

Shire of Goomalling



COUNCIL MEETING MINUTES

November 2020

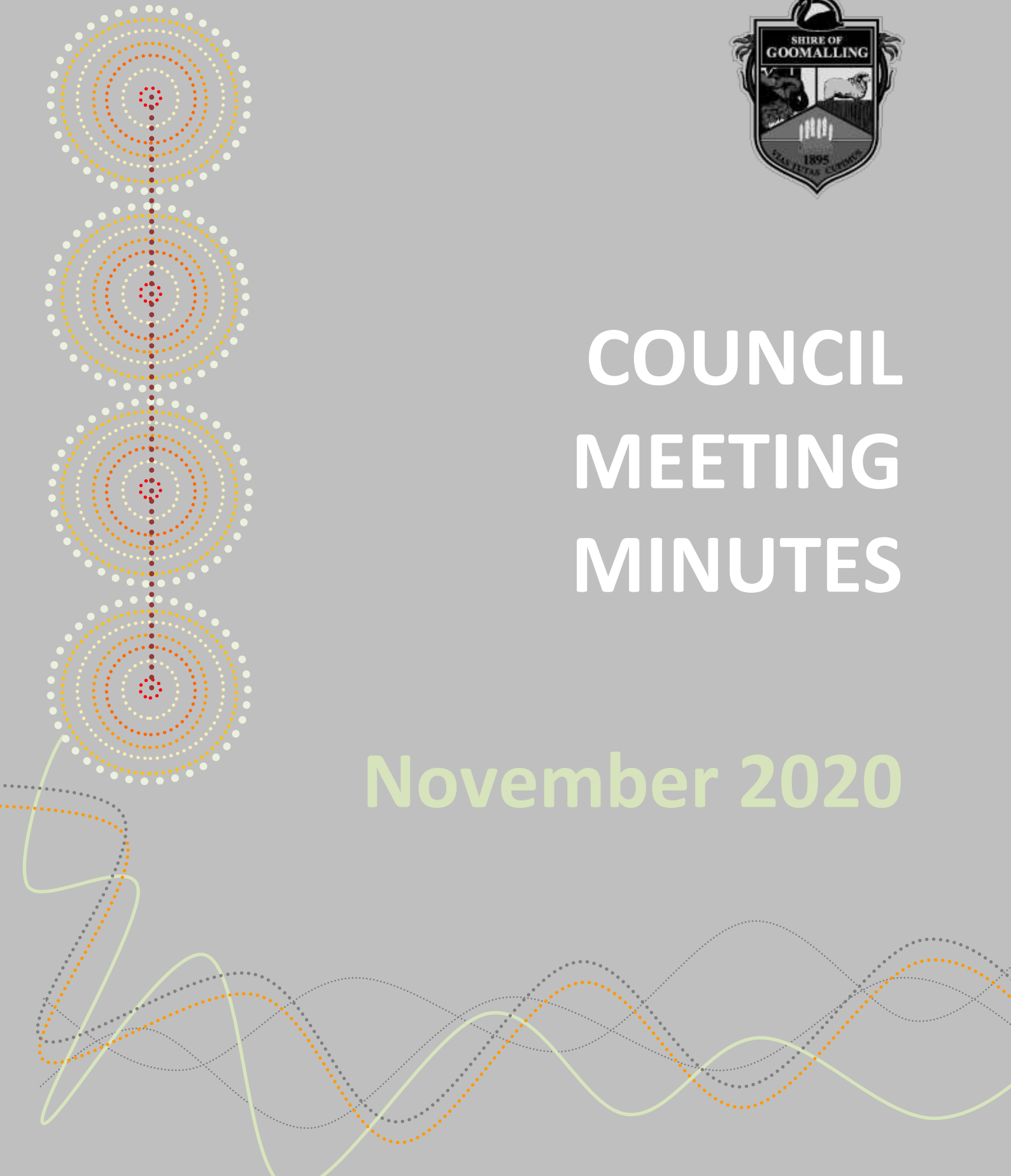




TABLE OF CONTENTS

| Item No | Description | Page No |
|----------------|---|----------------|
| 1. | DECLARATION OF OPENING & ANNOUNCEMENT OF VISITORS | 3 |
| 2. | RECORD OF ATTENDANCE/APOLOGIES & APPROVED LEAVE OF ABSENCE | 3 |
| 3. | DECLARATION OF FINANCIAL / IMPARTIALITY / PROXIMITY INTEREST | 3 |
| 4. | PUBLIC QUESTION TIME | 3 |
| 5. | APPLICATION FOR MEMBERS FOR LEAVE OF ABSENCE | 3 |
| 6. | CONFIRMATION AND RECEIVING OF MINUTES/BUSINESS ARISING | 3 |
| | 6.1 Ordinary Meeting of Council - 21 October 2020 | |
| | 6.2 Bushfire Advisory Committee Meeting - 15 October 2020 | |
| | 6.3 LEMC Meeting - 11 November 2020 | |
| 7. | ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION | 3 |
| 8. | PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS | 3 |
| 9. | OFFICERS' REPORTS | |
| | 9.1 Schedule of Accounts – October 2020 | 5-30 |
| | 9.2 Monthly Financial Reports – October 2020 | 31-54 |
| | 9.3 CEO Recruitment Standards | 55-92 |
| | 9.4 Workplace Health and Safety Act | 93-97 |
| | 9.5 Model Code of Conduct | 98-120 |
| | 9.6 LG Act Regulations changes | 121-132 |
| | 9.7 WALGA Advocacy – LG Act Regulation changes | 133-170 |
| | 9.8 Annual Report & Electors Meeting | 171-240 |
| | 9.9 Conversion of Interest Only Loan to Principal & Interest | 241-245 |
| | 9.10 Council Meeting Dates 2021 | 246-247 |
| | 9.11 Concessional use of Town Hall | 248-249 |
| | 9.12 Planning Consent – Farm shed 220 Smith Rd | 249-258 |
| | 9.13 Water account 45 Throssell St | 259-260 |
| 10. | ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN | 261 |
| 11. | NEW BUSINESS OF AN URGENT NATURE AGREED TO BY RESOLUTION OF COUNCIL | 261 |
| 12. | MATTERS BEHIND CLOSED DOORS | |
| | 12.1 CEO Contract Renewal | 261-262 |
| 13. | INFORMATION BULLETIN | 263-264 |
| 14. | MEETING CLOSURE | 264 |



NYOONGAR ACKNOWLEDGEMENT

We acknowledge this land that we meet on today is part of the traditional lands of the Nyoongar people and that we respect their spiritual relationship with their country. We also acknowledge the Nyoongar Ballardong people as the custodians of the greater Goomalling/Koomal area and that their cultural and heritage beliefs are still important to the living Nyoongar Ballardong people today.

NOTICE OF MEETING

Meeting No. 10 of 2020 of the Shire of Goomalling Council to be held in the Council Chambers, Administration Office, 32 Quinlan Street, Goomalling on Wednesday, 18 November 2020 beginning at 4.41 pm.

1. DECLARATION OF OPENING & ANNOUNCEMENT OF VISITORS

The Shire President welcomed everyone and declared the meeting opened at 4.41pm.

2. RECORD OF ATTENDANCE/APOLOGIES & APPROVED LEAVE OF ABSENCE

2.1. Attendance

| | | |
|----------------|-------------------------|------------------------|
| Council | President & Chairperson | Cr Barry Haywood |
| | Councillor | Cr Christine Barratt |
| | Councillor | Cr Casey Butt |
| | Councillor | Cr Julie Chester |
| | Councillor | Cr Rodney Sheen |
| | Councillor | Cr Roland Van Gelderen |
| Administration | Chief Executive Officer | Mr Peter Bentley |
| | Finance Manager | Miss Natalie Bird |
| | Works Manager | Mr David Long |

2.2. Apologies

Apologies were received from Cr Brendon Wilkes for the non-attendance at today's meeting.

2.3. Approved Leave of Absence

Nil

3. DECLARATION OF:

- FINANCIAL INTEREST – Mr P Bentley declared a financial interest in item 12.1
- MEMBERS IMPARTIALITY INTEREST
- PROXIMITY INTEREST

4. PUBLIC QUESTION TIME

Nil

5. APPLICATION FROM MEMBERS FOR LEAVE OF ABSENCE

Nil



6. CONFIRMATION AND RECEIVING OF MINUTES & BUSINESS ARISING

6.1 Ordinary Meeting of Council held Wednesday 21 October 2020

| |
|------------------------|
| 277. RESOLUTION |
|------------------------|

Moved Cr Chester, seconded Cr Van Gelderen

that the minutes of the Ordinary Meeting of Council held on Wednesday 21 October 2020, be confirmed as a true and correct record of proceedings.

CARRIED 6/0
By Simple Majority

6.2 Bushfire Advisory Committee Meeting held Thursday 15 October 2020

| |
|------------------------|
| 278. RESOLUTION |
|------------------------|

Moved Cr Chester, seconded Cr Barratt

that the minutes of Bushfire Advisory Committee Meeting held Thursday 15 October 2020, be received.

CARRIED 6/0
By Simple Majority

6.3 LEMC Meeting held Wednesday 11 November 2020

| |
|------------------------|
| 279. RESOLUTION |
|------------------------|

Moved Cr Barratt, seconded Cr Butt

that the minutes of Local Emergency Management Committee Meeting held Wednesday 11 November 2020, be received.

