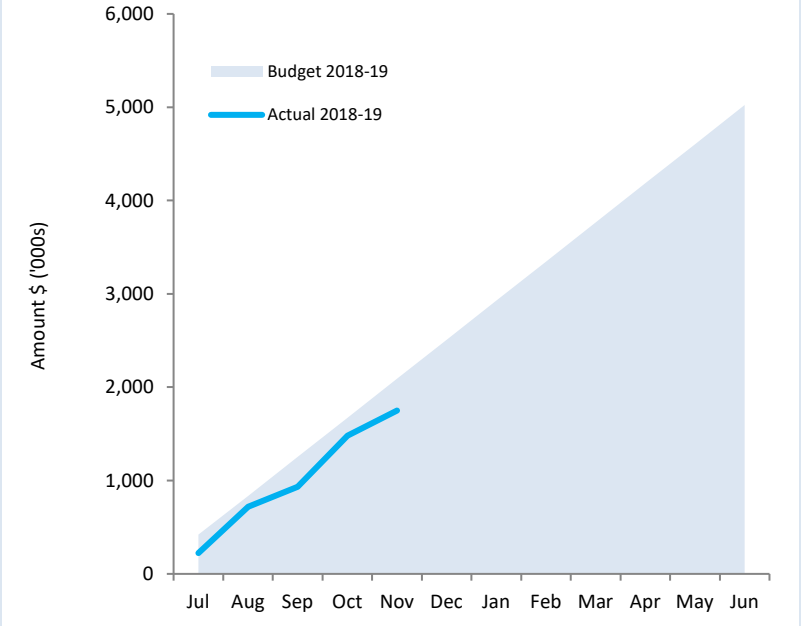
OPERATING EXPENSES



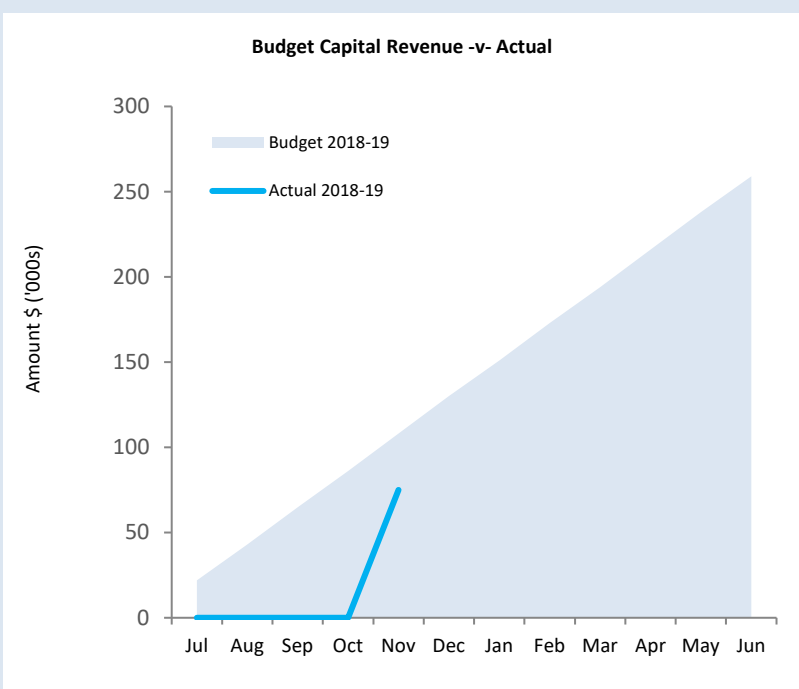
Budget Operating Revenues -v- Actual



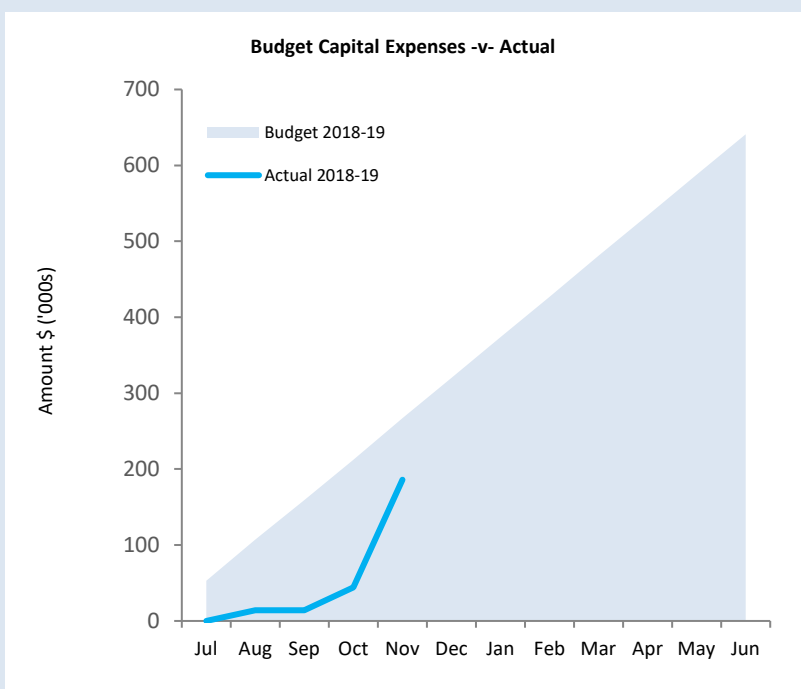
Budget Operating Expenses -v-YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**STATUTORY REPORTING PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

	ACTIVITIES
<b>GOVERNANCE</b> Members of Council Administration	Members of Council, civic reception, functions, public relations, electoral requirements and administration.
<b>GENERAL PURPOSE FUNDING</b> Rates General Purpose Revenue	Rates, general purpose government grants, interest on investments.
<b>LAW, ORDER, PUBLIC SAFETY</b> Fire Prevention Animal Control Other	Supervision of various by-laws, fire prevention and animal control.
<b>HEALTH</b> Preventative Services Community Health Other	Food control, meat inspection, water testing and health inspection services.
<b>EDUCATION AND WELFARE</b> Disability Access & Inclusion Care of Senior Citizens	Well aged housing and services for youth and aged.
<b>HOUSING</b> Staff Housing	Provision and maintenance of staff housing.
<b>COMMUNITY AMENITIES</b> Sanitation Stormwater Drainage Town Planning Protection of Environment Other	Refuse site, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b> Public Halls Swimming areas Libraries Other	Maintenance of halls, parks, gardens and ovals. Library and heritage.
<b>TRANSPORT</b> Road Construction Road Maintenance <b>Road Plant Purchases</b> <b>Transport Licensing Agency</b>	Road construction and maintenance, footpaths and traffic signs.
<b>ECONOMIC SERVICES</b> Rural Services Tourism <b>Building Control</b> <b>Other</b>	Area promotion, pest control, building control.
<b>OTHER PROPERTY AND SERVICES</b> Private Works Public Works Overheads Plant Operation Costs Stock control Salaries and Wages	Private works, public works overheads and plant operation.



**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**STATUTORY REPORTING PROGRAMS**

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
<b>Opening Funding Surplus(Deficit)</b>	1(b)	\$ 1,292,687	\$ 1,292,687	\$ 1,292,687	\$ 0	% 0.00%	
<b>Revenue from operating activities</b>							
Governance		11,700	4,865	166	(4,699)	(96.59%)	
General Purpose Funding - Rates	5	745,915	310,795	733,885	423,090	136.13%	▲
General Purpose Funding - Other		417,915	174,120	204,062	29,942	17.20%	▲
Law, Order and Public Safety		231,175	96,315	138,468	42,153	43.77%	▲
Health		725	295	195	(100)	(33.90%)	
Education and Welfare		91,920	38,300	31,645	(6,655)	(17.38%)	
Housing		34,240	14,260	4,253	(10,007)	(70.18%)	▼
Community Amenities		32,850	13,685	27,992	14,307	104.55%	▲
Recreation and Culture		1,100	455	1,452	997	219.12%	
Transport		2,229,530	847,720	478,967	(368,753)	(43.50%)	▼
Economic Services		22,500	9,370	23,946	14,576	155.56%	▲
Other Property and Services		30,000	12,495	74,022	61,527	492.41%	▲
		<b>3,849,570</b>	<b>1,522,675</b>	<b>1,719,053</b>			
<b>Expenditure from operating activities</b>							
Governance		(272,345)	(113,415)	(161,322)	(47,907)	(42.24%)	▼
General Purpose Funding		(19,700)	(8,205)	(4,037)	4,168	50.80%	
Law, Order and Public Safety		(324,315)	(135,095)	(53,987)	81,108	60.04%	▲
Health		(37,900)	(15,780)	(16,032)	(252)	(1.60%)	
Education and Welfare		(43,180)	(17,910)	(10,915)	6,995	39.06%	
Housing		(93,875)	(39,070)	(23,407)	15,663	40.09%	▲
Community Amenities		(137,985)	(57,460)	(45,982)	11,478	19.98%	▲
Recreation and Culture		(148,350)	(61,765)	(80,590)	(18,825)	(30.48%)	▼
Transport		(3,955,590)	(1,566,860)	(1,333,480)	233,380	14.89%	▲
Economic Services		(44,200)	(18,410)	(22,831)	(4,421)	(24.01%)	
Other Property and Services		(32,200)	(13,345)	(59,229)	(45,884)	(343.83%)	▼
		<b>(5,109,640)</b>	<b>(2,047,315)</b>	<b>(1,811,812)</b>			
<b>Operating activities excluded from Actual</b>							
Add Back Depreciation		972,390	405,130	209,606	(195,524)	(48.26%)	▼
<b>Amount attributable to operating activities</b>		<b>(287,680)</b>	<b>(119,510)</b>	<b>116,847</b>			
<b>Investing Activities</b>							
Non-operating Grants, Subsidies and Contributions	10	277,866	107,995	75,200	(32,795)	(30.37%)	▼
Proceeds from Disposal of Assets	6	39,370	0	0	0		
Capital Acquisitions	7	(669,457)	(197,815)	(185,608)	12,207	6.17%	
<b>Amount attributable to investing activities</b>		<b>(352,221)</b>	<b>(89,820)</b>	<b>(110,408)</b>			
<b>Financing Activities</b>							
Transfer from Reserves	9	107,800	0	0	0		
Transfer to Reserves	9	(806,738)	(508)	(508)	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(698,938)</b>	<b>(508)</b>	<b>(508)</b>			
<b>Closing Funding Surplus(Deficit)</b>	1(b)	<b>(46,152)</b>	<b>1,082,849</b>	<b>1,298,618</b>			

**KEY INFORMATION**

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. threshold. Refer to Note 13 for an explanation of the reasons for the variance.  
The material variance adopted by Council for the 2018-19 year is \$10,000 or 10.00% whichever is the greater.  
This statement is to be read in conjunction with the accompanying Financial Statements and notes.

**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**REVENUE**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**FEES AND CHARGEES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995 . Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**NATURE OR TYPE DESCRIPTIONS**

**EXPENSES**

**EMPLOYEE COSTS**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**BY NATURE OR TYPE**

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	%
<b>Opening Funding Surplus (Deficit)</b>	1(b)	1,292,687	1,292,687	<b>1,292,687</b>	0	0.00%
<b>Revenue from operating activities</b>						
Rates	5	745,915	310,795	<b>733,885</b>	423,090	136.13%
Operating Grants, Subsidies and Contributions	10	2,730,520	1,138,115	<b>830,191</b>	(307,924)	(27.06%)
Fees and Charges		355,135	145,440	<b>134,366</b>	(11,074)	(7.61%)
Interest Earnings		17,400	7,245	<b>3,613</b>	(3,632)	(50.13%)
Other Revenue		600	250	<b>16,998</b>	16,748	6699.20%
		<b>3,849,570</b>	<b>1,601,845</b>	<b>1,719,053</b>		
<b>Expenditure from operating activities</b>						
Employee Costs		(1,069,395)	(445,505)	<b>(468,131)</b>	(22,626)	(5.08%)
Materials and Contracts		(2,796,870)	(1,118,080)	<b>(944,936)</b>	173,144	15.49%
Utility Charges		(41,175)	(17,095)	<b>(24,555)</b>	(7,460)	(43.64%)
Depreciation on Non-Current Assets		(972,390)	(405,130)	<b>(209,606)</b>	195,524	48.26%
Interest Expenses		(75,835)	(31,580)	<b>(75,875)</b>	(44,295)	(140.26%)
Other Expenditure		(153,975)	(109,095)	<b>(88,709)</b>	20,386	18.69%
		<b>(5,109,640)</b>	<b>(2,126,485)</b>	<b>(1,811,812)</b>		
<b>Operating activities excluded from Actual</b>						
Add back Depreciation		972,390	405,130	<b>209,606</b>	(195,524)	(48.26%)
<b>Amount attributable to operating activities</b>		<b>(287,680)</b>	<b>(119,510)</b>	<b>116,847</b>		
<b>Investing activities</b>						
Non-operating grants, subsidies and contributions	10	277,866	107,995	<b>75,200</b>	(32,795)	(30.37%)
Proceeds from Disposal of Assets	6	39,370	0	<b>0</b>	0	
Capital acquisitions	7	(669,457)	(197,815)	<b>(185,608)</b>	12,207	6.17%
<b>Amount attributable to investing activities</b>		<b>(352,221)</b>	<b>(89,820)</b>	<b>(110,408)</b>		
<b>Financing Activities</b>						
Transfer from Reserves	9	107,800	0	<b>0</b>	0	
Transfer to Reserves	9	(806,738)	(508)	<b>(508)</b>	0	0.00%
<b>Amount attributable to financing activities</b>		<b>(698,938)</b>	<b>(508)</b>	<b>(508)</b>		
<b>Closing Funding Surplus (Deficit)</b>	1(b)	<b>(46,152)</b>	<b>1,082,849</b>	<b>1,298,618</b>		

**KEY INFORMATION**

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits (Continued)