CARRIED 6/0
By Simple Majority

7. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

- Cr Van Gelderen attended Remembrance Day service in Goomalling on 11/11/2020
- Cr Haywood attended LEMC meeting on 11/11/2020 in Goomalling
- Cr Haywood attended AROC meeting on 16/11/20 in Toodyay

8. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil



9. OFFICERS' REPORTS

9.1 SCHEDULE OF ACCOUNTS PAID 1 OCTOBER TO 31 OCTOBER 2020

| | |
|---------------------------|--------------------------------------|
| DATE: | 12 November 2020 |
| SUBJECT: | Schedule of Accounts Paid |
| PROPONENT: | N/A |
| LOCATION: | Whole of the Shire |
| AUTHOR: | Christine Schorer – Accounts Payable |
| REPORTING OFFICER: | Natalie Bird – Finance Manager |
| FILE NO: | N/A |
| ASSESSMENT NO: | N/A |

FUND VOUCHERS AMOUNT

| | |
|--------------------------|---------------------|
| EFT 2540-2648 | \$519,151.54 |
| Direct Debits 8428-8432 | \$49,469.27 |
| Cheques 7288-7310 | \$119,019.46 |
| Payroll 6376, 6392, 6395 | \$142,690.00 |
| Super DD12766, DD12781 | \$25,566.30 |
| TOTAL | \$855,896.57 |

ATTACHMENTS

- Schedule of Accounts Paid October 2020
- Corporate Credit Card Statements September 2020

VOTING REQUIREMENT

Simple Majority

OFFICER COMMENTS

RECOMMENDATION

That vouchers from the Municipal Fund and Trust Fund as detailed, be approved by Council:

| | |
|--------------------------|---------------------|
| EFT 2540-2648 | \$519,151.54 |
| Direct Debits 8428-8432 | \$49,469.27 |
| Cheques 7288-7310 | \$119,019.46 |
| Payroll 6376, 6392, 6395 | \$142,690.00 |
| Super DD12766, DD12781 | \$25,566.30 |
| TOTAL | \$855,896.57 |



280. RESOLUTION (Officer Recommendation)

Moved Cr Van Gelderen, seconded Cr Barratt

That vouchers from the Municipal Fund and Trust Fund as detailed, be approved by Council:

| | |
|---------------------------------|---------------------|
| EFT 2540-2648 | \$519,151.54 |
| Direct Debits 8428-8432 | \$49,469.27 |
| Cheques 7288-7310 | \$119,019.46 |
| Payroll 6376, 6392, 6395 | \$142,690.00 |
| Super DD12766, DD12781 | \$25,566.30 |
| <i>TOTAL</i> | \$855,896.57 |

CARRIED 6/0
By Simple Majority



9.2 FINANCIAL REPORT FOR OCTOBER 2020

| | |
|---------------------------|--------------------------------|
| DATE: | 12 November 2020 |
| SUBJECT: | Monthly Financial Report |
| PROONENT: | N/A |
| LOCATION: | Whole of the Shire |
| AUTHOR: | Natalie Bird – Finance Manager |
| REPORTING OFFICER: | Natalie Bird – Finance Manager |
| FILE NO: | N/A |
| ASSESSMENT NO: | N/A |

PURPOSE

In accordance with the Local Government (Financial Management) Regulations 1996, to follow is the presentation of the Monthly Financial Reports to Council.

BACKGROUND

Monthly Financial Reports are to be presented to Council and are to be received by Council resolution.

STATUTORY IMPLICATIONS

Local Government Act 1995 – Section 6.4

Local Government (Financial Management) Regulations 1996 – Clause 34 and 35

POLICY IMPLICATIONS

No specific policy regarding this matter.

FINANCIAL IMPLICATIONS

Ongoing management of Council funds

STRATEGIC IMPLICATIONS

4.1.4 Provide reporting processes in transparent, accountable and timely manner.

ATTACHMENTS

Monthly Financial Report to 31 October 2020

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Monthly Financial Report to 31 October 2020 be received by Council.

| |
|---|
| 281. RESOLUTION (Officer Recommendation) |
|---|

Moved Cr Barratt, seconded Cr Chester

That the Monthly Financial Report to 31 October 2020 be received by Council.

**CARRIED 6/0
By Simple Majority**

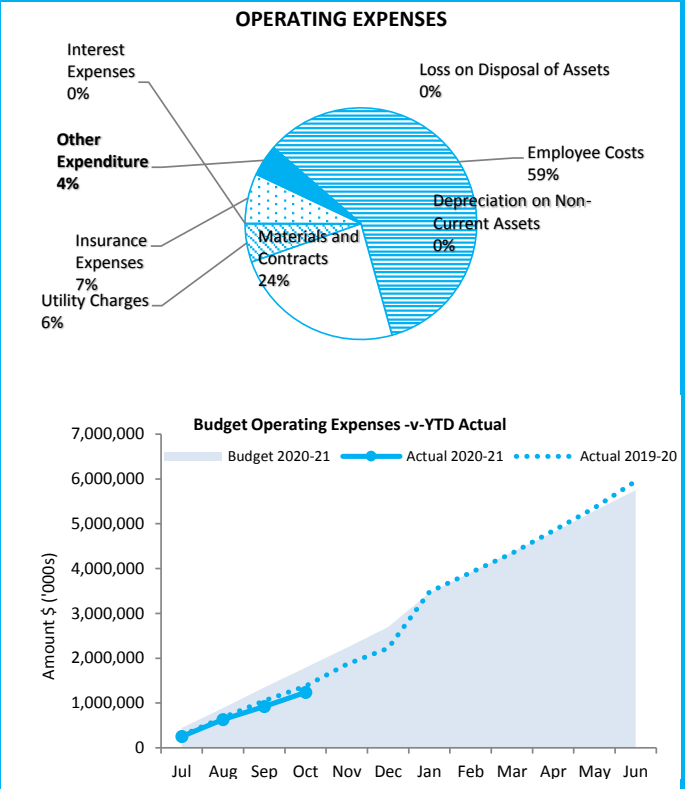
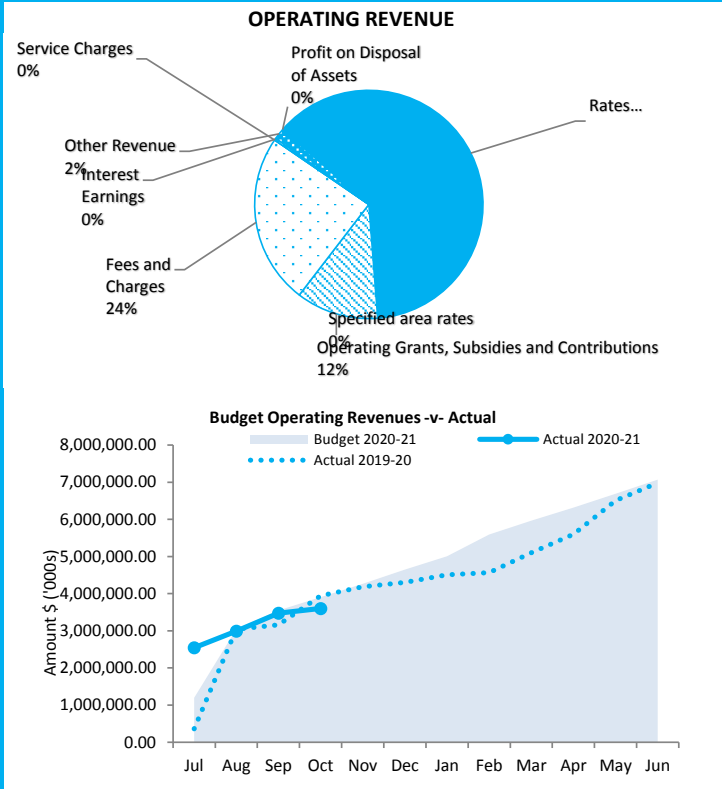
SHIRE OF GOOMALLING
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 October 20

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

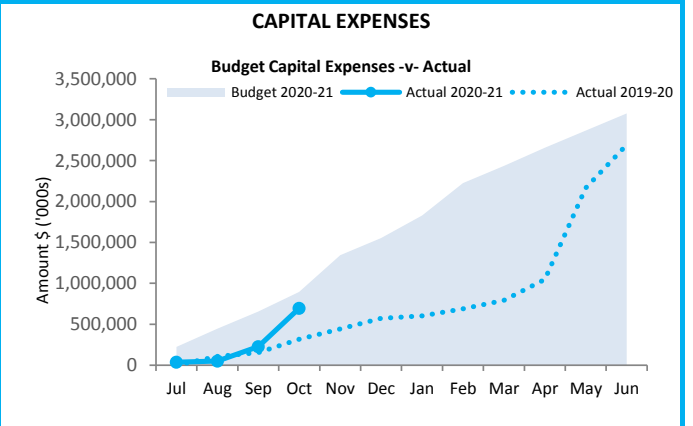
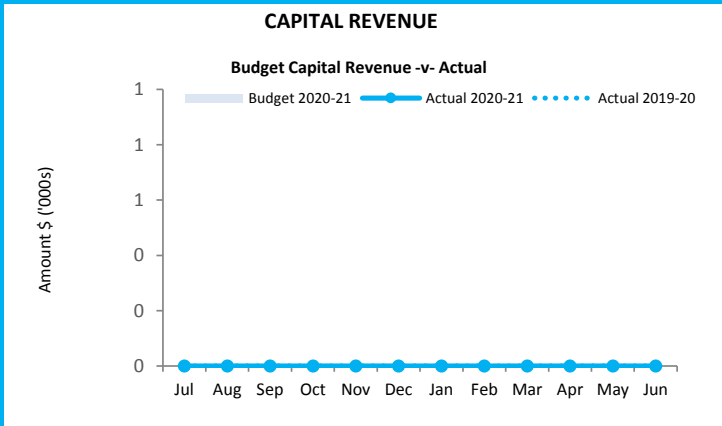
TABLE OF CONTENTS

| | |
|--|-------|
| Statement of Financial Activity by Program | 5 |
| Statement of Financial Activity by Nature or Type | 7 |
| Note 1 Statement of Financial Activity Information | 8 |
| Note 2 Cash and Financial Assets | 9 |
| Note 3 Receivables | 10 |
| Note 4 Stock | 11 |
| Note 5 Payables | 12 |
| Note 6 Rate Revenue | 13 |
| Note 7 Disposal of Assets | 14 |
| Note 8 Capital Acquisitions | 15-16 |
| Note 9 Borrowings | 17-18 |
| Note 10 Cash Reserves | 19 |
| Note 11 Other Current Liabilities | 20 |
| Note 12 Operating grants and contributions | 21 |
| Note 13 Non operating grants and contributions | 22 |
| Note 14 Explanation of Material Variances | 23 |

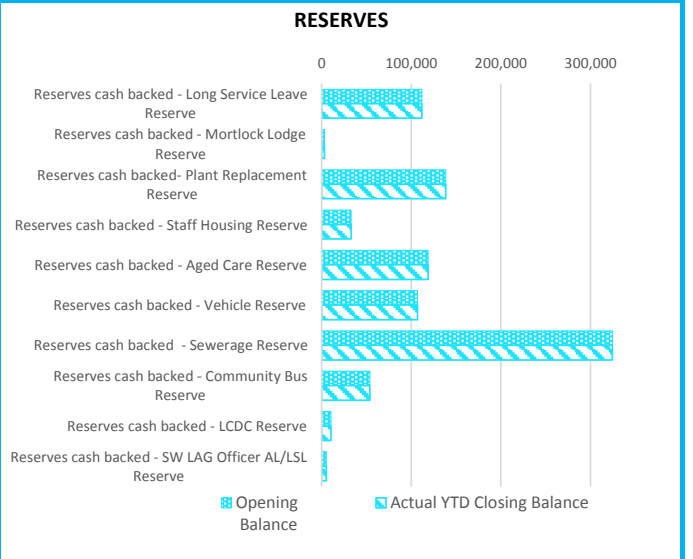
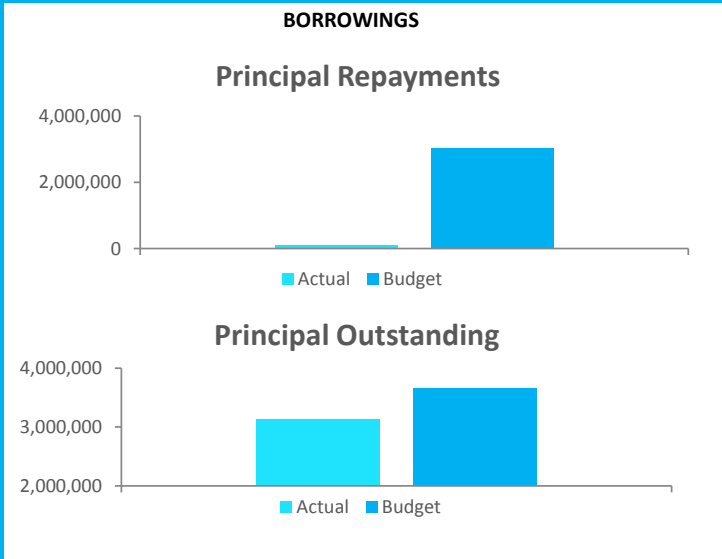
OPERATING ACTIVITIES