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

OPERATING ACTIVITIES  
NOTE 1(b)  
ADJUSTED NET CURRENT ASSETS

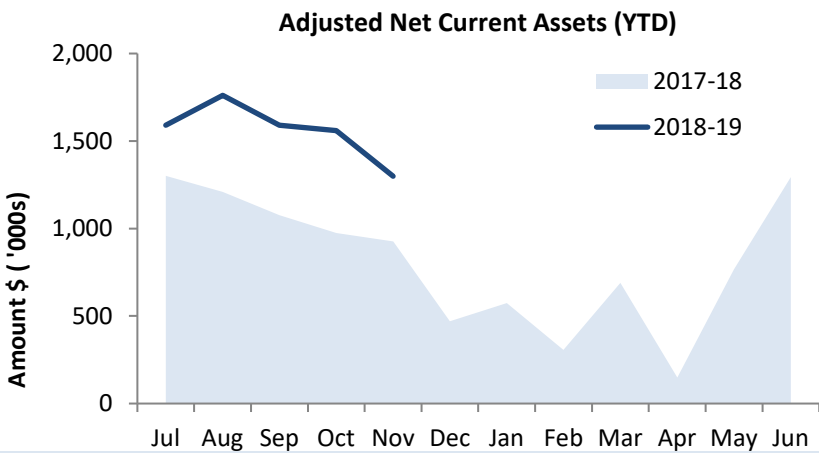
Adjusted Net Current Assets	Ref Note	Last Years Closing 30 Jun 2018	This Time Last Year 30 Nov 2017	Year to Date Actual 30 Nov 2018
		\$	\$	\$
<b>Current Assets</b>				
Cash Unrestricted	2	841,476	989,829	1,533,301
Cash Restricted	2	224,167	803,304	224,675
Rates outstanding	3	40,855	73,422	90,280
Sundry debtors	3	879,957	69,093	57,424
GST receivable	3	0	0	23,903
Accrued Income	3	13,015	0	1,050
Inventories		16,210	15,887	16,210
		2,015,680	1,951,535	1,946,843
<b>Less: Current Liabilities</b>				
Payables	4	(357,199)	(62,859)	(281,923)
Provisions - employee		(141,627)	(158,125)	(141,627)
		(498,826)	(220,984)	(423,550)
<b>Unadjusted Net Current Assets</b>		<b>1,516,854</b>	<b>1,730,551</b>	<b>1,523,293</b>
<b>Adjustments and exclusions permitted by FM Reg 32</b>				
Less: Cash reserves	2	(224,167)	(803,304)	(224,675)
<b>Adjusted Net Current Assets</b>		<b>1,292,687</b>	<b>927,247</b>	<b>1,298,618</b>

SIGNIFICANT ACCOUNTING POLICIES

Please see Note 1(a) for information on significant accounting policies relating to Net Current Assets.

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) compared to the budgeted surplus(deficit) represented on the budget.



This Year YTD  
Surplus(Deficit)

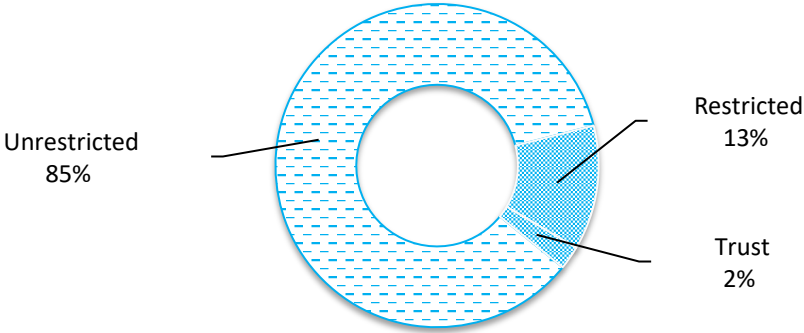
**\$1.3 M**

Last Year YTD  
Surplus(Deficit)

**\$0.93 M**

Description	Type	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Municipal Cash at Bank	Cheque	1,532,851			1,532,851	NAB	variable	n/a
Cash On Hand - Floats & Petty Cash	Cash	450			450	n/a	n/a	n/a
Reserve Cash at Bank	Transactional	0	224,675		224,675	NAB	variable	n/a
Trust Cash at Bank		0		42,061	42,061	NAB	variable	n/a
<b>Total</b>		<b>1,533,301</b>	<b>224,675</b>	<b>42,061</b>	<b>1,800,037</b>			

**KEY INFORMATION**  
Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



Total Cash	Unrestricted
\$1.8 M	\$1.53 M



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018

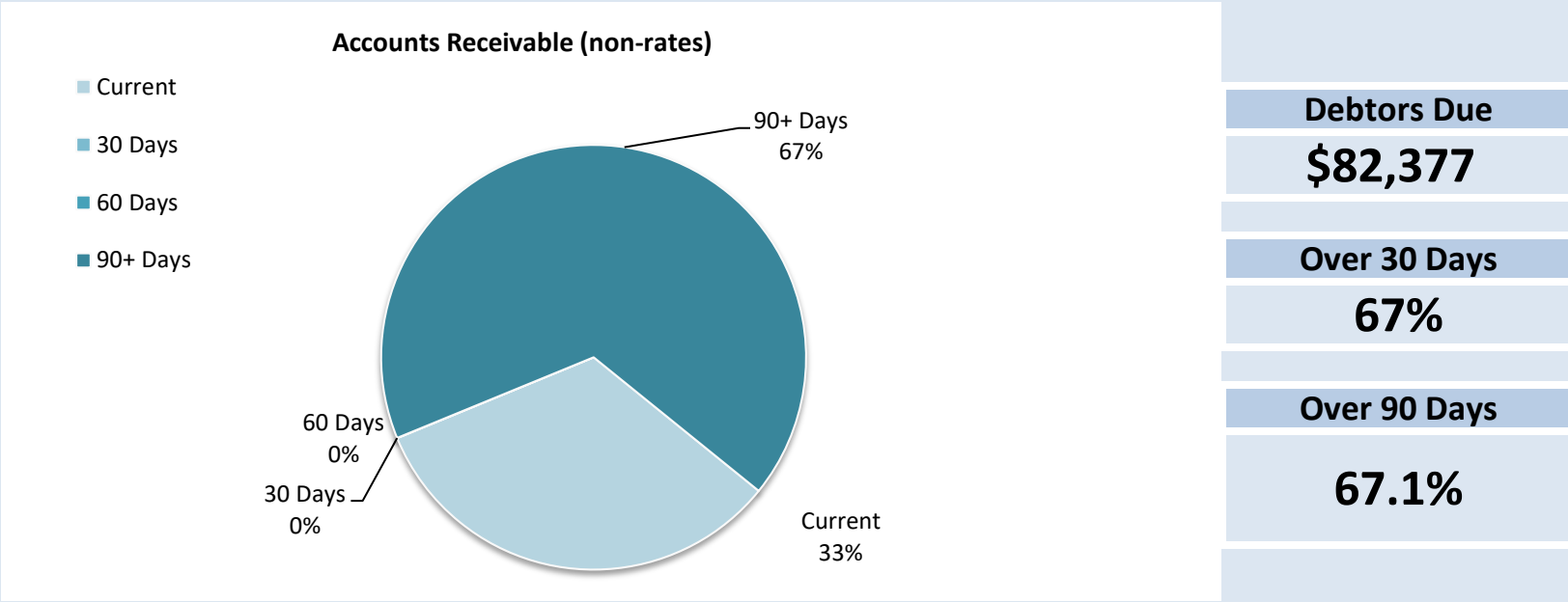
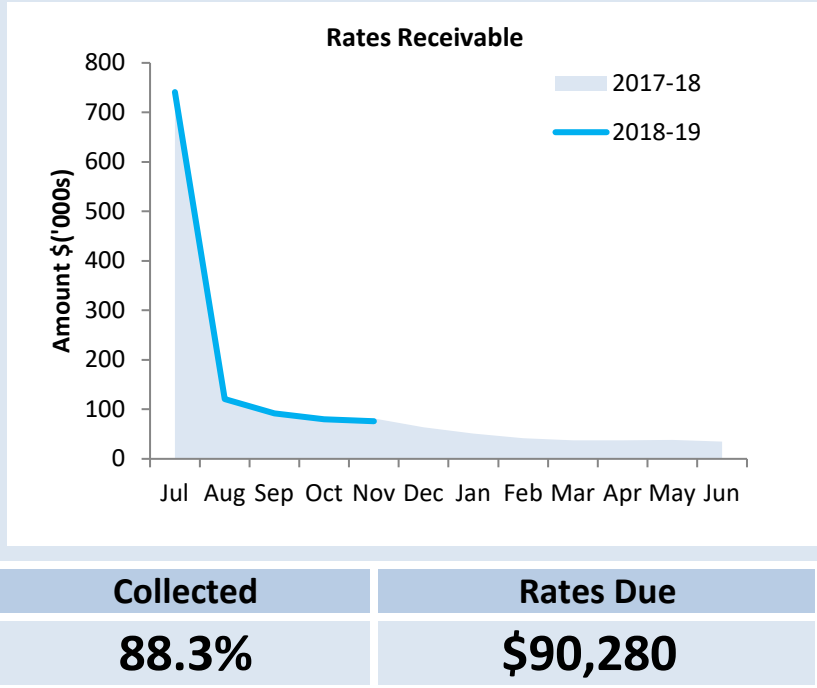
OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates Receivable	30 Jun 2018	30 Nov 18
	\$	\$
Opening Arrears Previous Years	35,211	40,855
Levied this year	733,885	733,885
Less Collections to date	(728,241)	(684,460)
Equals Current Outstanding	40,855	90,280
<b>Net Rates Collectable</b>	<b>40,855</b>	<b>90,280</b>
% Collected	94.7%	88.3%

Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - General	(74)	18,943	11	0	38,544	57,424
Percentage	-0.1%	33%	0%	0%	67.1%	
<b>Balance per Trial Balance</b>						
Sundry debtors						57,424
GST receivable						23,903
Accrued Income						1,050
<b>Total Receivables General Outstanding</b>						<b>82,377</b>
Amounts shown above include GST (where applicable)						

KEY INFORMATION

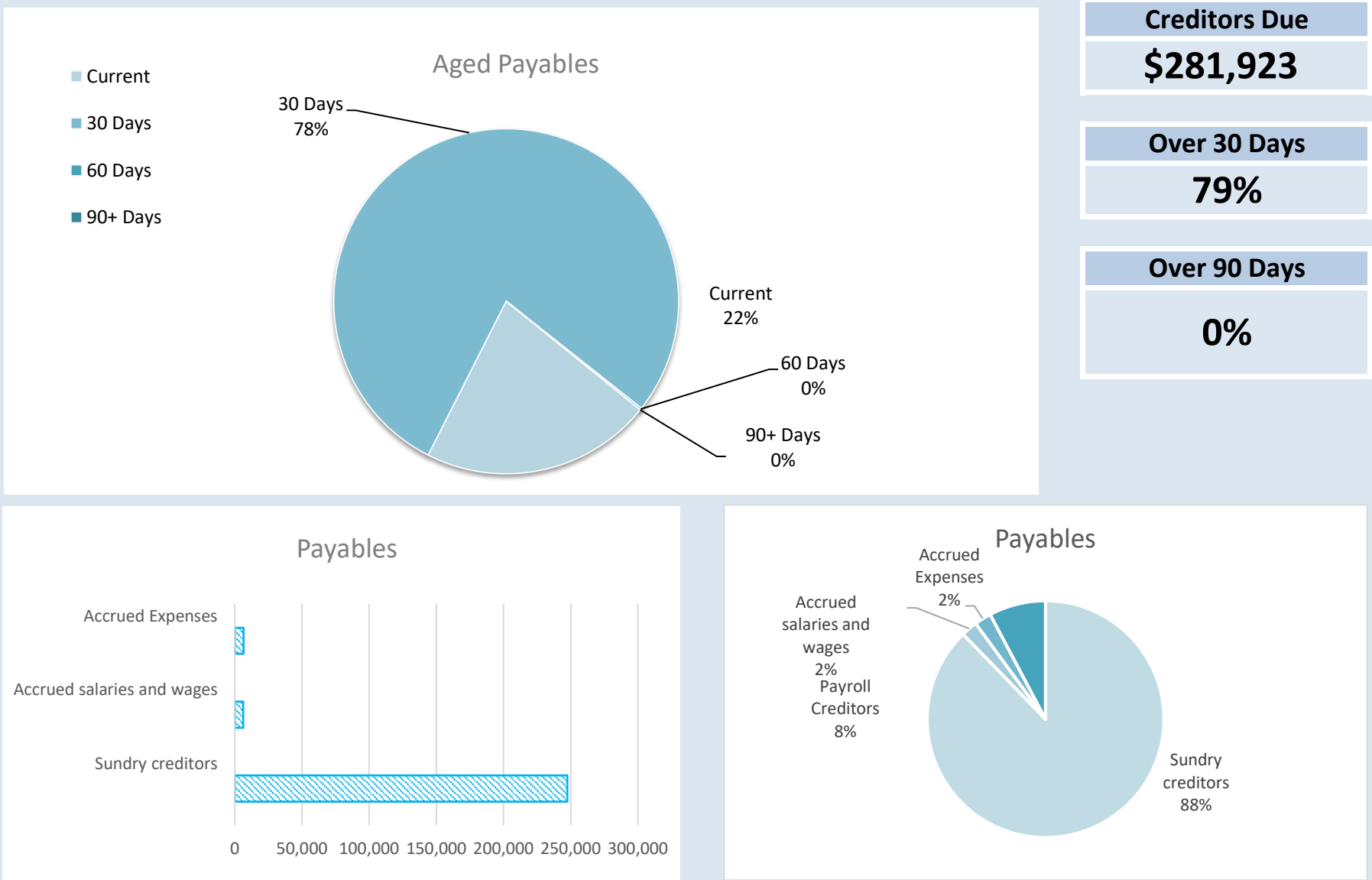
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence they will not be collectible.



Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	(369)	53,608	193,653	445	0	247,337
Percentage	0%	21.7%	78.3%	0.2%	0%	
<b>Balance per Trial Balance</b>						
Sundry creditors						247,337
Accrued salaries and wages						6,270
Accrued Expenses						6,489
Payroll Creditors						21,827
<b>Total Payables General Outstanding</b>						<b>281,923</b>
<b>Amounts shown above include GST (where applicable)</b>						

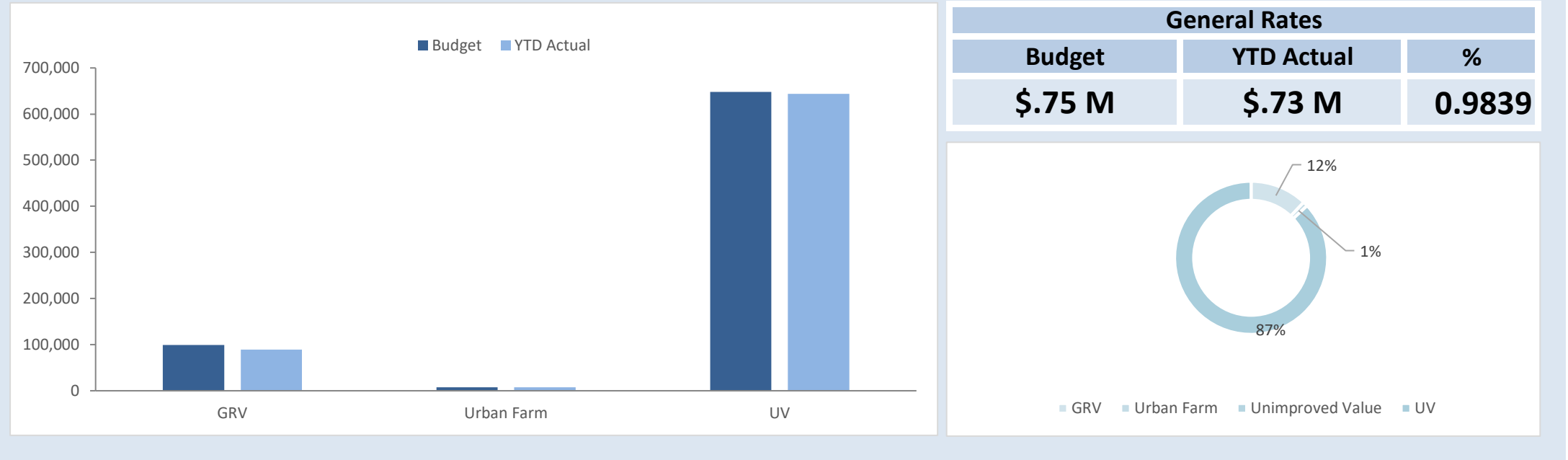
KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



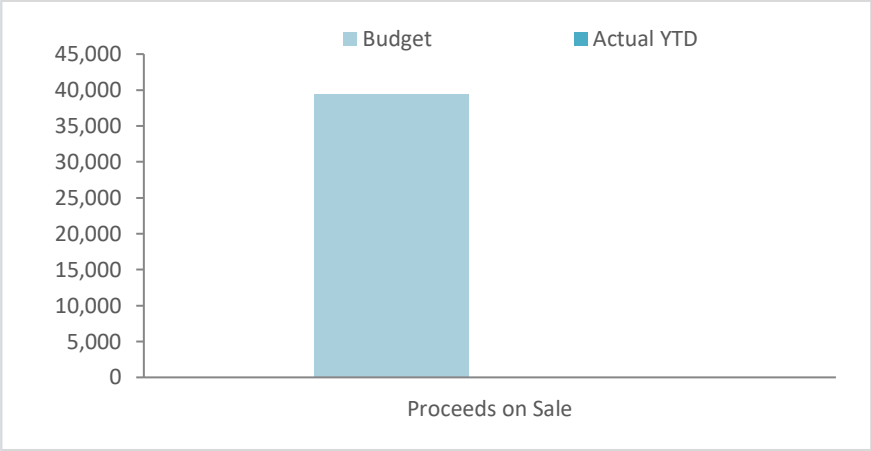
General Rate Revenue				Budget				YTD Actual			
	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE	\$			\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross Rental Value											
GRV	0.106735	158	929,665	99,229	0	0	99,229	89,517	0	0	89,517
Urban Farm	0.053350	5	139,184	7,425	0	0	7,425	7,425	0	0	7,425
Unimproved Value											
UV	0.005800	207	111,747,580	648,136	0	0	648,136	644,235	0	0	644,235
Sub-Total		370	112,816,429	754,790	0	0	754,790	741,177	0	0	741,177
Minimum Payment											
Minimum \$											
Gross Rental Value											
GRV	375	52	0	19,500	0	0	19,500	19,500	0	0	19,500
Urban Farm	375	0	0				0	0	0	0	0
Unimproved Value											
UV	375	15	0	5,625	0	0	5,625	5,625	0	0	5,625
Sub-Total		67	0	25,125	0	0	25,125	25,125	0	0	25,125
Discount							(34,000)				(32,417)
Amount from General Rates							745,915				733,885

**KEY INFORMATION**  
Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
	Transport								
	Hilux Utility & Backhoe	39,370	39,370	0	0	0	0	0	0
		39,370	39,370	0	0	0	0	0	0

KEY INFORMATION



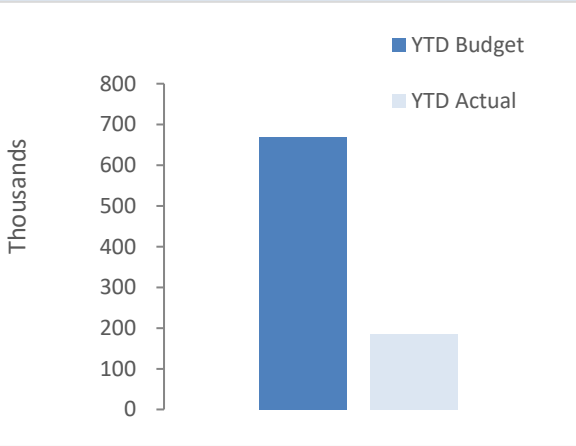
Proceeds on Sale		
Annual Budget	YTD Actual	%
\$39,370	\$0	0%

Capital Acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land & Buildings	70,065	29,185	21,418	(7,767)
Furniture & Equipment	47,400	19,750	47,400	27,650
Plant & Equipment	165,703	0	0	0
Roads	386,289	148,880	116,790	(32,090)
<b>Capital Expenditure Totals</b>	<b>669,457</b>	<b>197,815</b>	<b>185,608</b>	<b>(12,207)</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	277,866	107,995	75,200	(32,795)
Borrowings	0	0	0	0
Other (Disposals & C/Fwd)	39,370	0	0	0
Cash Backed Reserves	0	0	0	0
Contribution - operations	352,221	89,820	110,408	20,588
<b>Capital Funding Total</b>	<b>669,457</b>	<b>197,815</b>	<b>185,608</b>	<b>(12,207)</b>

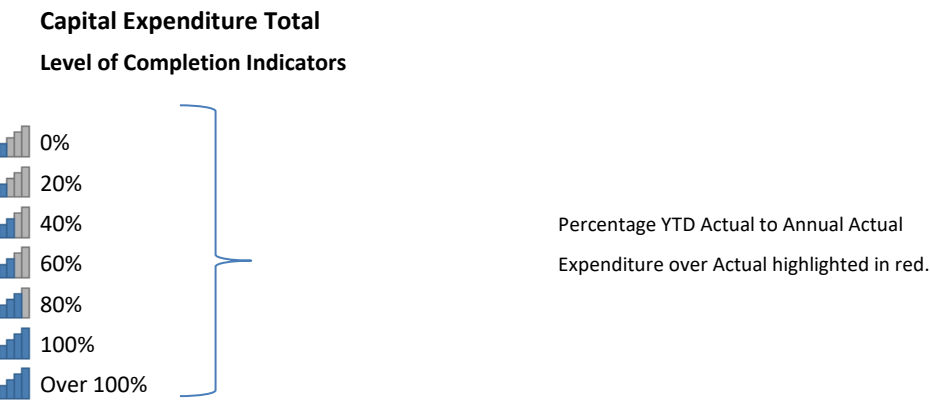
**SIGNIFICANT ACCOUNTING POLICIES**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**KEY INFORMATION**



Acquisitions	Annual Budget	YTD Actual	% Spent
	<b>\$.67 M</b>	<b>\$.19 M</b>	<b>28%</b>
Capital Grant	Annual Budget	YTD Actual	% Received
	<b>\$.28 M</b>	<b>\$.08 M</b>	<b>27%</b>



% of  
Completion # *Level of completion indicator, please see table at the end of this note for further detail.*

			Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Account Description						
Capital Expenditure						
Land & Buildings						
1.00	<div><div></div></div>	084410	Wattleville - Stage 2 Well Aged Housing - CAPITAL	0	0	0
2.76	<div><div></div></div>	111300	Purchase Land & Buildings - CAPITAL	70,065	29,185	7,767
2.76	<div><div></div></div>	Land & Buildings Total		70,065	29,185	7,767
Plant & Equipment						
1.00	<div><div></div></div>	123300	Plant Purchases - CAPITAL	165,703	0	0
1.00	<div><div></div></div>	Plant & Equipment Total		165,703	0	0
Furniture & Equipment						
1.00	<div><div></div></div>	042310	Purchase Furniture & Equipment - CAPITAL	0	0	0
1.71	<div><div></div></div>	113310	Purchase Furniture & Equipment - CAPITAL	47,400	19,750	-27,650
1.71	<div><div></div></div>	Furniture & Equipment Total		47,400	19,750	-27,650
Roads						
3.16	<div><div></div></div>	121310	RRG Project Construction - CAPITAL	340,334	129,725	31,191
20.31	<div><div></div></div>	121320	Roads to Recovery Construction - CAPITAL	45,955	19,155	899
1.00	<div><div></div></div>	121330	Blackspot Construction - CAPITAL	0	0	0
3.64	<div><div></div></div>	Roads Total		386,289	148,880	32,090
15.21	<div><div></div></div>	Grand Total		669,457	197,815	12,207

**KEY INFORMATION**  
The Shire has no borrowings, no unspent borrowings, nor has it provided in the current budget to draw down borrowings.



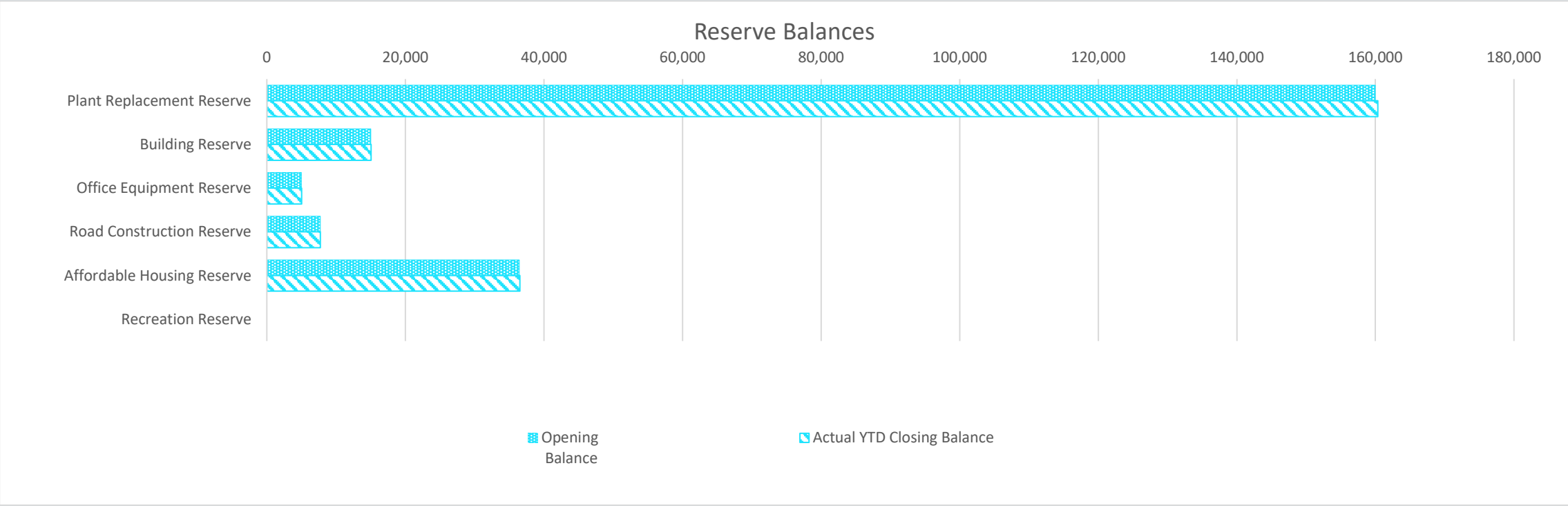
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018

OPERATING ACTIVITIES  
NOTE 9  
CASH AND INVESTMENTS

Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant Replacement Reserve	160,000		362	406,163				566,163	160,362
Building Reserve	15,000		34	25,500				40,500	15,034
Office Equipment Reserve	5,000		11	18,018				23,018	5,011
Road Construction Reserve	7,707		18	205,856				213,563	7,725
Affordable Housing Reserve	36,460		83	23,222				59,682	36,543
Recreation Reserve	0		0	127,979				127,979	0
	331,967	0	508	806,738	0	0	0	1,138,705	332,475