INVESTING ACTIVITIES



FINANCING ACTIVITIES



Funding surplus / (deficit) Components

| Funding surplus / (deficit) | | | | |
|-----------------------------|----------------|----------------|----------------|-----------------|
| | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| Opening | (\$0.16 M) | (\$0.16 M) | (\$0.29 M) | (\$0.13 M) |
| Closing | \$0.00 M | \$1.44 M | \$1.14 M | (\$0.30 M) |

Refer to Statement of Financial Activity

| Cash and cash equivalents | | |
|---------------------------|----------|------------|
| | \$ | % of total |
| Unrestricted Cash | \$1.01 M | 49.0% |
| Restricted Cash | \$1.05 M | 51.0% |

Refer to Note 2 - Cash and Financial Assets

| Payables | |
|----------------|----------|
| | \$ |
| Trade Payables | \$0.00 M |
| Over 30 Days | 0.0% |
| Over 90 Days | 0% |

Refer to Note 5 - Payables

| Receivables | | |
|------------------|----------|-------------|
| | \$ | % Collected |
| Rates Receivable | \$0.57 M | 76.4% |
| Trade Receivable | \$0.21 M | |
| Over 30 Days | | 70.5% |
| Over 90 Days | | 26.5% |

Refer to Note 3 - Receivables

Key Operating Activities

| Amount attributable to operating activities | | | |
|---|----------------|----------------|-----------------|
| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| \$0.39 M | \$1.88 M | \$1.95 M | \$0.07 M |

Refer to Statement of Financial Activity

| Rates Revenue | | |
|---------------|----------|------------|
| | \$ | % Variance |
| YTD Actual | \$2.19 M | |
| YTD Budget | \$1.97 M | 11.3% |

Refer to Note 6 - Rate Revenue

| Operating Grants and Contributions | | |
|------------------------------------|----------|------------|
| | \$ | % Variance |
| YTD Actual | \$0.37 M | |
| YTD Budget | \$0.34 M | 8.1% |

Refer to Note 12 - Operating Grants and Contributions

| Fees and Charges | | |
|------------------|----------|------------|
| | \$ | % Variance |
| YTD Actual | \$0.76 M | |
| YTD Budget | \$0.57 M | 34.3% |

Refer to Statement of Financial Activity

Key Investing Activities

| Amount attributable to investing activities | | | |
|---|----------------|----------------|-----------------|
| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| (\$0.60 M) | (\$0.16 M) | (\$0.40 M) | (\$0.24 M) |

Refer to Statement of Financial Activity

| Proceeds on sale | | |
|------------------|----------|---|
| | \$ | % |
| YTD Actual | \$0.00 M | |
| Adopted Budget | \$0.00 M | |

Refer to Note 6 - Disposal of Assets

| Asset Acquisition | | |
|-------------------|----------|---------|
| | \$ | % Spent |
| YTD Actual | \$0.70 M | |
| Adopted Budget | \$3.08 M | (77.4%) |

Refer to Note 7 - Capital Acquisition

| Capital Grants | | |
|----------------|----------|------------|
| | \$ | % Received |
| YTD Actual | \$0.41 M | |
| Adopted Budget | \$2.44 M | (83.1%) |

Refer to Note 7 - Capital Acquisition

Key Financing Activities

| Amount attributable to financing activities | | | |
|---|----------------|----------------|-----------------|
| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| \$0.37 M | (\$0.12 M) | (\$0.12 M) | \$0.00 M |

Refer to Statement of Financial Activity

| Borrowings | |
|----------------------|----------|
| Principal repayments | \$0.12 M |
| Interest expense | \$0.04 M |
| Principal due | \$3.13 M |

Refer to Note 8 - Borrowings

| Reserves | |
|------------------|----------|
| Reserves balance | \$0.91 M |
| Interest earned | \$0.00 M |

Refer to Note 10 - Cash Reserves

| Lease Liability | |
|----------------------|----------|
| Principal repayments | \$0.00 M |
| Interest expense | \$0.00 M |
| Principal due | \$0.00 M |

Refer to Note 9 - Lease Liabilities

This information is to be read in conjunction with the accompanying Financial Statements and notes.

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 OCTOBER 2020

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of resources

To include the activities of members of Council and the administration support available to the Council for the provision of governance of the district. Other costs relate to assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control, community crime prevention and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food premises and food control. Provision of Medical Surgery and Doctor. Also noise control and waste disposal compliance

EDUCATION AND WELFARE

To provide services to disadvantaged persons including the elderly, children and youth.

Maintenance of child minding centre, playgroup centre, senior citizens centre. Provision and maintenance of youth services.

HOUSING

To provide and maintain housing for staff, aged and community housing projects operated by Joint Venture with the Department of Housing.

Staff housing, provision of general rental accommodation to the public when not required by staff.

COMMUNITY AMENITIES

To provide necessary services as required by the community.

Rubbish collection and recycling, operation of disposal sites, administration, maintenance & operation of the Shire Townsite Sewerage Scheme. Administration of the Shire of Goomalling Town Planning Scheme. Administration, maintenance & operation of the Goomalling public cemeteries, public toilets & the Goomalling Community Bus.

RECREATION AND CULTURE

To establish & effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance and operation of public halls, swimming pool, sporting pavilions, parks and gardens, recreation centre, sports playing surface areas and reserves including football oval, hockey oval, tennis courts, bowling greens. Contribution to the operation of the Goomalling Public Library, museums and cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of streets, roads, footpaths, drainage & signs. Maintenance and operation of street lights, works depot and aerodrome. Cleaning of streets and provision and maintenance of street trees. Purchase, maintenance and operation of plant.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of the Shire of Goomalling Caravan Park facilities and Motel Units. Provision of rural services including building control, standpipes, noxious weeds and vermin control. Maintenance costs associated with the Goomalling Community Resource Centre.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

Private works, plant repairs and operations. Housing and Engineering operations costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

STATUTORY REPORTING PROGRAMS

| | Ref | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) | Var. % (b)-(a)/(a) | Var. |
|--|------|--------------------|--------------------|--------------------|-----------------|--------------------|------|
| | Note | | | | | | |
| | | \$ | \$ | \$ | \$ | % | |
| Opening funding surplus / (deficit) | 1(c) | (160,439) | (160,439) | (286,328) | (125,889) | 78.47% | |
| Revenue from operating activities | | | | | | | |
| Governance | | 19,500 | 6,496 | 13,777 | 7,281 | 112.08% | |
| General purpose funding | | 2,416,807 | 2,140,892 | 2,107,851 | (33,041) | (1.54%) | |
| Law, order and public safety | | 115,950 | 34,886 | 76,708 | 41,822 | 119.88% | ▲ |
| Health | | 662,000 | 212,332 | 181,399 | (30,933) | (14.57%) | ▼ |
| Education and welfare | | 600 | 200 | 0 | (200) | (100.00%) | |
| Housing | | 276,500 | 92,160 | 88,664 | (3,496) | (3.79%) | |
| Community amenities | | 495,294 | 476,290 | 462,923 | (13,367) | (2.81%) | |
| Recreation and culture | | 56,400 | 10,272 | 26,725 | 16,453 | 160.17% | ▲ |
| Transport | | 112,500 | 37,496 | 99,496 | 62,000 | 165.35% | ▲ |
| Economic services | | 408,563 | 136,148 | 94,044 | (42,104) | (30.93%) | ▼ |
| Other property and services | | 62,920 | 20,964 | 36,882 | 15,918 | 75.93% | ▲ |
| | | 4,627,034 | 3,168,136 | 3,188,469 | 20,333 | | |
| Expenditure from operating activities | | | | | | | |
| Governance | | (214,387) | (71,380) | (63,124) | 8,256 | 11.57% | |
| General purpose funding | | (98,582) | (32,848) | (33,893) | (1,045) | (3.18%) | |
| Law, order and public safety | | (301,532) | (95,882) | (68,202) | 27,680 | 28.87% | ▲ |
| Health | | (706,306) | (235,404) | (172,881) | 62,523 | 26.56% | ▲ |
| Education and welfare | | (17,516) | (5,832) | (5,769) | 63 | 1.08% | |
| Housing | | (386,746) | (128,364) | (92,920) | 35,444 | 27.61% | ▲ |
| Community amenities | | (680,171) | (226,604) | (202,961) | 23,643 | 10.43% | ▲ |
| Recreation and culture | | (905,589) | (301,624) | (197,796) | 103,828 | 34.42% | ▲ |
| Transport | | (1,403,610) | (467,752) | (250,900) | 216,852 | 46.36% | ▲ |
| Economic services | | (982,905) | (219,308) | (168,340) | 50,968 | 23.24% | ▲ |
| Other property and services | | (55,178) | (6,492) | 20,088 | 26,580 | 409.43% | ▲ |
| | | (5,752,522) | (1,791,490) | (1,236,698) | 554,792 | | |
| Non-cash amounts excluded from operating activities | 1(a) | 1,517,099 | 505,152 | 0 | (505,152) | (100.00%) | ▼ |
| Movement in liabilities associated with restricted cash | | 0 | 0 | 0 | 0 | 0.00% | |
| Amount attributable to operating activities | | 391,611 | 1,881,798 | 1,951,771 | 69,973 | | |
| Investing Activities | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 13 | 2,441,769 | 735,744 | 413,725 | (322,019) | (43.77%) | ▼ |
| Less Unspent Non-Operating Grants represented as Contract Liabilities | 13 | 0 | 0 | (121,437) | | | |
| Net Revenue from Non-Operating Grants | 13 | 2,441,769 | 735,744 | 292,288 | | | |
| Proceeds from financial assets at amortised cost - self supporting loans | 8 | 36,791 | 0 | 0 | 0 | 0.00% | |
| Payments for property, plant and equipment and infrastructure | 7 | (3,075,836) | (895,758) | (696,658) | 199,100 | 22.23% | ▲ |
| Amount attributable to investing activities | | (597,276) | (160,014) | (404,370) | (244,356) | | |
| Financing Activities | | | | | | | |
| Proceeds from new debentures | 8 | 3,450,000 | 0 | 0 | 0 | 0.00% | |
| Payments for principal portion of lease liabilities | 9 | (2,088) | (2,088) | (2,088) | 0 | 0.00% | |
| Repayment of debentures | 8 | (3,048,956) | (119,572) | (119,572) | 0 | 0.00% | |
| Transfer to reserves | 10 | (32,851) | 0 | 0 | 0 | 0.00% | |
| Amount attributable to financing activities | | 366,104 | (121,660) | (121,660) | 0 | | |
| Closing funding surplus / (deficit) | 1(c) | 0 | 1,439,685 | 1,139,414 | (300,271) | | |

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an threshold. Refer to Note 14 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2020-21 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 OCTOBER 2020

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers 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 identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

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.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

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

Shortfall between the value of assets received over the net book value for assets on their disposal.

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, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

BY NATURE OR TYPE

| | Ref Note | Adopted Budget \$ | YTD Budget (a) \$ | YTD Actual (b) \$ | Var. \$ (b)-(a) \$ | Var. % (b)-(a)/(a) % | Var. |
|--|-------------|----------------------|----------------------------|----------------------------|--------------------------|----------------------------|------|
| Opening funding surplus / (deficit) | 1(c) | (160,439) | (160,439) | (286,328) | (125,889) | 78.47% | |
| Revenue from operating activities | | | | | | | |
| Rates | 6 | 1,967,805 | 1,967,805 | 1,966,799 | (1,006) | (0.05%) | |
| Other rates | 6 | 223,937 | 223,937 | 35,143 | (188,794) | (84.31%) | ▼ |
| Operating grants, subsidies and contributions | 12 | 890,722 | 370,638 | 367,794 | (2,844) | (0.77%) | |
| Fees and charges | | 1,419,770 | 566,524 | 760,631 | 194,107 | 34.26% | ▲ |
| Interest earnings | | 29,700 | 7,560 | 9,181 | 1,621 | 21.44% | |
| Other revenue | | 95,100 | 31,672 | 48,922 | 17,250 | 54.46% | ▲ |
| | | 4,627,034 | 3,168,136 | 3,188,470 | 20,334 | | |
| Expenditure from operating activities | | | | | | | |
| Employee costs | | (2,188,284) | (717,388) | (733,086) | (15,698) | (2.19%) | |
| Materials and contracts | | (1,119,447) | (372,400) | (296,495) | 75,905 | 20.38% | ▲ |
| Utility charges | | (253,805) | (84,400) | (66,448) | 17,952 | 21.27% | ▲ |
| Depreciation on non-current assets | | (1,515,599) | (505,152) | 0 | 505,152 | 100.00% | ▲ |
| Interest expenses | | (395,405) | (23,696) | (429) | 23,267 | 98.19% | ▲ |
| Insurance expenses | | (163,480) | (54,364) | (86,203) | (31,839) | (58.57%) | ▼ |
| Other expenditure | | (116,504) | (34,090) | (54,036) | (19,946) | (58.51%) | ▼ |
| | | (5,752,524) | (1,791,490) | (1,236,697) | 554,793 | | |
| Non-cash amounts excluded from operating activities | 1(a) | 1,517,099 | 505,152 | 0 | (505,152) | (100.00%) | ▼ |
| Movement in liabilities associated with restricted cash | | | 0 | 0 | 0 | 0.00% | |
| Amount attributable to operating activities | | 391,609 | 1,881,798 | 1,951,773 | 69,975 | | |
| Investing activities | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 13 | 2,441,769 | 735,744 | 413,725 | (322,019) | (43.77%) | ▼ |
| Less Unspent Non-Operating Grants represented as Contract Liabilities | 13 | 0 | 0 | (121,437) | | | |
| Net Revenue from Non-Operating Grants | 13 | 2,441,769 | 0 | 735,744 | 292,288 | | |
| Proceeds from financial assets at amortised cost - self supporting loans | 8 | 36,791 | 0 | 0 | 0 | 0.00% | |
| Payments for property, plant and equipment and infrastructure | 7 | (3,075,836) | (895,758) | (696,658) | 199,100 | 22.23% | ▲ |
| Amount attributable to investing activities | | (597,276) | 0 | (160,014) | (404,370) | (244,356) | |
| Financing Activities | | | | | | | |
| Proceeds from new debentures | 8 | 3,450,000 | 0 | 0 | 0 | 0.00% | |
| Payments for principal portion of lease liabilities | | (2,088) | (2,088) | (2,088) | 0 | 0.00% | |
| Repayment of debentures | 8 | (3,048,956) | (119,572) | (119,572) | 0 | 0.00% | |
| Transfer to reserves | 10 | (32,851) | 0 | 0 | 0 | 0.00% | |
| Amount attributable to financing activities | | 366,105 | (121,660) | (121,660) | 0 | | |
| Closing funding surplus / (deficit) | 1(c) | 0 | 1,439,685 | 1,139,414 | (300,271) | | |

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 14 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

| | Notes | Adopted Budget | YTD Budget (a) | YTD Actual (b) |
|--|-------|------------------|----------------|----------------|
| Non-cash items excluded from operating activities | | | | |
| | | \$ | \$ | \$ |
| Adjustments to operating activities | | | | |
| Less: Movement in liabilities associated with restricted cash | | 1,500 | 0 | 0 |
| Add: Depreciation on assets | | 1,515,599 | 505,152 | 0 |
| Total non-cash items excluded from operating activities | | 1,517,099 | 505,152 | 0 |

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

| | | Last Year Closing 30 June 2020 | This Time Last Year 31 October 2019 | Year to Date 31 October 2020 |
|--|----|-----------------------------------|--|---------------------------------|
| Adjustments to net current assets | | | | |
| Less: Reserves - restricted cash | 10 | (906,175) | (929,953) | (906,175) |
| Less: - Financial assets at amortised cost - self supporting loans | 4 | (36,791) | (34,340) | (36,791) |
| Add: Borrowings | 8 | 342,378 | 3,001,210 | 218,630 |
| Add: Provisions funded by Reserve | 11 | 111,813 | 109,813 | 111,813 |
| Add: Lease liabilities | 9 | 2,088 | 0 | 0 |
| Total adjustments to net current assets | | (486,687) | 2,146,730 | (612,523) |

(c) Net current assets used in the Statement of Financial Activity

| | | | | |
|--|------|--------------------|--------------------|------------------|
| Current assets | | | | |
| Cash and cash equivalents | 2 | 1,025,391 | 1,307,145 | 1,916,016 |
| Rates receivables | 3 | 216,986 | 2,032,970 | 569,107 |
| Receivables | 3 | 173,201 | 124,766 | 210,522 |
| Stock on Hand | 4 | 34,106 | 28,523 | 25,176 |
| Total Current Assets | | 1,449,684 | 3,493,404 | 2,720,821 |
| Less: Current liabilities | | | | |
| Payables | 5 | (324,243) | (23,770) | (56,567) |
| Borrowings | 8 | (342,378) | (3,001,210) | (218,630) |
| Contract liabilities | 11 | (79,868) | 0 | (192,940) |
| Lease liabilities | 9 | (2,088) | 0 | 0 |
| Provisions | 11 | (500,748) | (391,543) | (500,748) |
| Total Current Liabilities | | (1,249,325) | (3,416,523) | (968,885) |
| | | 200,359 | 76,881 | 1,751,936 |
| Less: Total adjustments to net current assets | 1(b) | (486,687) | 2,146,730 | (612,523) |
| Closing funding surplus / (deficit) | | (286,328) | 2,223,609 | 1,139,414 |

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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

| Description | Classification | Unrestricted | Restricted | Total Cash | Trust | Institution | Interest Rate | Maturity Date |
|------------------------------------|------------------------------------|------------------|------------------|------------------|----------|-------------|---------------|---------------|
| | | \$ | \$ | \$ | | | | |
| Cash on hand | | | | | | | | |
| Floats | Cash and cash equivalents | 650 | | 650 | 0 | | | |
| Cash Deposits | | | | | | | | |
| Municipal Bank Account | Cash and cash equivalents | 1,009,460 | | 1,009,460 | 0 | Bendigo | 0.00% | At Call |
| Trust Bank Account | Cash and cash equivalents | | 60,080 | 60,080 | 0 | Bendigo | 0.00% | |
| Medical Surgery Bank Account | Cash and cash equivalents | | 91,263 | 91,263 | | | | |
| Term Deposits | | | | | | | | |
| Term Deposits - Reserve | Financial assets at amortised cost | 0 | 900,974 | 900,974 | 0 | Bendigo | 0.80% | 30.11.20 |
| Total | | 1,010,110 | 1,052,316 | 2,062,426 | 0 | | | |
| Comprising | | | | | | | | |
| Cash and cash equivalents | | 1,010,110 | 151,342 | 1,161,452 | 0 | | | |
| Financial assets at amortised cost | | 0 | 900,974 | 900,974 | 0 | | | |
| | | 1,010,110 | 1,052,316 | 2,062,426 | 0 | | | |

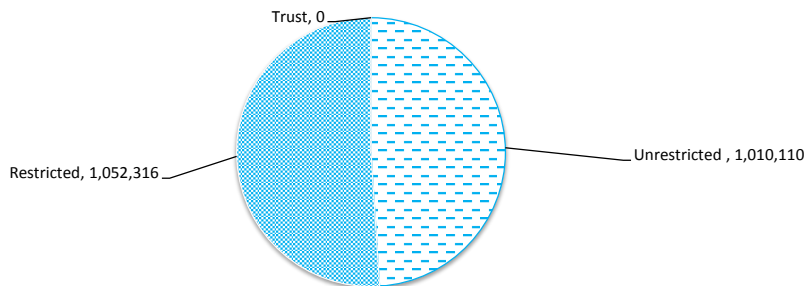
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less 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 net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**OPERATING ACTIVITIES
NOTE 3
RECEIVABLES**