KEY INFORMATION



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018

NOTE 10  
GRANTS AND CONTRIBUTIONS

Grants and Contributions

Grant Provider	Adopted Budget Operating	Capital	YTD Budget	Annual Budget (d)	Budget Variations (e)	Expected (d)+(e)	YTD Actual Revenue (b)
	\$	\$	\$				\$
<b>Governance</b>							
Reimbursements	5,000	0	2,080	5,000	0	5,000	(97)
Reimbursements - Administration	2,500	0	1,040	2,500	0	2,500	263
<b>General purpose funding</b>							
Ex-gratia Rates	1,405	0	585	1,405	0	1,405	0
WA Grants Commission - General	255,510	0	106,460	255,510	0	255,510	128,897
WA Grants Commission - Roads	141,700	0	59,040	141,700	0	141,700	71,313
Legal Fees Recoverable	0	0	0	0	0	0	(861)
<b>Law, order, public safety</b>							
State Government - Fire Prevention	200,375	0	83,490	196,600	0	196,600	115,060
ESL Grant	26,000	0	10,830	26,000	0	26,000	10,515
<b>Education and welfare</b>							
Care of Senior Citizens	42,000	0	17,500	42,000	0	42,000	8,799
<b>Housing</b>							
Operating Income	2,500	0	1,040	2,500	0	2,500	303
<b>Recreation and culture</b>							
State Government - Queerearrup Lake	0	52,550	21,895	52,550	0	52,550	0
<b>Transport</b>							
RRG Project	0	206,650	86,100	206,650	18,666	225,316	75,200
RRG Direct	70,030	0	29,180	70,030	0	70,030	70,028
WANDRRA Storm Damage Feb 2017-AGRN743-Income	1,957,000	0	815,415	0	0	0	401,562
<b>Other property and services</b>							
FBT Reimbursement	4,500	0	1,875	4,500	0	4,500	1,980
Workers Compensation	0	0	0	0	0	0	1,405
Diesel Fuel Rebate	21,000	0	9,165	21,000	0	21,000	8,093
Insurance Rebate	1,000	0	415	1,000	0	1,000	119
Paid Parental Leave	0	0	0	0	0	0	12,812
<b>TOTALS</b>	<b>2,730,520</b>	<b>259,200</b>	<b>1,246,110</b>	<b>1,028,945</b>	<b>18,666</b>	<b>1,047,611</b>	<b>905,391</b>
<b>SUMMARY</b>							
Operating grants, subsidies and contributions	2,730,520	0	1,138,115	769,745	0	769,745	830,191
Non-operating grants, subsidies and contributions	0	259,200	107,995	259,200	18,666	277,866	75,200
<b>TOTALS</b>	<b>2,730,520</b>	<b>259,200</b>	<b>1,246,110</b>	<b>1,028,945</b>	<b>18,666</b>	<b>1,047,611</b>	<b>905,391</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**NOTE 11  
TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

<b>Description</b>	<b>Opening Balance 01-07-18</b>	<b>Amount Received</b>	<b>Amount Paid</b>	<b>Closing Balance 30 Nov 2018</b>
	\$	\$	\$	\$
Landcare receipts	8,608	0	0	8,608
Unclaimed monies	280	0	0	280
WSRA Inc	590	0	0	590
Wongi	2,067	0	0	2,067
Bushfire Brigades	6,705	0	0	6,705
LGIS Bonus Scheme	21,553	0	0	21,553
Heritage Loan Scheme	1,733	0	0	1,733
Other Bonds	850	0	(400)	450
Police Licensing	0	75	0	75
	<b>42,386</b>	<b>75</b>	<b>(400)</b>	<b>42,061</b>

**KEY INFORMATION**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**NOTE 12  
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	<b>Budget Adoption</b>		Opening Surplus		0	(49,192)	(49,192)
			Opening deficit		65,009		15,817
122230	Direct Grants	10.1 Sept 2018	Operating Revenue		29,085		44,902
M999	Reinstatement of Award increases	10.1 Sept 2018	Operating Expenses			(10,000)	34,902
42040	Consulting & Relief Staff ACEO	10.1 Sept 2018	Operating Expenses			(57,600)	(22,698)
42040	Consulting & Relief Staff Recruitment Agent	10.1 Sept 2018	Operating Expenses			(13,000)	(35,698)
42000	Saving on CEO Salary	10.1 Sept 2018	Operating Expenses		12,480		(23,218)
144006	Insurance Refunds on Plant	10.1 Sept 2018	Operating Revenue		1,000		(22,218)
91221	3327 Robinson Road - rent	10.1 Sept 2018	Operating Revenue		3,900		(18,318)
113020	Insurance Premiums - actual increment	10.1 Sept 2018	Operating Expenses			(6,500)	(24,818)
141000	Private Works - culvert installation	10.1 Sept 2018	Operating Expenses			(5,000)	(29,818)
RRG55	Cartmeticup Road Widening (Carryover)	10.1 Sept 2018	Operating Expenses		10,666	(17,000)	(36,152)
RRG56	Cartmeticup Road reseal (Carryover)	10.1 Sept 2018	Operating Expenses		8,000	(12,000)	(40,152)
42070	Computer Maintenance	10.1 Sept 2018	Operating Expenses			(6,000)	(46,152)
				<b>0</b>	<b>130,140</b>	<b>(176,292)</b>	<b>(46,152)</b>

**KEY INFORMATION**

**SHIRE OF WOODANILLING**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the Period Ended 31 December 2018**

**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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**PREPARATION TIMING AND REVIEW**

Date prepared: All known transactions up to 31 January 2019

**BASIS OF PREPARATION**

**REPORT PURPOSE**

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

**BASIS OF ACCOUNTING**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 11.

**SIGNIFICANT ACCOUNTING POLICES**

**GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**CRITICAL ACCOUNTING ESTIMATES**

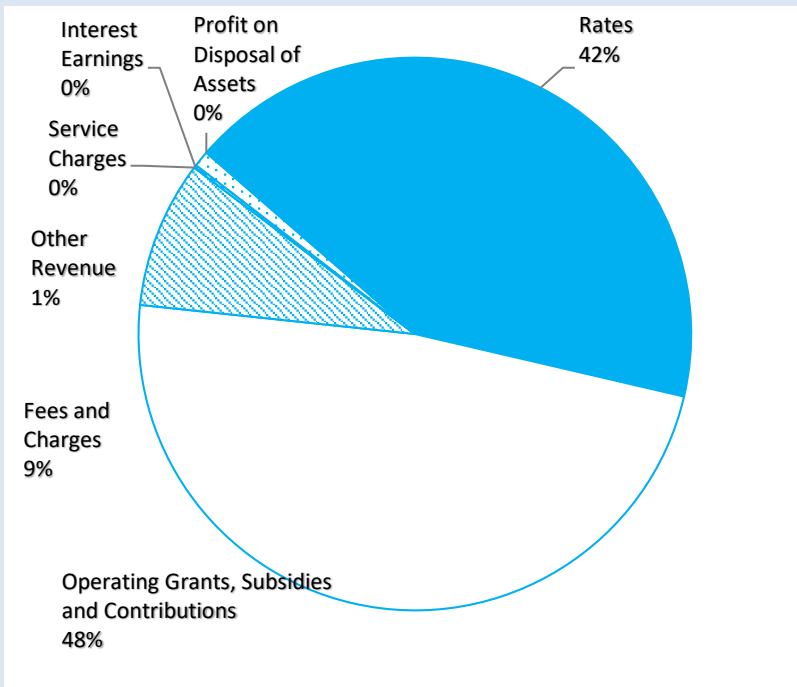
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**ROUNDING OFF FIGURES**

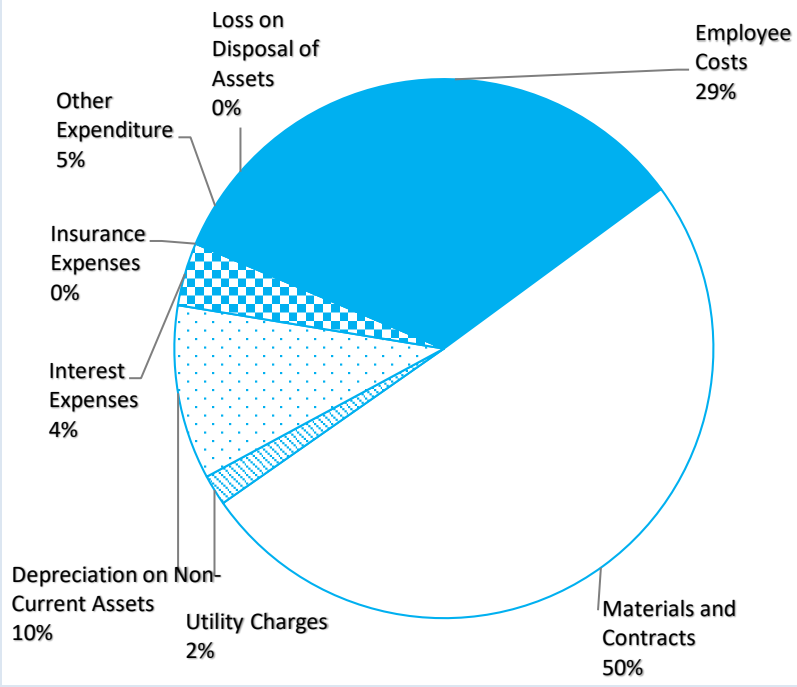
All figures shown in this statement are rounded to the nearest dollar.



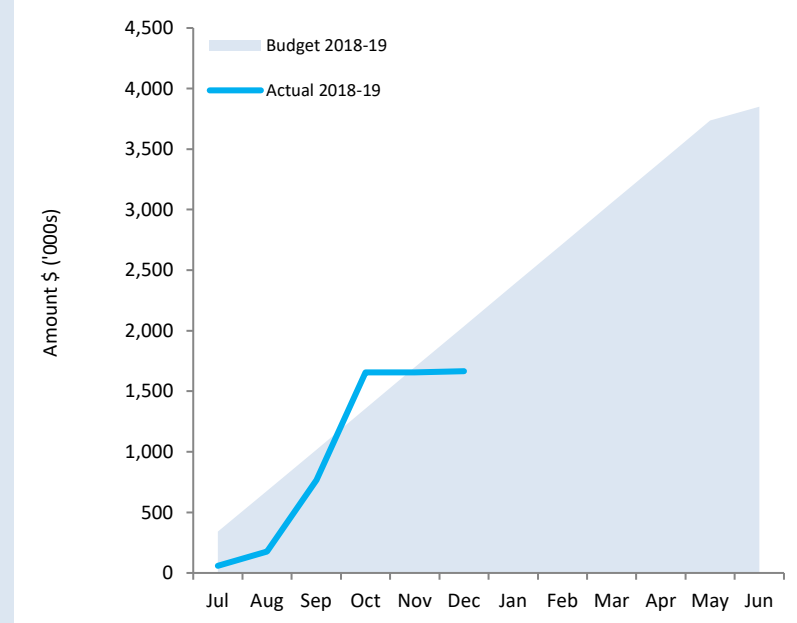
OPERATING REVENUE



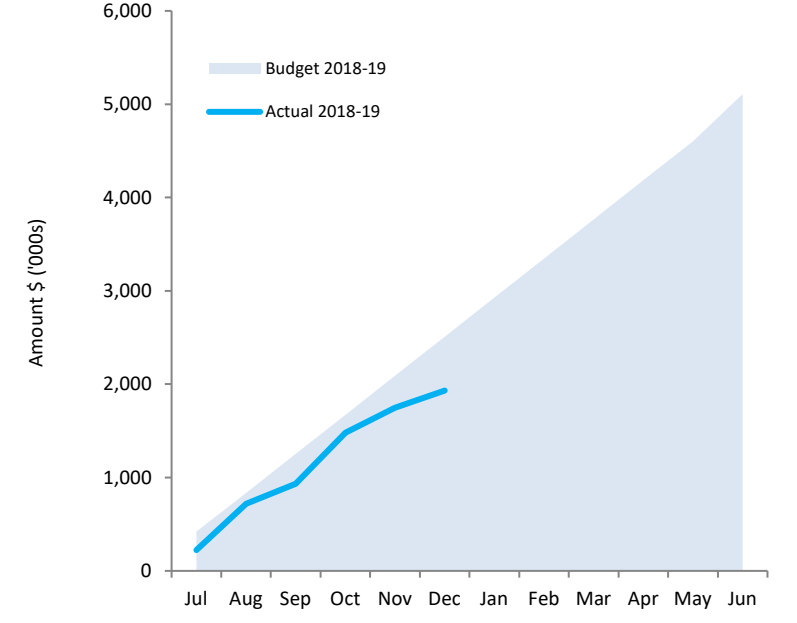
OPERATING EXPENSES



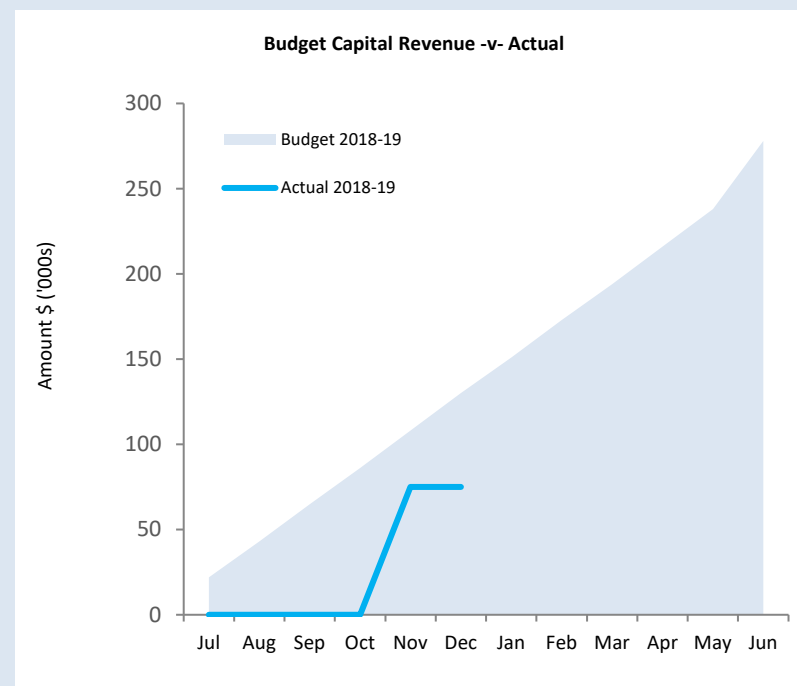
Budget Operating Revenues -v- Actual



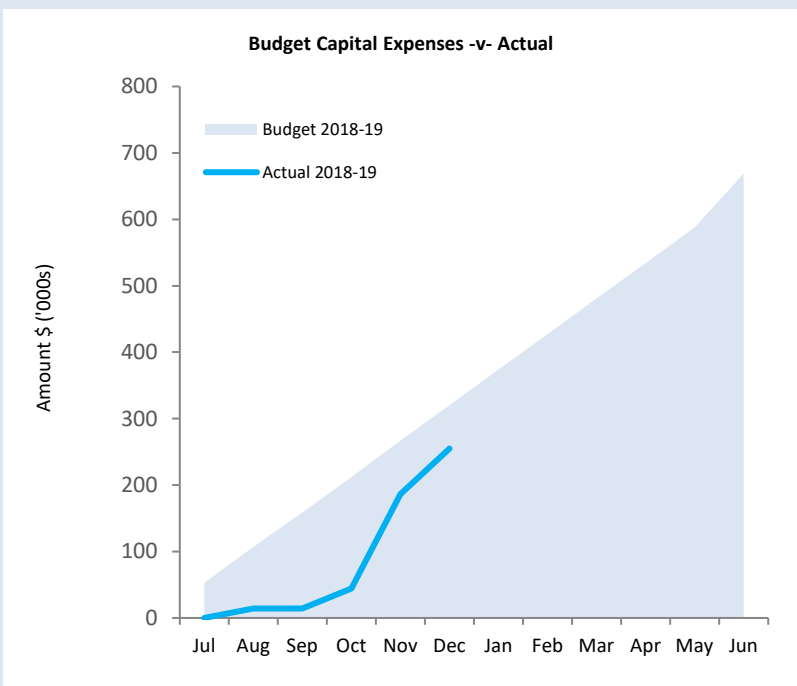
Budget Operating Expenses -v-YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**STATUTORY REPORTING PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