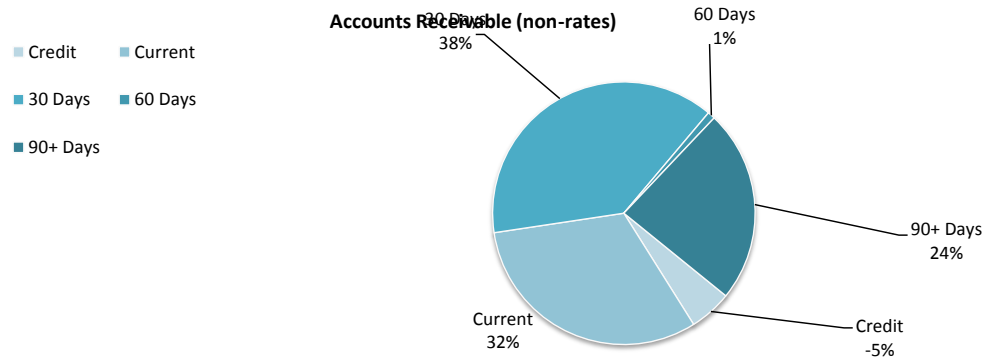
| Rates receivable | 30 Jun 2020 | 31 Oct 2020 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Opening arrears previous years | (24,355) | 216,986 |
| Levied this year | 2,118,671 | 2,190,736 |
| Less - collections to date | (1,877,330) | (1,838,615) |
| Equals current outstanding | 216,986 | 569,107 |
| Net rates collectable | 216,986 | 569,107 |
| % Collected | 89.6% | 76.4% |

| Receivables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|--|---------|---------|---------|---------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Receivables - general | (7,166) | 43,080 | 52,613 | 1,265 | 32,446 | 122,238 |
| Percentage | (5.9%) | 35.2% | 43% | 1% | 26.5% | |
| Balance per trial balance | | | | | | |
| Sundry receivable | 0 | 122,238 | 0 | 0 | 0 | 122,238 |
| GST receivable | 0 | 51,493 | 0 | 0 | 0 | 51,493 |
| Loans Club/Institutions - Current | 0 | 36,791 | 0 | 0 | 0 | 36,791 |
| Total receivables general outstanding | | | | | | 210,522 |

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 uncollectable are written off when identified. An allowance for impairment of receivables is raised when there is objective evidence that they will not be collectible.



| Other current assets | Opening Balance 1 July 2020 | Asset Increase | Asset Reduction | Closing Balance 31 October 2020 |
|-----------------------------------|-----------------------------------|-------------------|--------------------|---------------------------------------|
| | \$ | \$ | \$ | \$ |
| Inventory | | | | |
| Stock On Hand | 34,106 | (8,930) | 0 | 25,176 |
| Total other current assets | 34,106 | (8,930) | 0 | 25,176 |

Amounts shown above include GST (where applicable)

KEY INFORMATION

Inventory

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.

| Payables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|--------|---------|---------|---------|----------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Payables - general | 0 | 56,567 | 0 | 0 | 0 | 56,567 |
| Percentage | 0% | 100% | 0% | 0% | 0% | |
| Balance per trial balance | | | | | | |
| Sundry creditors | 0 | 0 | 0 | 0 | 0 | 0 |
| ATO liabilities | | 36,790 | | | | 36,790 |
| Gst Payable | | 8,300 | | | | 8,300 |
| Bonds & Deposits Held - Cl | | 11,477 | | | | 11,477 |
| Total payables general outstanding | | | | | | 56,567 |

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

| General rate revenue | Budget | | | | | | | YTD Actual | | | |
|-----------------------------------|-------------------------------|-------------------------|--------------------|------------------|-----------------|--------------|------------------|------------------|------------------|---------------|------------------|
| | Rate in \$ (cents) | Number of Properties | Rateable Value | Rate Revenue | Interim Rate | Back Rate | Total Revenue | Rate Revenue | Interim Rates | Back Rates | Total Revenue |
| RATE TYPE | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross rental value | | | | | | | | | | | |
| GRV Residential | 0.10959 | 119 | 1,316,466 | 144,265 | 0 | 0 | 144,265 | 144,265 | 0 | 0 | 144,265 |
| GRV Commercial | 0.12322 | 17 | 321,640 | 39,632 | 0 | 0 | 39,632 | 39,632 | 0 | 0 | 39,632 |
| GRV Industrial | 0.11817 | 11 | 80,636 | 9,529 | 0 | 0 | 9,529 | 9,529 | 0 | 0 | 9,529 |
| GRV Urban Farmland | 0.10555 | 17 | 211,120 | 22,283 | 0 | 0 | 22,283 | 22,283 | 0 | 0 | 22,283 |
| Unimproved value | | | | | | | | | | | |
| UV Rural Zone 2 | 0.0064 | 39 | 19,520,000 | 124,206 | 0 | 0 | 124,206 | 124,206 | 0 | 0 | 124,206 |
| UV Special Rural | 0.0126 | 10 | 1,002,500 | 12,657 | 0 | 0 | 12,657 | 12,657 | 0 | 0 | 12,657 |
| UV General Zone 3 | 0.0069 | 214 | 195,846,000 | 1,354,863 | | | 1,354,863 | 1,354,863 | 0 | 0 | 1,354,863 |
| Sub-Total | | 427 | 218,298,362 | 1,707,434 | 0 | 0 | 1,707,435 | 1,707,435 | 0 | 0 | 1,707,435 |
| Minimum payment | Minimum \$ | | | | | | | | | | |
| Gross rental value | | | | | | | | | | | |
| GRV Residential | 950 | 101 | 588,962 | 95,950 | 0 | 0 | 95,950 | 95,950 | 0 | 0 | 95,950 |
| GRV Commercial | 900 | 12 | 36,412 | 10,800 | 0 | 0 | 10,800 | 10,800 | 0 | 0 | 10,800 |
| GRV Industrial | 550 | 7 | 12,675 | 3,850 | 0 | 0 | 3,850 | 3,850 | 0 | 0 | 3,850 |
| GRV Urban Farmland | 715 | 7 | 23,741 | 5,005 | 0 | 0 | 5,005 | 5,005 | 0 | 0 | 5,005 |
| Unimproved value | | | | | | | | | | | |
| UV Rural Zone 2 | 1,000 | 32 | 4,082,000 | 32,000 | 0 | 0 | 32,000 | 32,000 | 0 | 0 | 32,000 |
| UV Special Rural | 1,100 | 8 | 609,500 | 8,800 | 0 | 0 | 8,800 | 8,800 | 0 | 0 | 8,800 |
| UV General Zone 3 | 1,195 | 87 | 7,863,192 | 103,965 | 0 | 0 | 103,965 | 103,965 | (1,006) | 0 | 102,959 |
| Sub-total | | 254 | 13,216,482 | 260,370 | 0 | 0 | 260,370 | 260,370 | (1,006) | 0 | 259,364 |
| Amount from general rates | | | | | | | 1,967,805 | | | | 1,966,799 |
| Ex-gratia rates | | | | | | | 35,143 | | | | 35,143 |
| Total general rates | | | | | | | 2,002,948 | | | | 2,001,942 |
| Specified area rates | Rate in \$ (cents) | | | | | | | | | | |
| Sewerage Residential | 8.033 | | 23,309 | 187,234 | 0 | 0 | 187,234 | 187,234 | 0 | 0 | 187,234 |
| Sewerage Religious Church | 4.00 | | 390 | 1,560 | 0 | 0 | 1,560 | 1,560 | 0 | 0 | 1,560 |
| Total specified area rates | | | 23,699 | 188,794 | 0 | 0 | 188,794 | 188,794 | 0 | 0 | 188,794 |
| Total | | | | | | | 2,191,742 | | | | 2,190,736 |

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**INVESTING ACTIVITIES
NOTE 7
CAPITAL ACQUISITIONS**

| Capital acquisitions | Adopted | | YTD Actual | YTD Actual Variance |
|---|------------------|----------------|----------------|------------------------|
| | Budget | YTD Budget | | |
| | \$ | \$ | \$ | \$ |
| Buildings | 48,500 | 37,168 | 4,364 | (32,804) |
| Furniture and equipment | 0 | 0 | 11,673 | 11,673 |
| Plant and equipment | 16,000 | 0 | 0 | 0 |
| Infrastructure - roads | 2,969,336 | 858,590 | 679,391 | (179,199) |
| Infrastructure - footpaths | 42,000 | 0 | 1,230 | 1,230 |
| Payments for Capital Acquisitions | 3,075,836 | 895,758 | 696,658 | (199,100) |
| Total Capital Acquisitions | 3,075,836 | 895,758 | 696,658 | (199,100) |
| Capital Acquisitions Funded By: | | | | |
| | \$ | \$ | \$ | \$ |
| Capital grants and contributions | 2,441,769 | 735,744 | 413,725 | (322,019) |
| Borrowings | 3,450,000 | 0 | 0 | 0 |
| Cash backed reserves | 906,175 | | | |
| Reserves cash backed - Long Service Leave Reserve | 1,500 | 0 | 0 | 0 |
| Contribution - operations | (3,723,608) | 160,014 | 282,933 | 122,919 |
| Capital funding total | 3,075,836 | 895,758 | 696,658 | (199,100) |

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.

30/06/2021

31/10/2020

| | | Adopted | | | |
|-----------------------------------|---|------------------|----------------|----------------|--------------------------|
| Account Description | | Budget | YTD Budget | YTD Actual | Variance (Under)/Over |
| Land and Buildings | | | | | |
| 48002 | Archive Shelving - Admin Building storage | 15,000 | 15,000 | 4,364 | 10,636 |
| 98001 | Capital housing Up grades | 17,000 | 5,668 | 0 | 5,668 |
| 138001 | Public Buildings - Capital upgrade projects | 16,500 | 16,500 | 0 | 16,500 |
| | Total | 48,500 | 37,168 | 4,364 | 32,804 |
| Plant & Equipment | | | | | |
| 118003 | Oval Reirculation filtration | 16,000 | 0 | 0 | 0 |
| | Total | 16,000 | 0 | 0 | 0 |
| Infrastructure - Roads | | | | | |
| 129904 | EXPENSE - Regional Road Group Construction | 811,431 | 279,054 | 225,362 | 53,692 |
| 129901 | EXPENSE - R 2 R Construction | 234,520 | 0 | 5,516 | (5,516) |
| 129912 | Black Spot Funding | 184,800 | 0 | 838 | (838) |
| 129910 | Local Road and Community Infrastructure Program | 245,740 | 81,920 | 45,537 | 36,383 |
| 129908 | EXPENSE - Wheatbelt Secondary Freight Network | 1,492,845 | 497,616 | 402,138 | 95,478 |
| | Total | 2,969,336 | 858,590 | 679,391 | 179,199 |
| Furniture & Equipment | | | | | |
| 78001 | Replacement Server (Medical Surgery) | 0 | 0 | 11,673 | (11,673) |
| | Total | 0 | 0 | 11,673 | (11,673) |
| Infrastructure - Footpaths | | | | | |
| 129911 | Local Road and Community Infrastructure Program (footpaths) | 42,000 | 0 | 1,230 | (1,230) |
| | Total | 42,000 | 0 | 1,230 | 0 |
| | TOTALS | 3,075,836 | 895,758 | 696,658 | 200,330 |

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020

FINANCING ACTIVITIES
NOTE 8
BORROWINGS

Repayments - borrowings

| Information on borrowings Particulars | Loan No. | 1 July 2020 | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--|----------|-------------|-----------|-----------|----------------------|-----------|-----------------------|-----------|---------------------|---------|
| | | | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | | |
| Aged Housing Wollyam Street | 114 | 176,217 | 0 | 0 | 8,352 | 176,264 | 167,865 | -47 | 4,636 | 6,450 |
| Recreation and culture | | | | | | | | | | |
| New Sports Pavilion | 111 | 1,106,776 | 0 | 0 | 0 | 1,106,776 | 1,106,776 | 0 | 0 | 30,000 |
| Retic Football/Hockey Ovals | 113 | 44,176 | 0 | 0 | 0 | 44,176 | 44,176 | 0 | 0 | 0 |
| Economic services | | | | | | | | | | |
| Community Centre | 104 | 67,959 | 0 | 0 | 0 | 68,217 | 67,959 | -258 | 1,994 | 2,857 |
| Slater Homestead | 105 | 20,382 | 0 | 0 | 0 | 20,466 | 20,382 | -84 | 598 | 850 |
| Rural Community Centre | 106 | 359,173 | 0 | 0 | 17,426 | 359,173 | 341,747 | 0 | 7,363 | 15,643 |
| Salmon Gum & Grange Subdivision | 108 | 292,092 | 0 | 0 | 93,795 | 292,093 | 198,297 | -1 | 11,169 | 0 |
| Bank Overdraft - subdivision | 112 | 945,000 | 0 | 0 | 0 | 945,000 | 945,000 | 0 | 19,163 | 324,280 |
| Pay out old loans | | | | | | | | 0 | | |
| New Cumulative Loan | | | | 3,450,000 | | | 0 | 3,450,000 | | |
| B/Fwd Balance | | 3,011,775 | 0 | 3,450,000 | 119,572 | 3,012,165 | 2,892,203 | 3,449,610 | 44,923 | 380,080 |
| C/Fwd Balance | | 3,011,775 | 0 | 3,450,000 | 119,572 | 3,012,165 | 2,892,203 | 3,449,610 | 44,923 | 380,080 |
| Self Supporting Loan MSC | | 235,040 | 0 | 0 | 0 | 36,791 | 235,040 | 198,249 | 0 | 14,322 |
| Total | | 3,246,815 | 0 | 3,450,000 | 119,572 | 3,048,956 | 3,127,243 | 3,647,859 | 44,923 | 394,402 |

All debenture repayments were financed by general purpose revenue.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020

FINANCING ACTIVITIES
NOTE 8
BORROWINGS

Repayments - borrowings

| Information on borrowings Particulars | Loan No. | 1 July 2020 | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--|----------|-------------|-----------|--------|----------------------|--------|-----------------------|--------|---------------------|--------|
| | | | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |

New borrowings 2020-21

| Particulars | Amount Borrowed | Amount Borrowed | Institution | Loan Type | Term Years | Total Interest & Charges | Interest Rate | Amount (Used) | | Balance Unspent |
|---------------------------------------|-----------------|-----------------|-------------|-----------|------------|--------------------------|---------------|---------------|--------|-----------------|
| | Actual | Budget | | | | | | Actual | Budget | |
| | \$ | \$ | | | | \$ | % | \$ | \$ | \$ |
| Consolidation of existing loans (x12) | 0 | 3,450,000 | WATC | Debenture | 20 | 0 | 2.90% | 0 | 0 | 0 |
| | 0 | 3,450,000 | | | | 0 | | 0 | 0 | 0 |

KEY INFORMATION

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**FINANCING ACTIVITIES
NOTE 9
LEASE LIABILITIES**

Movement in carrying amounts

| Information on leases Particulars | Lease No. | 1 July 2020 | New Leases | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--------------------------------------|-----------|-------------|------------|--------|----------------------|--------|-----------------------|--------|---------------------|--------|
| | | | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Other property and services | | | | | | | | | | |
| Photocopier | | 2,088 | | | 2,088 | 2,088 | 0 | 0 | 42 | 42 |
| Total | | 2,088 | 0 | 0 | 2,088 | 2,088 | 0 | 0 | 42 | 42 |
| Current lease liabilities | | 2,088 | | | | | 0 | | | |
| | | 2,088 | | | | | 0 | | | |

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**OPERATING ACTIVITIES
NOTE 10
CASH RESERVES**

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 |
|--|------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|-------------------------------|-----------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Reserves cash backed - Long Service Leave Reserve | 111,813 | 1,500 | 0 | 0 | 0 | | 0 | 113,313 | 111,813 |
| Reserves cash backed - Mortlock Lodge Reserve | 3,172 | 0 | 0 | 0 | 0 | | 0 | 3,172 | 3,172 |
| Reserves cash backed- Plant Replacement Reserve | 138,550 | 22,901 | 0 | 0 | 0 | | 0 | 161,451 | 138,550 |
| Reserves cash backed - Staff Housing Reserve | 32,994 | 500 | 0 | 0 | 0 | 0 | 0 | 33,494 | 32,994 |
| Reserves cash backed - Aged Care Reserve | 118,681 | 1,500 | 0 | 0 | 0 | | 0 | 120,181 | 118,681 |
| Reserves cash backed - Vehicle Reserve | 107,115 | 1,300 | 0 | 0 | 0 | | 0 | 108,415 | 107,115 |
| Reserves cash backed - Sewerage Reserve | 324,513 | 4,500 | 0 | 0 | 0 | 0 | 0 | 329,013 | 324,513 |
| Reserves cash backed - Community Bus Reserve | 53,776 | 450 | 0 | 0 | 0 | | 0 | 54,226 | 53,776 |
| Reserves cash backed - LCDC Reserve | 10,361 | 200 | 0 | 0 | 0 | | 0 | 10,561 | 10,361 |
| Reserves cash backed - SW LAG Officer AL/LSL Reserve | 5,200 | 0 | 0 | 0 | 0 | 0 | 0 | 5,200 | 5,200 |
| | 906,175 | 32,851 | 0 | 0 | 0 | 0 | 0 | 939,026 | 906,175 |

KEY INFORMATION

| Other current liabilities | Note | Opening Balance 1 July 2020 | Liability Increase | Liability Reduction | Closing Balance 31 October 2020 |
|---|------|-----------------------------------|-----------------------|------------------------|---------------------------------------|
| | | \$ | \$ | \$ | \$ |
| Contract liabilities | | | | | |
| - operating | 12 | 79,868 | 121,437 | (8,366) | 192,940 |
| Total unspent grants, contributions and reimbursements | | 79,868 | 121,437 | (8,366) | 192,940 |
| Provisions | | | | | |
| Annual leave | | 242,757 | 0 | 0 | 242,757 |
| Long service leave | | 257,991 | 0 | 0 | 257,991 |
| Total Provisions | | 500,748 | 0 | 0 | 500,748 |
| Total other current assets | | 580,616 | 121,437 | (8,366) | 693,688 |

KEY INFORMATION

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.

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.

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.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

| Provider | Operating grants, subsidies and contributions revenue | | |
|---|---|----------------|--------------------|
| | Adopted Budget Revenue | YTD Budget | YTD Revenue Actual |
| | \$ | \$ | \$ |
| Operating grants and subsidies | | | |
| General purpose funding | | | |
| GRANTS - General Purpose | 206,175 | 68,724 | 51,508 |
| GRANTS - Untied Road Grants | 180,784 | 60,260 | 42,354 |
| Law, order, public safety | | | |
| REVENUE - ESL Grant | 45,000 | 11,250 | 15,245 |
| Recreation & Culture | | | |
| REVENUE - Other Recreation & Sport - No GST | 18,500 | 332 | 2,700 |
| Community amenities | | | |
| REVENUE - Other Grant Funding | 138,000 | 138,000 | 138,000 |
| Transport | | | |
| REVENUE - Direct Grant | 93,000 | 31,000 | 91,115 |
| Other property and services | | | |
| Various Contributions | 209,263 | 30,536 | 26,873 |
| | 890,722 | 340,102 | 367,794 |

Non operating grants, subsidies and contributions revenue

| | Adopted Budget Revenue | YTD Budget | YTD Revenue Actual | YTD Expenditure Actual | YTD Unspent Contract Liability |
|--|---------------------------|----------------|-----------------------|---------------------------|-----------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Non-operating grants and subsidies | | | | | |
| General purpose funding | | | | | |
| Grants - Federal Government | 271,061 | 90,352 | 123,210 | 45,537 | (77,673) |
| Transport | | | | | |
| Revenue - Grants Regional Road Group | 1,813,111 | 604,368 | 156,601 | 225,362 | 0 |
| Revenue - Grant Wheatbelt Secondary Freigh | 0 | 0 | 84,634 | 402,138 | 0 |
| Revenue - Grants R 2 R | 234,520 | 0 | 0 | 0 | 0 |
| Revenue - Grants Black Spot | 123,077 | 41,024 | 49,280 | 5,516 | (43,764) |
| | 2,441,769 | 735,744 | 413,725 | 678,553 | (121,437) |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**NOTE 14
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2020-21 year is \$10,000 or 10.00% whichever is the greater.

| Reporting Program | Var. \$ | Var. % | Timing/ Permanent | Explanation of Variance |
|--|-----------|-----------|-------------------|---|
| | \$ | % | | |
| Revenue from operating activities | | | | |
| Governance | 7,281 | 112.08% | | Within material variance |
| General purpose funding - rates | (1,006) | (0.05%) | | Within material variance |
| General purpose funding - other | (33,041) | (1.54%) | | Within material variance |
| Law, order and public safety | 41,822 | 119.88% | ▲ Timing | Timing of receiving the funds from DFES for the ESL collection |
| Health | (30,933) | (14.57%) | ▼ Timing | Yet to bring in the Medical Surgery Income for October 20 |
| Education and welfare | (200) | (100.00%) | | Within material variance |
| Housing | (3,496) | (3.79%) | | Within material variance |
| Community amenities | (13,367) | (2.81%) | | Within material variance |
| Recreation and culture | 16,453 | 160.17% | ▲ | Extra funds from the Goomalling Football/Cricket clubs for the leases of the properties for cropping. |
| Transport | 62,000 | 165.35% | ▲ | Timing in the receiving of the RRG monies for roadworks on Meckering and Calingiri Goomalling Roads |
| Economic services | (42,104) | (30.93%) | ▼ | Timing of receiving the funds for the pioneerpathway works. |
| Other property and services | 15,918 | 75.93% | ▲ | Have received extra private works monies not budgeted for the month of August BGC contribution towards the road maintenance on Sheen road |
| Expenditure from operating activities | | | | |
| Governance | 8,256 | 11.57% | | Within material variance |
| General purpose funding | (1,045) | (3.18%) | | Within material variance |
| Law, order and public safety | 27,680 | 28.87% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Health | 62,523 | 26.56% | ▲ | Yet to bring in the Medical Surgery Expenses for October 20 |
| Education and welfare | 63 | 1.08% | | Within material variance |
| Housing | 35,444 | 27.61% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Community amenities | 23,643 | 10.43% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Recreation and culture | 103,828 | 34.42% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Transport | 216,852 | 46.36% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Economic services | 50,968 | 23.24% | ▲ Timing | Yet to run the depreciation due to the final audit not been completed. |
| Other property and services | 26,580 | 409.43% | ▲ | Within material variance |
| Investing activities | | | | |
| Proceeds from non-operating grants, subsidies and contributions | (322,019) | (43.77%) | ▼ | Dependent on when the recoup are presented to MRD for payment |
| Proceeds from disposal of assets | 0 | 0.00% | | |
| Proceeds from financial assets at amortised cost - self supporting loans | 0 | 0.00% | | |
| Payments for financial assets at amortised cost - self supporting loans | 0 | 0.00% | | |
| Payments for property, plant and equipment and infrastructure | 199,100 | 22.23% | ▲ | Dependent on the timing of the capital works for road works and also up grading to buildings |
| Financing activities | | | | |
| Proceeds from new debentures | 0 | 0.00% | | |
| Transfer from reserves | 0 | 0.00% | | |
| Payments for principal portion of lease liabilities | 0 | 0.00% | | |
| Repayment of debentures | 0 | 0.00% | | |
| Transfer to reserves | 0 | 0.00% | | |



9.3 REQUEST FOR COMMENT – CEO RECRUITMENT STANDARDS

| | |
|---------------------------|---|
| DATE: | 10 November 2020 |
| PROPONENT: | Department of Local Government |
| LOCATION: | Whole of Shire |
| SUBJECT: | Proposed CEO Recruitment Standards |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | N/A |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to consider if it wishes to make comment with regard to the proposed standards.