	ACTIVITIES
<b>GOVERNANCE</b>	
Members of Council	Members of Council, civic reception, functions, public relations, electoral requirements and administration.
Administration	
<b>GENERAL PURPOSE FUNDING</b>	
Rates	Rates, general purpose government grants, interest on investments.
General Purpose Revenue	
<b>LAW, ORDER, PUBLIC SAFETY</b>	
Fire Prevention	Supervision of various by-laws, fire prevention and animal control.
Animal Control	
Other	
<b>HEALTH</b>	
Preventative Services	Food control, meat inspection, water testing and health inspection services.
Community Health	
Other	
<b>EDUCATION AND WELFARE</b>	
Disability Access & Inclusion	Well aged housing and services for youth and aged.
Care of Senior Citizens	
<b>HOUSING</b>	
Staff Housing	Provision and maintenance of staff housing.
<b>COMMUNITY AMENITIES</b>	
Sanitation	Refuse site, cemetery and public conveniences.
Stormwater Drainage	
Town Planning	
Protection of Environment	
Other	
<b>RECREATION AND CULTURE</b>	
Public Halls	Maintenance of halls, parks, gardens and ovals. Library and heritage.
Swimming areas	
Libraries	
Other	
<b>TRANSPORT</b>	
Road Construction	Road construction and maintenance, footpaths and traffic signs.
Road Maintenance	
Road Plant Purchases	
Transport Licensing Agency	
<b>ECONOMIC SERVICES</b>	
Rural Services	Area promotion, pest control, building control.
Tourism	
Building Control	
Other	
<b>OTHER PROPERTY AND SERVICES</b>	
Private Works	Private works, public works overheads and plant operation.
Public Works Overheads	
Plant Operation Costs	
Stock control	
Salaries and Wages	

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**STATUTORY REPORTING PROGRAMS**

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
<b>Opening Funding Surplus(Deficit)</b>	1(b)	\$ 1,292,687	\$ 1,292,687	\$ 1,292,687	\$ 0	% 0.00%	
<b>Revenue from operating activities</b>							
Governance		11,700	5,838	166	(5,672)	(97.16%)	
General Purpose Funding - Rates	5	745,915	745,915	733,885	(12,030)	(1.61%)	
General Purpose Funding - Other		417,915	208,944	203,594	(5,350)	(2.56%)	
Law, Order and Public Safety		231,175	115,578	138,790	23,212	20.08%	▲
Health		725	354	195	(159)	(44.92%)	
Education and Welfare		91,920	45,960	36,136	(9,824)	(21.38%)	
Housing		34,240	17,112	4,559	(12,553)	(73.36%)	▼
Community Amenities		32,850	16,422	28,632	12,210	74.35%	▲
Recreation and Culture		1,100	546	1,461	915	167.58%	
Transport		2,229,530	1,017,264	478,967	(538,297)	(52.92%)	▼
Economic Services		22,500	11,244	23,969	12,725	113.17%	▲
Other Property and Services		25,000	109,998	91,816	(18,182)	(16.53%)	▼
		<b>3,844,570</b>	<b>2,295,175</b>	<b>1,742,170</b>			
<b>Expenditure from operating activities</b>							
Governance		(272,345)	(136,098)	(126,662)	9,436	6.93%	
General Purpose Funding		(19,700)	(9,846)	(7,099)	2,747	27.90%	
Law, Order and Public Safety		(324,315)	(162,114)	(72,156)	89,958	55.49%	▲
Health		(37,900)	(18,936)	(23,787)	(4,851)	(25.62%)	
Education and Welfare		(43,180)	(21,492)	(13,491)	8,001	37.23%	
Housing		(93,875)	(46,884)	(29,378)	17,506	37.34%	▲
Community Amenities		(137,985)	(68,952)	(62,045)	6,907	10.02%	
Recreation and Culture		(148,350)	(74,118)	(101,104)	(26,986)	(36.41%)	▼
Transport		(3,955,590)	(1,880,232)	(1,479,943)	400,289	21.29%	▲
Economic Services		(44,200)	(22,092)	(33,080)	(10,988)	(49.74%)	▼
Other Property and Services		(27,200)	(111,018)	(60,249)	50,769	45.73%	▲
		<b>(5,104,640)</b>	<b>(2,551,782)</b>	<b>(2,008,994)</b>			
<b>Operating activities excluded from Actual</b>							
Add Back Depreciation		972,390	486,156	209,606	(276,550)	(56.89%)	▼
<b>Amount attributable to operating activities</b>		<b>(287,680)</b>	<b>229,549</b>	<b>(57,218)</b>			
<b>Investing Activities</b>							
Non-operating Grants, Subsidies and Contributions	10	277,866	129,594	75,200	(54,394)	(41.97%)	▼
Proceeds from Disposal of Assets	6	39,370	0	0	0		
Capital Acquisitions	7	(669,457)	(237,378)	(255,067)	(17,689)	(7.45%)	
<b>Amount attributable to investing activities</b>		<b>(352,221)</b>	<b>(107,784)</b>	<b>(179,867)</b>			
<b>Financing Activities</b>							
Transfer from Reserves	9	107,800	0	0	0		
Transfer to Reserves	9	(806,738)	(296,713)	(296,713)	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(698,938)</b>	<b>(296,713)</b>	<b>(296,713)</b>			
<b>Closing Funding Surplus(Deficit)</b>	1(b)	<b>(46,152)</b>	<b>1,117,739</b>	<b>758,889</b>			

**KEY INFORMATION**

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 13 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2018-19 year is \$10,000 or 10.00% whichever is the greater.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**REVENUE**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**FEES AND CHARGEES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995 . Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**NATURE OR TYPE DESCRIPTIONS**

**EXPENSES**

**EMPLOYEE COSTS**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**BY NATURE OR TYPE**

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	%
<b>Opening Funding Surplus (Deficit)</b>	1(b)	1,292,687	1,292,687	<b>1,292,687</b>	0	0.00%
<b>Revenue from operating activities</b>						
Rates	5	745,915	745,915	<b>733,885</b>	(12,030)	(1.61%)
Operating Grants, Subsidies and Contributions	10	2,731,520	1,365,738	<b>834,652</b>	(531,086)	(38.89%)
Fees and Charges		349,135	174,528	<b>149,451</b>	(25,077)	(14.37%)
Interest Earnings		17,400	8,694	<b>3,040</b>	(5,654)	(65.03%)
Other Revenue		600	300	<b>16,142</b>	15,842	5280.67%
		<b>3,844,570</b>	<b>2,295,175</b>	<b>1,737,170</b>		
<b>Expenditure from operating activities</b>						
Employee Costs		(1,069,395)	(534,606)	<b>(571,707)</b>	(37,101)	(6.94%)
Materials and Contracts		(2,683,945)	(1,341,696)	<b>(1,009,380)</b>	332,316	24.77%
Utility Charges		(41,175)	(20,514)	<b>(36,724)</b>	(16,210)	(79.02%)
Depreciation on Non-Current Assets		(972,390)	(486,156)	<b>(209,606)</b>	276,550	56.89%
Interest Expenses		(75,835)	(37,896)	<b>(75,875)</b>	(37,979)	(100.22%)
Other Expenditure		(261,900)	(130,914)	<b>(100,702)</b>	30,212	23.08%
		<b>(5,104,640)</b>	<b>(2,551,782)</b>	<b>(2,003,994)</b>		
<b>Operating activities excluded from Actual</b>						
Add back Depreciation		972,390	486,156	<b>209,606</b>	(276,550)	(56.89%)
<b>Amount attributable to operating activities</b>		<b>(287,680)</b>	<b>229,549</b>	<b>(57,218)</b>		
<b>Investing activities</b>						
Non-operating grants, subsidies and contributions	10	277,866	129,594	<b>75,200</b>	(54,394)	(41.97%)
Proceeds from Disposal of Assets	6	39,370	0	<b>0</b>	0	
Capital acquisitions	7	(669,457)	(237,378)	<b>(255,067)</b>	(17,689)	(7.45%)
<b>Amount attributable to investing activities</b>		<b>(352,221)</b>	<b>(107,784)</b>	<b>(179,867)</b>		
<b>Financing Activities</b>						
Transfer from Reserves	9	107,800	0	<b>0</b>	0	
Transfer to Reserves	9	(806,738)	(296,713)	<b>(296,713)</b>	0	0.00%
<b>Amount attributable to financing activities</b>		<b>(698,938)</b>	<b>(296,713)</b>	<b>(296,713)</b>		
<b>Closing Funding Surplus (Deficit)</b>	1(b)	<b>(46,152)</b>	<b>1,117,739</b>	<b>758,889</b>		

**KEY INFORMATION**

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits (Continued)

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



OPERATING ACTIVITIES  
NOTE 1(b)  
ADJUSTED NET CURRENT ASSETS

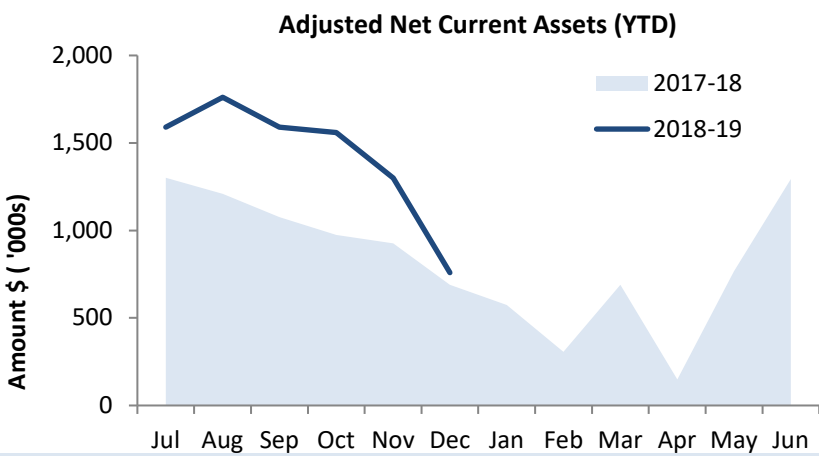
Adjusted Net Current Assets	Ref Note	Last Years Closing 30 Jun 2018	This Time Last Year 31 Dec 2017	Year to Date Actual 31 Dec 2018
		\$	\$	\$
<b>Current Assets</b>				
Cash Unrestricted	2	841,476	549,186	818,981
Cash Restricted	2	224,167	811,934	520,880
Rates outstanding	3	40,855	73,422	82,259
Sundry debtors	3	879,957	250,612	49,316
Accrued Income	3	13,014	0	1,048
Inventories		16,210	15,887	16,210
		2,015,679	1,701,041	1,490,090
<b>Less: Current Liabilities</b>				
Payables	4	(357,198)	(41,205)	(68,694)
Provisions - employee		(141,627)	(158,125)	(141,627)
		(498,825)	(199,330)	(210,321)
<b>Unadjusted Net Current Assets</b>		<b>1,516,854</b>	<b>1,501,711</b>	<b>1,279,769</b>
<b>Adjustments and exclusions permitted by FM Reg 32</b>				
Less: Cash reserves	2	(224,167)	(811,934)	(520,880)
<b>Adjusted Net Current Assets</b>		<b>1,292,687</b>	<b>689,777</b>	<b>758,889</b>

SIGNIFICANT ACCOUNTING POLICIES

Please see Note 1(a) for information on significant accounting policies relating to Net Current Assets.

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) compared to the budgeted surplus(deficit) represented on the budget.



This Year YTD  
Surplus(Deficit)

**\$ .76 M**

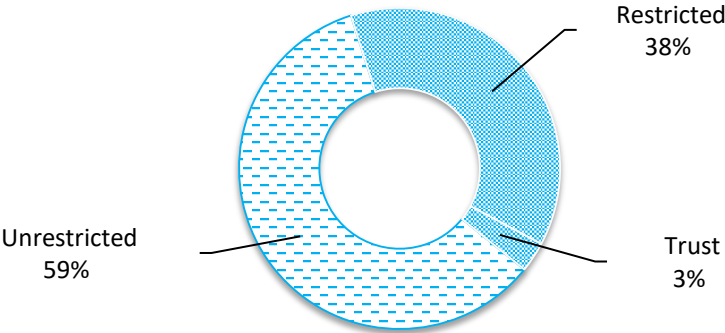
Last Year YTD  
Surplus(Deficit)

**\$ .69 M**

Description	Type	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Municipal Cash at Bank	Cheque	818,531			818,531	NAB	variable	n/a
Cash On Hand - Floats & Petty Cash	Cash	450			450	n/a	n/a	n/a
Reserve Cash at Bank	Transactional		520,880		520,880	NAB	variable	n/a
Trust Cash at Bank	Cheque			42,061	42,061	NAB	variable	n/a
Total		818,981	520,880	42,061	1,381,922			

KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



Total Cash	Unrestricted
\$1.38 M	\$.82 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018

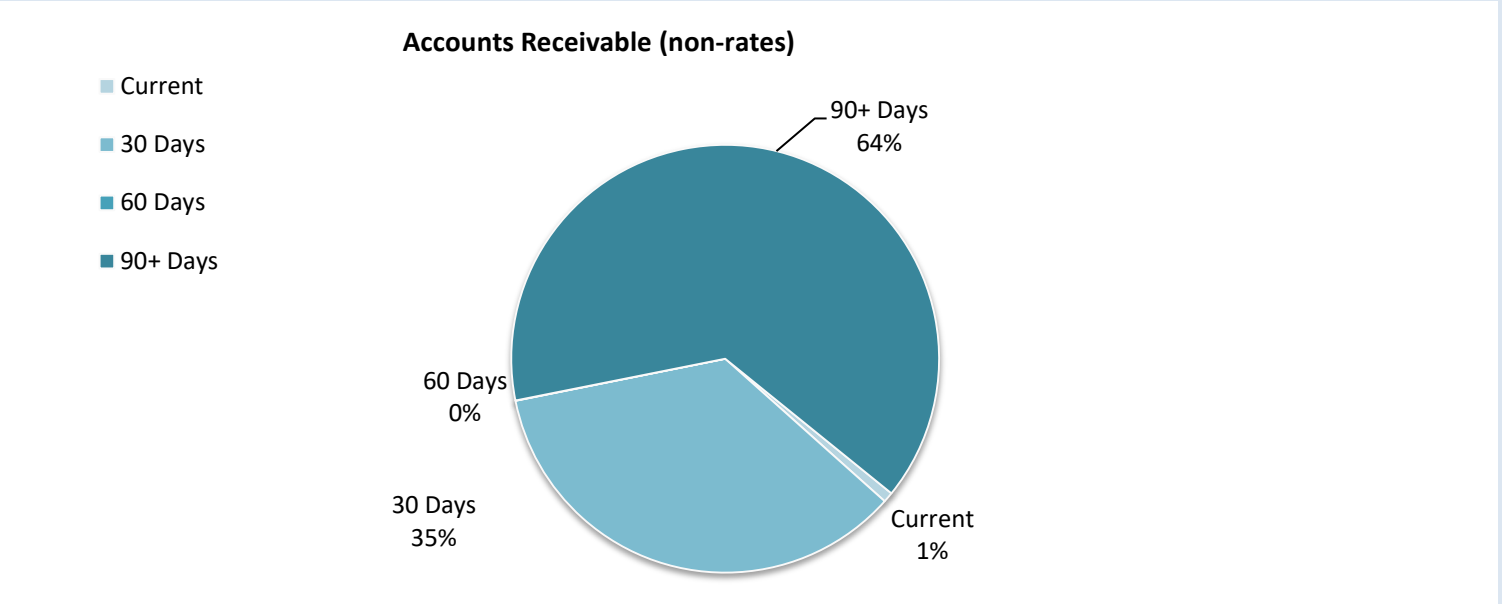
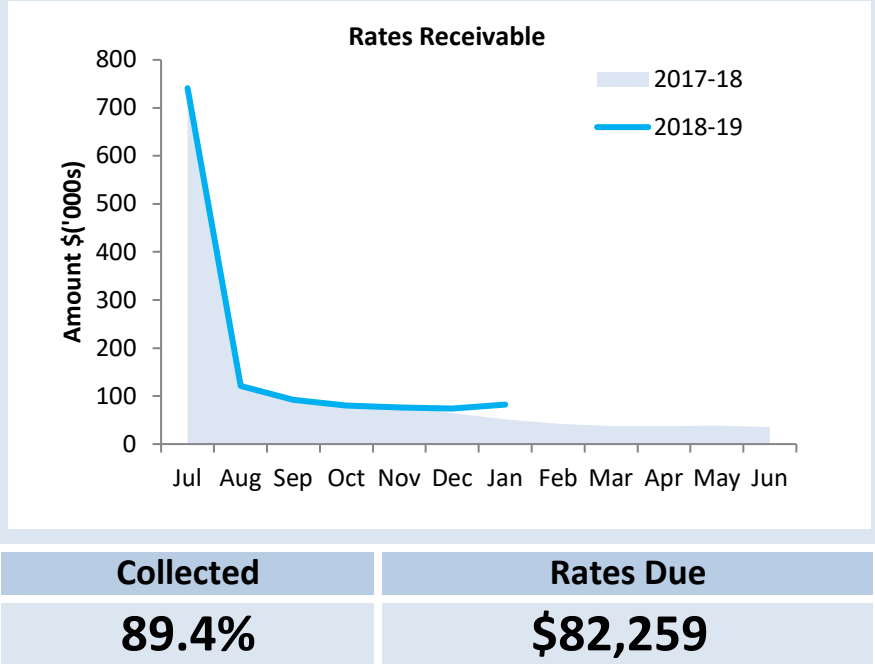
OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates Receivable	30 Jun 2018	31 Dec 18
	\$	\$
Opening Arrears Previous Years	35,211	40,855
Levied this year	733,885	733,885
Less Collections to date	(728,241)	(692,481)
Equals Current Outstanding	40,855	82,259
<b>Net Rates Collectable</b>	<b>40,855</b>	<b>82,259</b>
% Collected	94.7%	89.4%

Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - General	(74)	382	17,406	11	31,591	49,316
Percentage	(0.2%)	0.8%	35.3%	0%	64.1%	
<b>Balance per Trial Balance</b>						
Sundry debtors						49,316
GST receivable						1,396
Accrued Income						1,048
<b>Total Receivables General Outstanding</b>						<b>51,760</b>
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

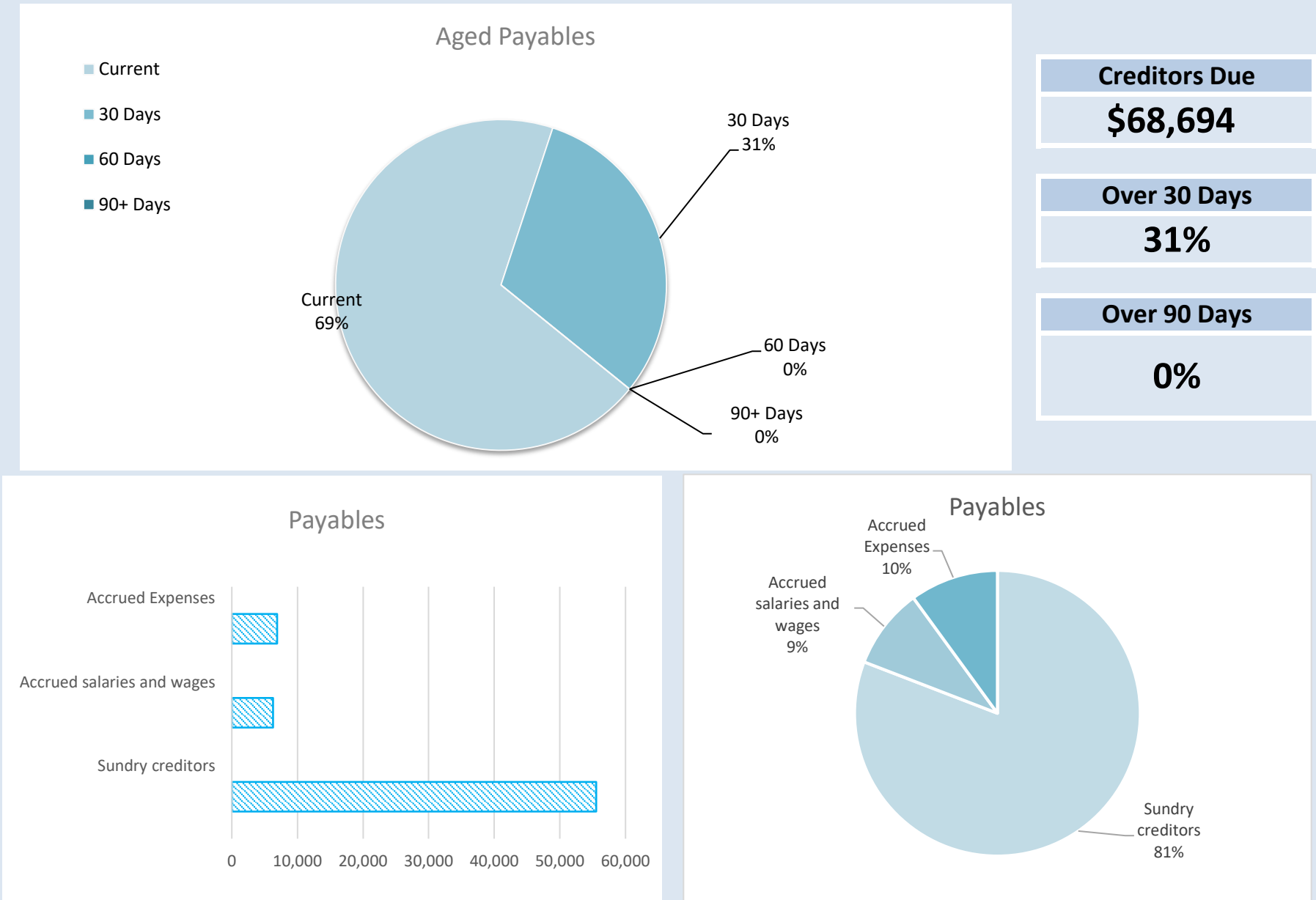


<b>Debtors Due</b>
<b>\$51,760</b>
<b>Over 30 Days</b>
<b>99%</b>
<b>Over 90 Days</b>
<b>64.1%</b>

Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	(589)	38,862	17,267	0	0	55,540
Percentage	0%	70%	31.1%	0%	0%	
<b>Balance per Trial Balance</b>						
Sundry creditors						55,540
Accrued salaries and wages						6,270
Accrued Expenses						6,884
<b>Total Payables General Outstanding</b>						<b>68,694</b>
Amounts shown above include GST (where applicable)						

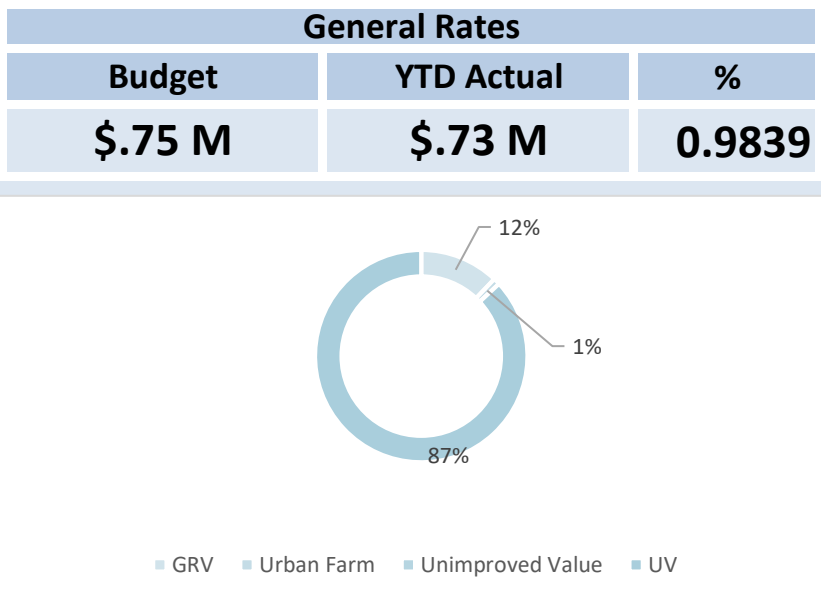
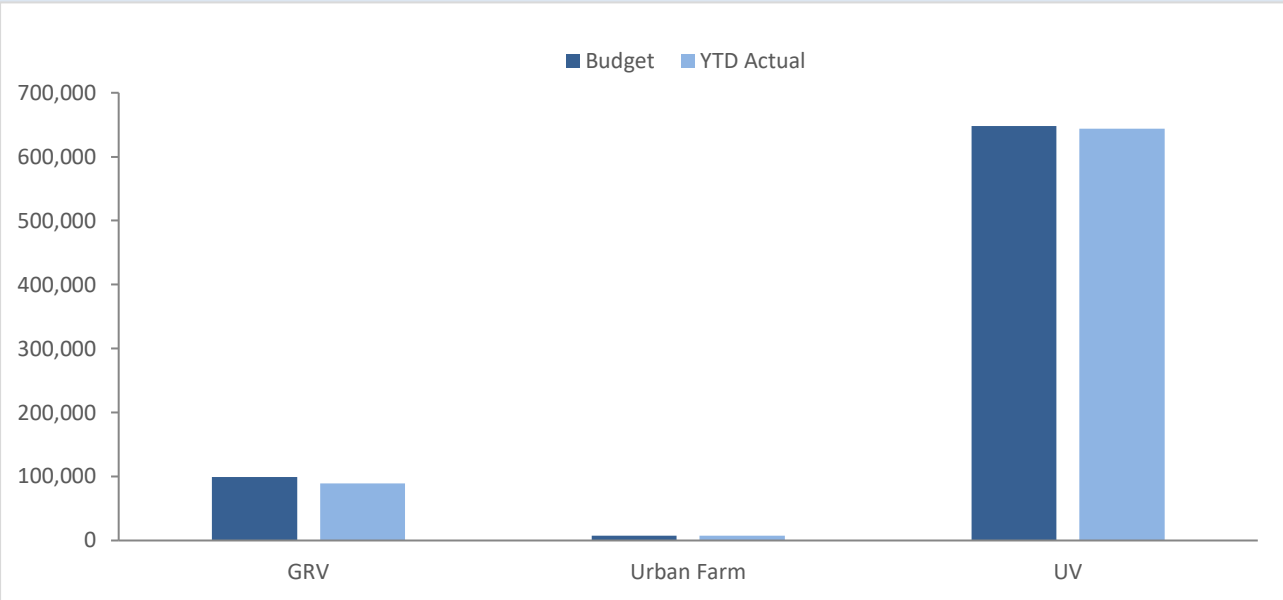
KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