BACKGROUND

There have been several reviews of Local Government in recent times, the Select Committee, the City of Perth Inquiry and the Local Government Act Review Panel all making recommendations with regard to our industry.

The Local Government Legislation Amendment Act 2019 introduced numerous amendments to the Local Government Act 1995, including the yet to commence insertion of new sections introducing mandatory Model Standards for CEO recruitment, performance and termination.

In March 2019 the Department of Local Government, Sport and Cultural Industries invited WALGA and other parties to participate in the CEO Recruitment, Performance Review and Termination Working Group to develop Model Standards. The Department discontinued the Working Group in May 2019 and released a Consultation Paper without endorsement by the Working Group in October 2019.

At the WALGA State Council meeting held in December 2019, based on sector feedback, State Council resolved to request that the Working Group be reconvened to develop and endorse Model Standards for further sector consultation, and identified several concerns with the proposals in the Consultation Paper. Throughout 2020, WALGA sought advice from the Department on the progress of draft regulations and a sector consultation process. The Department has now released the draft Local Government (Administration) Amendment Regulations (No.2) 2020 (Draft Regulations), to prescribe the Model Standards, together with Explanatory Notes. Both documents are available via the Department's website. A short consultation period will close on Sunday 6 December 2020, following WALGA's advocacy for further time to enable Councils to consider this matter.

WALGA has noted that the Working Group was not reconvened, and the Draft Regulations include several elements that were highlighted as matters of concern by the sector. Due to the short time frame for consultation WALGA has provided the following information as initial concerns;

1. Requirement to re-advertise CEO positions after 10 years of continuous service

Section 5.39(2)(b) of the Local Government Act already limits CEO contracts to a maximum of 5 years and Councils have general competence powers to consider whether to renew the incumbent's contract or advertise the position. Suggesting that a Council must re-advertise the position of a CEO after 10 years is likely to prove unworkable or counterproductive in any case as:



- Councils conducting a selection process known to involve an incumbent CEO will risk allegations of non-compliance with Section 5.40 of the Local Government Act 'Principles affecting Local Government employees' due to actual or perceived bias, nepotism and lack of merit and equity in relation to other applicants;
 - May result in CEOs actively seeking alternative employment as the 10 year horizon approaches, meaning that a CEO that has provided satisfactory or perhaps exemplary service will be unnecessarily lost to the local government;
 - Where a CEO is re-employed as a consequence of re-advertising after the 10 year period, this process has incurred unnecessary costs and time waste for the LG, distracting from achieving its strategic objectives and may further entrench perceptions that contracts are for life, thus negating the very purpose of this proposal. Further, Division 3 of the Draft Regulations seeks to improve the capacity of local governments to effectively manage CEO employment. This is a far more appropriate and adapted mechanism to address a perceived issue of 'contracts for life', by ensuring that the performance of CEOs, whether long serving or newly appointed, is appropriately assessed and managed.
2. **Independent panel member** Clause 8 of the Draft Regulations requires the selection panel to include at least one person who is neither a council member nor an employee of the local government. There is no guidance on the skills, experience or knowledge of the independent person, or their role on the panel. This has the potential to pose significant risk to the local government, as there are inadequate controls on the conduct of such a person (i.e. they will not be captured by a Code of Conduct as Panel is not a committee of Council). WALGA supports the ongoing use of an independent qualified and licensed recruitment consultant to provide guidance (as opposed to active participation) in both the recruitment process and to assist with obligations to finalise the employment of a CEO.
3. **Transparency and procedural fairness** – Schedule 2 The consultation draft emphasised that it is essential that the recruitment process is transparent and appropriately documented. Similar commentary featured in the Report of the Inquiry into the City of Perth, however the Draft Regulations fail to address these issues.

The selection panel is 'established' under cl.8 of Schedule 2 of the Draft Regulations, with no reference to the formation of a committee of Council under Sec. 5.8 of the Act. Cl. 9(4) of Schedule 2 includes a reference to the selection panel acting in accordance with the principles of s.5.40 of the Act. Similarly, cl.14 requires the local government to ensure confidentiality of information provided, rather than imposing this responsibility equally on the selection panel, or individual panel members.

If the selection panel were established as a committee in accordance with s.5.8 of the Act, the requirements relating to the calling and convening of meetings, keeping of minutes and agendas, confidentiality, declaration of conflicts of interest and application of the Code of Conduct would apply.

The Draft Regulations will delete current r.18C, requiring a local government to approve a process for the selection and appointment of a CEO. Schedule 2 does not include a similar requirement for the selection panel to follow a process decided upon by the Council. This removes Council from important input in, or oversight of, the process by which the selection panel assesses the candidates and makes recommendations.



4. **Council decision making authority** Schedule 2, Cl. 9(2)(a) requires the selection panel to recommend one or more applicants it considers suitable, with Cl. 9(2)(b) requiring that it advise Council if it considers no applicants are suitable. In the second event, Cl. 10 requires the local government to carry out a new recruitment process. **Bypassing Council in this decision-making process appears to directly conflict with Sec. 5.36(2) of the Act, where it is the Council that determines if a person is or is not suitably qualified to be employed as CEO.**

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

There is no specific policy relating to these legislative changes.

FINANCIAL IMPLICATIONS

Nil with regard to the changes but there could be significant financial impact from the recruitment processes.

STRATEGIC IMPLICATIONS

This matter is not directly dealt with within the Community Strategic Plan.

ATTACHMENTS

A copy of the proposed regulations is attached as is a commentary from the department.

OFFICER COMMENT

Generally, the changes are not of huge concern however there are a few elements that Council may wish to comment on in addition to the four points raised by WALGA above. There may be some unwanted consequences from the proposal to re-advertise the CEO's position after 10 years in the role and some reasons for opposing CEO Standards about Contract Re-advertising could include;

1. **It diminishes Council's general competence powers**

The proposal significantly diminishes the general competence powers of Councils in relation to critical decisions around ongoing relationships with an existing CEO. This would be particularly evident where a Council has a good relationship with the incumbent CEO and wishes to continue the relationship.

2. **No logical rationale presented for the change**

A letter from the Department states that the recommendation is "intended to ensure local governments are testing the market". This makes no sense as a Council has the power to 'test the market' whenever a contract ends or before if it truly wishes or is needed through performance management processes.

More tellingly, the letter also notes "it could also facilitate a mechanism for Councils not to renew contracts and ... avoid them having to make hard decisions. This won't necessarily apply in all circumstances; however, it could assist some Councils".

This appears to be the underlying rationale for the legislative proposal and it is a completely inappropriate response to an issue. If Councils are unwilling to fulfil their roles and make hard decisions, they should be given training and assisted to build capacity in decision making; not have the hard decision removed. It should also be noted that quite a number of Councils have been willing to make "hard decisions" in relation to the continuing employment of CEOs over recent years both at contract renewal times and prior to the expiry dates of contracts.



The proposed legislation also highlights the problem of a 'one size fits all' approach, with all local governments affected significantly by provisions which "could assist some Councils".

3. **It will significantly increase employments costs**

The cost of an Executive search program could easily exceed \$30,000. This cost will be placed on local governments whose Councils and communities are completely satisfied with their CEO's performance and want the person to continue in the role.

4. **It is discriminatory against local government**

If requiring CEOs to reapply for their jobs after 10 years is considered appropriate, why does this policy not apply to all leaders and senior management in the State Government?

5. **It will generate cynicism, allegations of patronage and potentially provide false optimism to non-incumbent candidates, particularly within small regional local governments.**

There will be situations where a Council has a very good working relationship with the CEO, the CEO has been performing well and Council wants to offer the CEO a third term. In such situations, if the current CEO is offered a third term following advertising, unsuccessful applicants are likely to be cynical about the process and it could generate claims of patronage, **particularly if unsuccessful applicants are more qualified and credentialed** (although they would have less directly relevant experience).

Further, the most frequently asked questions by people considering applying for a position are - is someone currently acting in the position? And - how long have they been acting? Both of these questions demonstrate potential applicant concerns about 'wasting their time' in applying.

If a Council is completely satisfied with the performance of a current CEO and would like to reappoint the person, other applicants are likely to feel that their time has been wasted and that the legislative requirement has provided false optimism.

Under these circumstances, Councils will risk allegations of non-compliance with Section 5.40 of the Act which requires appointments to be based on merit and equity and which makes nepotism or patronage illegal.

6. **It unnecessarily distracts local governments from their core function**

The recruitment process not only involves dollar costs but a significant time commitment. Where a Council is completely satisfied with the performance of the CEO, the time commitment to undertake an 'unnecessary' selection process will distract a local government from its core function of serving the community.

7. **It will have a disproportionately negative effect on regional local governments**

CEOs working in regional local governments will generally move in from outside of the district with their families. These families integrate into the community. Reapplying for a job under such circumstances will not only create stress for the CEO but also for families and, in turn, the broader community into which their family is integrated.

These officers in many cases choose to make these districts their home and suddenly being without a job will mean significant upheaval with regard to housing, schooling for children, significant effects on long service leave accruals given the current regulations and other



significant matters at the personal level. As is explored in the following point, CEOs would likely not forge the community ties to the same degree.

8. **It will impact negatively on Councils with a good relationship with their CEO**

A rational or cautious CEO, coming towards the end of 10 years of service with a local government, would seek alternative employment rather than run the gauntlet of a recruitment process with their current Council which may, or may not, lead to continuing employment. If the CEO is unsuccessful in the selection process with their current Council, the CEO would become unemployed which, for most rational and cautious people, is not a desirable outcome.

This would have a disproportionate impact on regional local governments when a Council loses a CEO that they are completely satisfied with and subsequently finds it difficult to attract and retain a replacement.