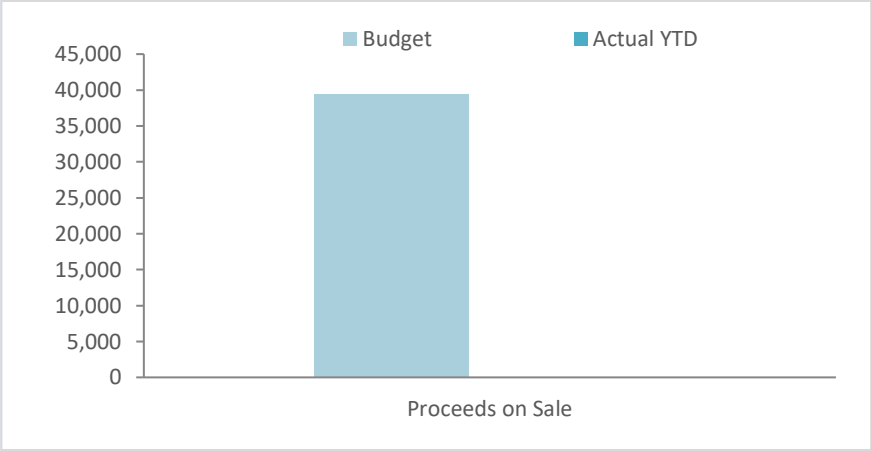
General Rate Revenue				Budget				YTD Actual			
	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE	\$			\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross Rental Value											
GRV	0.106735	158	929,665	99,229	0	0	99,229	89,517	0	0	89,517
Urban Farm	0.053350	5	139,184	7,425	0	0	7,425	7,425	0	0	7,425
Unimproved Value											
UV	0.005800	207	111,747,580	648,136	0	0	648,136	644,235	0	0	644,235
Sub-Total		370	112,816,429	754,790	0	0	754,790	741,177	0	0	741,177
Minimum Payment											
Minimum \$											
Gross Rental Value											
GRV	375	52	0	19,500	0	0	19,500	19,500	0	0	19,500
Urban Farm	375	0	0				0	0	0	0	0
Unimproved Value											
UV	375	15	0	5,625	0	0	5,625	5,625	0	0	5,625
Sub-Total		67	0	25,125	0	0	25,125	25,125	0	0	25,125
Discount							(34,000)				(32,417)
Amount from General Rates							745,915				733,885
Total General Rates							745,915				733,885

**KEY INFORMATION**  
Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
	Transport								
	Hilux Utility & Backhoe	39,370	39,370	0	0	0	0	0	0
		39,370	39,370	0	0	0	0	0	0

KEY INFORMATION



Proceeds on Sale		
Annual Budget	YTD Actual	%
\$39,370	\$0	0%

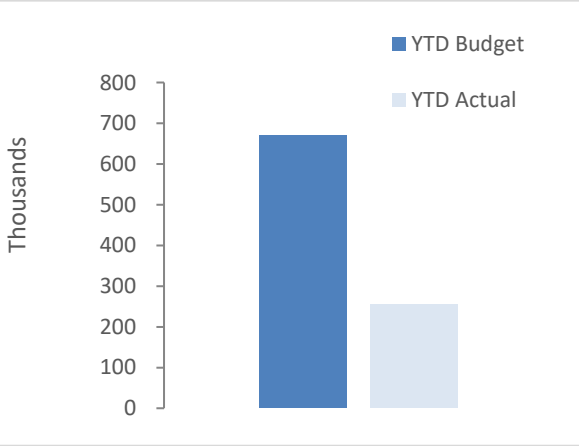


Capital Acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land & Buildings	70,065	35,022	41,668	6,646
Furniture & equipment	47,400	23,700	47,400	23,700
Roads	386,289	178,656	165,999	(12,657)
<b>Capital Expenditure Totals</b>	<b>669,457</b>	<b>237,378</b>	<b>255,067</b>	<b>17,689</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	277,866	129,594	75,200	(54,394)
Other (Disposals & C/Fwd)	39,370	0	0	0
Contribution - operations	352,221	107,784	179,867	72,083
<b>Capital Funding Total</b>	<b>669,457</b>	<b>237,378</b>	<b>255,067</b>	<b>17,689</b>

SIGNIFICANT ACCOUNTING POLICIES

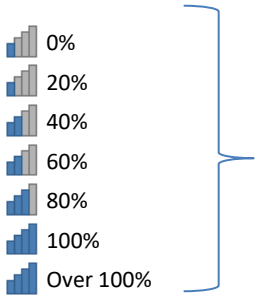
All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	<b>\$.67 M</b>	<b>\$.26 M</b>	<b>38%</b>
Capital Grant	Annual Budget	YTD Actual	% Received
	<b>\$.28 M</b>	<b>\$.08 M</b>	<b>27%</b>

Capital Expenditure Total  
Level of Completion Indicators



Percentage YTD Actual to Annual Actual  
Expenditure over Actual highlighted in red.

% of  
Completion # *Level of completion indicator, please see table at the end of this note for further detail.*

Item	#	Level of completion indicator, please see table at the end of this note for further detail.	Adopted				
			Budget	YTD Budget	YTD Actual	Variance (Under)/Over	
Capital Expenditure							
Land & Buildings							
1.00		084410	Wattleville - Stage 2 Well Aged Housing - CAPITAL	0	0	0	0
6.27		111300	Purchase Land & Buildings - CAPITAL	70,065	35,022	41,668	-6,646
6.27		Land & Buildings Total		70,065	35,022	41,668	-6,646
Plant & Equipment							
1.00		123300	Plant Purchases - CAPITAL	165,703	0	0	0
1.00		Plant & Equipment Total		165,703	0	0	0
Furniture & Equipment							
1.00		042310	Purchase Furniture & Equipment - CAPITAL	0	0	0	0
2.00		113310	Purchase Furniture & Equipment - CAPITAL	47,400	23,700	47,400	-23,700
2.00		Furniture & Equipment Total		47,400	23,700	47,400	-23,700
Roads							
18.64		121310	RRG Project Construction - CAPITAL	340,334	155,670	147,743	7,927
3.86		121320	Roads to Recovery Construction - CAPITAL	45,955	22,986	18,256	4,730
1.00		121330	Blackspot Construction - CAPITAL	0	0	0	0
13.12		Roads Total		386,289	178,656	165,999	12,657
14.42		Grand Total		669,457	237,378	255,066	-17,688

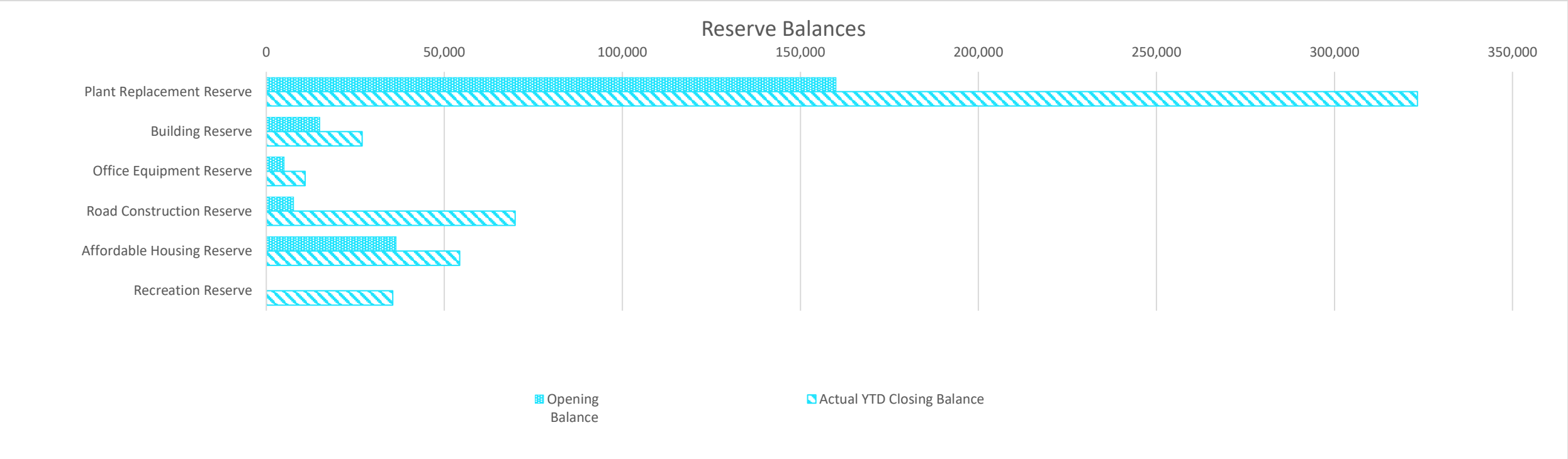
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018

OPERATING ACTIVITIES  
NOTE 9  
CASH AND INVESTMENTS

Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant Replacement Reserve	160,000		508	406,163	162,800			566,163	323,308
Building Reserve	15,000		48	25,500	11,840			40,500	26,888
Office Equipment Reserve	5,000		16	18,018	5,920			23,018	10,936
Road Construction Reserve	7,707		25	205,856	62,160			213,563	69,892
Affordable Housing Reserve	36,460		116	23,222	17,760			59,682	54,336
Recreation Reserve	0		0	127,979	35,520			127,979	35,520
	224,167	0	713	806,738	296,000	0	0	1,030,905	520,880

KEY INFORMATION



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018

NOTE 10  
GRANTS AND CONTRIBUTIONS

Grants and Contributions

Grant Provider	Adopted Budget		YTD	Annual	Budget	Expected	YTD Actual	Unspent
	Operating	Capital	Budget	Budget	Variations	(d)+(e)	Revenue	Grant
	\$	\$	\$	(d)	(e)		(b)	(a)+(b)+(c)
<b>Governance</b>								
Reimbursements	5,000	0	2,496	5,000		5,000	(97)	(97)
Reimbursements - Administration	2,500	0	1,248	2,500		2,500	263	263
<b>General purpose funding</b>								
Ex-gratia Rates	1,405	0	702	1,405		1,405	0	0
WA Grants Commission - General	255,510	0	127,752	255,510		255,510	128,897	128,897
WA Grants Commission - Roads	141,700	0	70,848	141,700		141,700	71,313	71,313
<b>Law, order, public safety</b>								
State Government - Fire Prevention	200,375	0	100,188	200,375		200,375	115,060	115,060
ESL Grant	26,000	0	12,996	26,000		26,000	10,515	10,515
<b>Education and welfare</b>								
Care of Senior Citizens	42,000	0	21,000	42,000		42,000	8,887	8,887
<b>Housing</b>								
Operating Income	2,500	0	1,248	2,500		2,500	329	329
<b>Recreation and culture</b>								
State Government - Queerearrup Lake	0	52,550	26,274	52,550		52,550	0	0
<b>Transport</b>								
RRG Project	0	225,316	103,320	206,650		206,650	75,200	75,200
RRG Direct	70,030	0	35,016	70,030		70,030	70,028	70,028
WANDRRA Storm Damage	1,957,000	0	978,498	1,957,000		1,957,000	401,562	401,562
<b>Economic services</b>								
Income relating to Tourism	1,000	0	498	1,000		1,000	0	0
<b>Other property and services</b>								
FBT Reimbursement	4,500	0	2,250	4,500	0	4,500	2,340	2,340
Workers Compensation	0	0	0	0		0	1,405	1,405
Diesel Fuel Rebate	21,000	0	10,500	21,000		21,000	11,219	11,219
Insurance Rebate	1,000	0	498	1,000		1,000	119	119
Paid Parental Leave	0	0	0	0		0	12,812	12,812
<b>TOTALS</b>	<b>2,731,520</b>	<b>277,866</b>	<b>1,495,332</b>	<b>2,990,720</b>	<b>0</b>	<b>2,990,720</b>	<b>909,852</b>	<b>909,852</b>
<b>SUMMARY</b>								
Operating grants, subsidies and contributions	2,731,520	0	1,365,738	2,731,520	0	2,731,520	834,652	834,652
Non-operating grants, subsidies and contributions	0	277,866	129,594	259,200	0	259,200	75,200	75,200
<b>TOTALS</b>	<b>2,731,520</b>	<b>277,866</b>	<b>1,495,332</b>	<b>2,990,720</b>	<b>0</b>	<b>2,990,720</b>	<b>909,852</b>	<b>909,852</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**NOTE 11  
TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 01-07-18	Amount Received	Amount Paid	Closing Balance 31 Dec 2018
	\$	\$	\$	\$
Landcare receipts	8,608	0	0	8,608
Unclaimed monies	280	0	0	280
WSRA Inc	590	0	0	590
Wongi	2,067	0	0	2,067
Bushfire Brigades	6,705	0	0	6,705
LGIS Bonus Scheme	21,553	0	0	21,553
Heritage Loan Scheme	1,733	0	0	1,733
Other Bonds	850	0	(400)	450
Police Licensing	0	75	0	75
	<b>42,386</b>	<b>75</b>	<b>(400)</b>	<b>42,061</b>

**KEY INFORMATION**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**NOTE 12  
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
<b>Budget Adoption</b>			Opening Surplus			(49,192)	(49,192)
			Opening Surplus(Deficit)		65,009		15,817
122230	Direct Grants	10.1 Sept 2018	Operating Revenue		29,085		44,902
M999	Reinstatement of Award increases	10.1 Sept 2018	Operating Expenses			(10,000)	34,902
42040	Consulting & Relief Staff ACEO	10.1 Sept 2018	Operating Expenses			(57,600)	(22,698)
42040	Consulting & Relief Staff Recruitment Agent	10.1 Sept 2018	Operating Expenses			(13,000)	(35,698)
42000	Saving on CEO Salary	10.1 Sept 2018	Operating Expenses		12,480		(23,218)
144006	Insurance Refunds on Plant	10.1 Sept 2018	Operating Revenue		1,000		(22,218)
91221	3327 Robinson Road - rent	10.1 Sept 2018	Operating Revenue		3,900		(18,318)
113020	Insurance Premiums - actual increment	10.1 Sept 2018	Operating Expenses			(6,500)	(24,818)
141000	Private Works - culvert installation	10.1 Sept 2018	Operating Expenses			(5,000)	(29,818)
RRG55	Cartmeticup Road Widening (Carryover)	10.1 Sept 2018	Operating Expenses		10,666	(17,000)	(36,152)
RRG56	Cartmeticup Road reseal (Carryover)	10.1 Sept 2018	Operating Expenses		8,000	(12,000)	(40,152)
42070	Computer Maintenance	10.1 Sept 2018	Operating Expenses			(6,000)	(46,152)
				<b>0</b>	<b>130,140</b>	<b>(176,292)</b>	<b>(46,152)</b>

**KEY INFORMATION**





## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
19/12/2017	5.2		Gravel Reserve – River Road	<p>Council that it directs the CEO to:</p> <ol style="list-style-type: none"> <li>1) Commission a Road Safety Audit (RSA) on the intersection of River Road and Link Road;</li> <li>2) Ensure that traffic counts are carried out to support the RSA; and</li> <li>3) Undertake gravel sampling in the area to confirm the quantities and quality of the gravel source.</li> </ol>	<p>1) <i>Road Safety Audit – Pending</i></p> <p>2) <i>Work Supervisor has not completed road counts.</i></p> <p>3) <i>Work Supervisor concluded that the quality of the gravel is not up to standard. Gravel has been used from this site previously but was found unacceptable for use.</i></p> <p><b>20/11/18</b> No further action at this point in time</p> <p><b>18/12/18</b></p> <ul style="list-style-type: none"> <li>• No further action at this point in time</li> <li>• Matter referred by ACEO to Consultant Engineer</li> </ul> <p><b>19/02/19</b> NFA</p>	
15/05/2018	10.2	12.1.15	Closing Thoroughfares to Vehicles	Refers this matter to the Transport Plant and Works Committee to undertake a full audit of roads requiring conditional closure pursuant to S3.50 of the Local Government Act.	<p>TPW dealing with this matter</p> <p><b>18/12/18</b></p> <ul style="list-style-type: none"> <li>• No further action at this point in time</li> </ul> <p><b>19/02/19</b> NFA</p>	

## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
16/10/2018	10.5	10.3.1	Town Planning Scheme No 1 Review	<p>1. That Council instructs the CEO to advise the Western Australian Planning Commission that the current Town Planning Scheme is considered to be operating satisfactorily given the low level of development within the municipality. The preparation of a new Planning Scheme is not considered to be warranted especially as Council has prepared Amendment No 3 to the Scheme to update the Scheme Text to reflect the Deemed Provisions. A further omnibus amendment can be prepared to bring the Scheme Text into closer alignment with the Model Scheme Text.</p> <p>2. That Council instructs the CEO to advise the Western Australian Planning Commission that it recognises the need for a Local Planning Strategy for the municipality and that the previous Scheme Explanatory Report is not adequate.</p> <p>3. That Council resolve pursuant to Regulation 11(1) prepare a Local Planning Strategy for the whole of the municipality.</p> <p>4. That the CEO prepare a separate report be presented to Council on the process, issues, timing and cost for the preparation of the Local Planning Strategy.</p>	<p><b>20/11/18</b> The Shire’s consultant planner has submitted the review report regarding TPS No1 to the Department of Planning Lands and Heritage on 7 November 2018</p> <p><b>18/12/18</b> NFA</p> <p><b>19/02/19</b>  Consultant Planner has advised that Amendment 3 has not been signed off by DPLH as yet.</p>	<p><a href="#">BA380</a>, <a href="#">BA381</a></p>
16/10/2018	10.6	10.3.1	TPS1 Amendment 3 Deemed Provisions	<p>That Council, in pursuance of Section 75 of the Planning and Development Act 2005:</p> <p>a) Resolves to amend the above local planning scheme by:</p> <ul style="list-style-type: none"><li>• Deleting provisions that have been superseded by the deemed provisions in Schedule 2 of the Regulations; and inserting new and amended</li></ul>	<p><b>20/11/18</b> Amendment 3 signed by the CEO, ACEO (7/11/18) and Shire President (9/11/18) and submitted to the Department of Planning Lands and Heritage on 12 November 2018</p> <p><b>18/12/18</b></p>	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				<p>provisions to reflect the application and reference to the deemed provisions.</p> <ul style="list-style-type: none"> <li>• Inserting Schedule A Supplemental Provisions;</li> <li>• Correcting and updating references and terminology in accordance with the provisions of the Planning and Development Act 2005; and</li> <li>• Renumbering the remaining Scheme provisions and Schedules sequentially and updating any cross referencing to the new clause numbers as required.</li> </ul> <p>b) Resolve, pursuant to the Regulation 35(2) of the Planning and Development (Local Planning Schemes) Regulations 2015 (the Regulations), that Amendment 3 is a basic amendment in accordance with r.34(c) of the Regulations as it proposes to amend the Scheme text to delete provisions that have been superseded by the deemed provisions in Schedule 2 of the Regulations;</p> <p>c) That in accordance with Section 81 of the Planning and Development Act 2005, the Amendment shall be referred to the Environmental Protection Authority for examination and assessment.</p> <p>d) That pursuant to Section 75 of the Planning and Development Act 2005 and Regulation 17 Council resolves to adopt Amendment No 2 for final approval.</p> <p>e) That Amendment 3 be submitted to the Western Australian Planning Commission pursuant to Regulation 58.</p>	<p>NFA</p> <p><b>19/02/19</b></p> <p>Consultant Planner has advised that Amendment 3 has not been signed off by DPLH as yet.</p>	
18/12/2018	10.2	NO140	Shared Chief Executive Officer – Shire of Wagin	1. Authorises the Acting Chief Executive Officer to respond in writing to the Shire of Wagin's offer for	<b>19/02/19</b>	<b>28/02/19</b>



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				<p>discussions regarding the possibility of a Shared Chief Executive Officer as follows:</p> <p>a. Council thanks the Shire of Wagin for its offer for a discussion regarding the possibilities of a Shared Chief Executive Officer.</p> <p>b. Council is committed to completing the recruitment process for a new Chief Executive Officer at the Shire of Woodanilling and believes it will be in a position to make an appointment at its meeting on 18 December 2018.</p> <p>c. Council is willing to hold broad ranging discussions with the Shire of Wagin regarding the possibilities of a Shared Chief Executive Officer for the following reasons:</p> <ul style="list-style-type: none"> <li>In the event that the current appointment process proves unsatisfactory;</li> <li>It is always prudent to discuss the future of local government and the benefits of what alternative arrangements could bring to the respective communities regarding such benefits.</li> </ul> <p>2. Under section 5.23(2) of the Local Government Act 1995 re-opens the meeting to the public.</p>	<ul style="list-style-type: none"> <li>Shire President has spoken to Wagin Shire President;</li> <li>ACEO has yet to issue written response</li> </ul>	
18/12/2018	10.3	4.2.2	Appointment of Chief Executive Officer	<p>1. In accordance with section of 5.36 of the Local Government Act 1995, approves the offer of employment made to Mr Stephen Gash and appoints him as the Shire's Chief Executive Officer.</p> <p>2. Authorises the President and Deputy President to conclude the contract negotiations with Mr Gash including agreeing on:</p>	<p><b>19/02/19</b></p> <p>Mr Gash has signed his contract of employment and this is presented for approving and sealing at today's Council meeting</p>	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				<ul style="list-style-type: none"> <li>a. The final Total Reward Package;</li> <li>b. Entering into discussions regarding the initial performance criteria;</li> <li>c. Choice and use of house as the CEO's residence, pertinent usage of the car and other tools of trade;</li> <li>d. A five year contract with the start date being Tuesday 2 April 2019 and an expiry date of 1 April 2024;</li> <li>3. Arrange other matters that may be relevant including, but not limited to, an appropriate handover period with Mr Fletcher and associated matters.</li> </ul>		
18/12/2018	10.4	4.1.9	Australia Day Community Citizenship Awards	<p>Active Citizenship Award for a community group or event – The Woodanilling Community Christmas Tree Sports Star of the Year Award Under 25 – Shaun Shackley</p> <p>Active Citizenship award over 25 –Bev and Kelvin Crosby</p>	<p><b>19/02/19</b></p> <p>Awards presented by the Shire President at the Australia Day Breakfast</p>	
18/12/2018	10.5	4.3.4	Exit Interview – Review of the 2017-18 Annual Financial Statement	<ul style="list-style-type: none"> <li>1. Acknowledges the Audit Committee has held the exit interview regarding the audit of the Shire's 2017/2018 Annual Financial Statements.</li> <li>2. Adopts the recommendations from the exit interview as follows: <ul style="list-style-type: none"> <li>a. To adopt the signed off 2017/2018 Annual Financial Statements once received from the Office of the Auditor General via the Shire's appointed Auditor (Lincolns);</li> <li>b. That under Regulation 16 of the Local Government (Audit) Regulations 1996, in conjunction</li> </ul> </li> </ul>	<p><b>19/02/19</b></p> <p>Signed off financials are presented in today's item regarding the adoption of the Shire's 2017-18 Annual Report</p>	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				<p>with the CEO, Council is satisfied for the Audit Committee to:</p> <ul style="list-style-type: none"> <li>Oversee the required actions from the Auditor's Report;</li> <li>Prepare the necessary report addressing the matters concerned;</li> <li>Present the prepared report to Council so that a copy may then be forwarded to the Minister.</li> </ul>		
18/12/18	10.6	4.1.15	Council Meeting Dates 2019	<p>1. Ordinary Council Meetings be scheduled for the third Tuesday of each month for 2019 commencing at 4.00pm with the following exception.</p> <ul style="list-style-type: none"> <li>No scheduled meeting to be held in January.</li> </ul> <p>2. The following dates be approved for the 2019 year for Council Meetings</p> <ul style="list-style-type: none"> <li>19 February 2019</li> <li>19 March 2019</li> <li>16 April 2019</li> <li>21 May 2019</li> <li>18 June 2019</li> <li>16 July 2019</li> <li>20 August 2019</li> <li>17 September 2019</li> <li>15 October 2019</li> <li>19 November 2019</li> <li>16 December 2019</li> </ul> <p>3. Local public notice be given of the approved Council meeting dates for 2019.</p>	19/02/19 Implemented	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
18/12/18	10.7		Town Planning Application – Proposed Shed 14 Withnell Road	<ol style="list-style-type: none"> <li>The development hereby approved shall occur generally in accordance with the plans and specifications submitted with the application and these shall not be altered or modified without the prior written approval of the Council.</li> <li>Any use, additions to and further intensification of any part of the building or land (not the subject of this consent) shall be subject to a further development application and consent for that use.</li> <li>The building hereby permitted shall only be used for purposes incidental to the residential or rural use of the property and shall not be used for any commercial or industrial purpose.</li> <li>The site shall be so ordered and maintained as not to prejudicially affect the amenity of the locality by reason of appearance.</li> </ol>	19/02/19 Approval issued	
18/12/18	10.8		Town Planning Application – Proposed Dwelling Lot 367 Burt Road	<ol style="list-style-type: none"> <li>This approval shall expire if the development hereby permitted is not completed within two years of the date hereof, or within any extension of that time which, upon written application (made before or within 21 days after the expiry of the approval) to the Council, is granted by it in writing.</li> <li>Prior to the commencement of the development hereby approved, a plan must be submitted showing the location, dimensions and proposed external material of the dwelling. An endorsed copy of this plan shall form part of the approval.</li> <li>The applicant shall acknowledge that in the event of the railway crossing ever being closed that</li> </ol>	19/02/19 Approval issued	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				<p>Council has no statutory obligation to construct an access to the property and this would be at the owner's cost.</p> <p>4. Compliance with the relevant Health Regulations to the satisfaction of the Environmental Health Officer.</p> <p>5. Compliance with the relevant Building Regulations to the satisfaction of the Building Surveyor.</p> <p>6. The installation and connection of a rain water tank of minimum capacity of 92,000 litres prior to occupancy of the dwelling.</p> <p>7. The site being maintained to ensure that the dwelling complies with the assigned BAL rating.</p>		
18/12/18	10.9	5.1.1	Street Addressing Lot 1227 Fowlers Road	Council approve the allocation of 311 Fowlers road to Lot 1227 Fowlers road.	<b>19/02/19</b> Advice to be issued	
18/12/18	10.10	A526	Write Off – Rates Debt	<p>Council authorise to write off \$2342.15 on debtor 90498. Consisting of;</p> <p>Legal Fees \$270.00</p> <p>Block Slashing \$1126.00</p> <p>Interest incurred \$946.15</p>	<b>19/02/19</b> Completed	
18/12/18	10.11		Infrastructure Briefing Report	<p>1) Council receive the attached infrastructure briefing report</p> <p>2) That Council requests the chief executive officer to finalise the infrastructure plan and draft an action plan for councils ENDORSEMENT including the following additions:</p> <p>a. Recognising and including the importance of State Initiative Funding.</p>	<b>19/02/19</b> Changes discussed with consultant engineer	



## STATUS REPORT

Date	Agenda Item No	File Ref ID	Heading	Motion	Up-date	Completed Date & Ref
				b. Clarifying the site distances regarding Table 5.3 (The Jarvis Table) as some of these seemed quite long in terms of their suitability for the Woodanilling District.		
18/12/18	10.12		Draft 10 Year Plant Replacement Program	Council receive the DRAFT 10 year plant replacement program and request the chief executive officer present this program to the transport and plant committee to discussions.	<b>19/02/19</b> The Program will be presented to the TPW later in February 2019	

### Legend

Status	Flag
Not Started	Roadblock Occurred
Monitor	In Progress
Completed	
Deferred	