9. **It will cause unnecessary unrest for local government staff**

CEOs set organisational culture and values. Uncertainty about who will be the future CEO as a CEO approaches 10 years with a local government will, inevitably, cause unrest and unease amongst the staff and distract from high quality work performance.

10. **Local governments are unlikely to operate at maximum capacity as CEOs approach 10 years. CEOs will, almost certainly, become risk averse as they approach 10 years with a local government and know they have to contend with a full public selection process.** This risk averse approach is broadly acknowledged as providing the best opportunity to become the successful candidate. However, the implications are that the whole local government will become more risk averse and less able to provide good governance to the people of the district.

The legislation is trying to apply a blanket method over vastly different organisations. I am sure that those drafting the legislation have no understanding as to how any officer, including CEOs in rural settings must live and work within a community. In these environments, the CEO often knows most if not all of the ratepayers within the district, will be a part of local sporting or community groups, hold voluntary positions on local committees and socially interact with both Councillors and regular ratepayers as a normal part of life. This is a very different animal to how a Regional City or Metropolitan CEO is required to operate within.

There are also some perceived benefits although some of these are already available within the current situation.

Moving on of an unproductive CEO (currently happening without the changes), enhanced performance review options (still available under contractual conditions now) and testing the market which is an interesting concept in itself that doesn't seem to apply within other spheres of government, these are not necessarily required options where the relationship between Council and the CEO is good. It is acknowledged that not all CEO – Council relationships are good, but there is no shortage of Councils willing to cut CEOs loose if they are unhappy with the performance of those officers.

The Council needs to formulate a position regarding this matter, and if it desires make comment either supporting the proposed changes or registering its alternative opinions.

VOTING REQUIREMENT

Simple Majority.



RECOMMENDATION

That the Council:

Endorse the comments provided by the CEO to WALGA as were discussed via email regarding the proposed CEO Recruitment, Performance and Termination Standard.

282. RESOLUTION (Officer Recommendation)

Moved Cr Van Gelderen, seconded Cr Butt

Endorse the comments provided by the CEO to WALGA as were discussed via email regarding the proposed CEO Recruitment, Performance and Termination Standard.

**CARRIED 6/0
By Simple Majority**

Local Government (Administration) Amendment Regulations (No. 2) 2020

Contents

| | | |
|--|---|---|
| 1. | Citation | 1 |
| 2. | Commencement | 1 |
| 3. | Regulations amended | 1 |
| Part 1 — Preliminary | | |
| Part 2 — Council and committee meetings | | |
| Part 3 — Electors' meetings | | |
| Part 4 — Local government employees | | |
| 18A. | Vacancy in position of CEO or senior employee to be advertised (Act s. 5.36(4) and 5.37(3)) | 2 |
| 18B. | Contracts of CEOs and senior employees, content of (Act s. 5.39(3)(c)) | 3 |
| 18E. | False information in application for CEO position, offence | 4 |
| 18F. | Remuneration and benefits of CEO to be as advertised | 4 |
| 18FA. | Prescribed model standards for CEO recruitment, performance and termination (Act s. 5.39A(1)) | 4 |
| 18FB. | Certification of compliance with adopted standards for CEO recruitment (Act s. 5.39B(7)) | 5 |
| 18FC. | Certification of compliance with adopted standards for CEO termination (Act s. 5.39B(7)) | 5 |
| 18G. | Delegations to CEOs, limits on (Act s. 5.43) | 6 |
| 19. | Delegates to keep certain records (Act s. 5.46(3)) | 6 |

| | | |
|------|--|----|
| 19A. | Payments in addition to contract or award, limits of (Act s. 5.50(3)) | 6 |
| | Part 5 — Annual reports and planning | |
| | Part 6 — Disclosure of financial interests and gifts | |
| | Part 7 — Access to information | |
| | Part 8 — Local government payments and gifts to members | |
| | Part 9 — Codes of conduct for employees | |
| | Part 10 — Training | |
| | Schedule 1 — Forms | |
| | Schedule 2 — Model standards for CEO recruitment, performance and termination | |
| | Division 1 — Preliminary provisions | |
| 1. | Citation | 9 |
| 2. | Terms used | 9 |
| | Division 2 — Standards for recruitment of CEOs | |
| 3. | Overview of Division | 10 |
| 4. | Application of Division | 10 |
| 5. | Determination of selection criteria and approval of job description form | 10 |
| 6. | Advertising requirements | 11 |
| 7. | Job description form to be made available by local government | 11 |
| 8. | Establishment of selection panel for appointment of CEO | 11 |
| 9. | Recommendation by selection panel | 11 |

| | | |
|-----|---|----|
| 10. | New process to be commenced if no suitable applicants | 12 |
| 11. | Offer of appointment to position of CEO | 13 |
| 12. | Appointment to position of CEO | 13 |
| 13. | Recruitment to be undertaken on expiry of certain CEO contracts | 14 |
| 14. | Confidentiality of information | 15 |
| | Division 3 — Standards for review of performance of CEOs | |
| 15. | Overview of Division | 15 |
| 16. | Performance review process to be agreed between local government and CEO | 15 |
| 17. | Carrying out a performance review | 15 |
| 18. | Endorsement of performance review by local government | 16 |
| 19. | CEO to be notified of results of performance review | 16 |
| | Division 4 — Standards for termination of employment of CEOs | |
| 20. | Overview of Division | 16 |
| 21. | General principles applying to any termination | 16 |
| 22. | Additional principles applying to termination for performance-related reasons | 17 |
| 23. | Decision to terminate | 17 |
| 24. | Notice of termination of employment | 17 |

Local Government (Administration) Amendment Regulations (No. 2) 2020

Made by the Governor in Executive Council.

1. Citation

These regulations are the *Local Government (Administration) Amendment Regulations (No. 2) 2020*.

2. Commencement

These regulations come into operation as follows —

- (a) regulations 1 and 2 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day on which the *Local Government Legislation Amendment Act 2019* section 22 comes into operation.

3. Regulations amended

These regulations amend the *Local Government (Administration) Regulations 1996*.

[The following text is the Local Government (Administration) Regulations 1996 showing proposed amendments in track changes. A formal amending instrument will be drafted at a later stage.]

Part 1 — Preliminary

[There are no amendments to this Part.]

Part 2 — Council and committee meetings

[There are no amendments to this Part.]

Part 3 — Electors' meetings

[There are no amendments to this Part.]

Part 4 — Local government employees

[Heading inserted: Gazette 26 Aug 2011 p. 3482.]

18A. Vacancy in position of CEO or senior employee to be advertised (Act s. 5.36(4) and 5.37(3))

- (1) If a position of CEO, or of a senior employee, of a local government becomes vacant, the local government is to [give Statewide public notice of the position](#) ~~advertise the position in a newspaper circulating generally throughout the State~~ unless it is proposed that the position be filled by —
 - (a) a person who is, and will continue to be, employed by another local government and who will fill the position on a contract or contracts for a total period not exceeding 5 years; or
 - (b) a person who will be acting in the position for a term not exceeding one year.
- (2) [The Statewide public notice](#) ~~An advertisement referred to in subregulation (1)~~ is to contain —
 - (a) the details of the remuneration and benefits offered; and
 - (b) details of the place where applications for the position are to be submitted; and
 - (c) the date and time for the closing of applications for the position; and
 - (d) the duration of the proposed contract; and
 - (da) [a website address where the job description form for the position can be accessed; and](#)
 - (e) contact details for a person who can provide further information about the position; and

- (f) any other information that the local government considers is relevant.

[Regulation 18A inserted: Gazette 31 Mar 2005 p. 1037-8; amended: Gazette 19 Aug 2005 p. 3872; 3 May 2011 p. 1594.]

18B. Contracts of CEOs and senior employees, content of (Act s. 5.39(3)(c))

For the purposes of section 5.39(3)(c), a contract governing the employment of a person who is a CEO, or a senior employee, of a local government is to provide for a maximum amount of money (or a method of calculating such an amount) to which the person is to be entitled if the contract is terminated before the expiry date, which amount is not to exceed whichever is the lesser of —

- (a) the value of one year's remuneration under the contract; or
(b) the value of the remuneration that the person would have been entitled to had the contract not been terminated.

[Regulation 18B inserted: Gazette 13 May 2005 p. 2086.]

~~**18C. Selection and appointment process for CEOs**~~

~~The local government is to approve a process to be used for the selection and appointment of a CEO for the local government before the position of CEO of the local government is advertised.~~

~~*[Regulation 18C inserted: Gazette 31 Mar 2005 p. 1038.]*~~

~~**18D. Performance review of CEO, local government's duties as to**~~

~~A local government is to consider each review on the performance of the CEO carried out under section 5.38 and is to accept the review, with or without modification, or to reject the review.~~

~~*[Regulation 18D inserted: Gazette 31 Mar 2005 p. 1038.]*~~

r. 18E

18E. False information in application for CEO position, offence

A person must not, in connection with an application for the position of CEO of a local government —

- (a) make a statement, or give any information, as to academic, or other tertiary level, qualifications held by the applicant that the person knows is false in a material particular; or
- (b) make a statement, or give any information, as to academic, or other tertiary level, qualifications held by the applicant which is false or misleading in a material particular, with reckless disregard as to whether or not the statement or information is false or misleading in a material particular.

Penalty: a fine of \$5 000.

[Regulation 18E inserted: Gazette 31 Mar 2005 p. 1038-9; amended: Gazette 19 Aug 2005 p. 3872; 4 Mar 2016 p. 650.]

18F. Remuneration and benefits of CEO to be as advertised

The remuneration and other benefits paid to a CEO on the appointment of the CEO are not to differ from the remuneration and benefits advertised for the position under section 5.36(4).

[Regulation 18F inserted: Gazette 31 Mar 2005 p. 1039.]

18FA. Prescribed model standards for CEO recruitment, performance and termination (Act s. 5.39A(1))

Schedule 2 sets out model standards for local governments in relation to the following —

- (a) the recruitment of CEOs;
- (b) the review of the performance of CEOs;
- (c) the termination of the employment of CEOs.

18FB. Certification of compliance with adopted standards for CEO recruitment (Act s. 5.39B(7))

(1) In this regulation —

adopted standards means the standards adopted by a local government under section 5.39B or, if the local government has not adopted standards under that section, the standards taken under section 5.39B(5) to be the local government’s adopted standards.

(2) This regulation applies if —

(a) a local government appoints a person to the position of CEO of the local government; and

(b) the local government’s adopted standards in relation to the recruitment of CEOs apply to the appointment.

(3) At the time of appointing the person to the position of CEO, the local government must, by resolution*, certify that the person was appointed in accordance with the local government’s adopted standards in relation to the recruitment of CEOs.

** Absolute majority required.*

(4) A copy of the resolution must be given to the Departmental CEO within 14 days after the resolution is passed by the local government.

18FC. Certification of compliance with adopted standards for CEO termination (Act s. 5.39B(7))

(1) In this regulation —

adopted standards has the meaning given in regulation 18FB(1).

(2) This regulation applies if a local government terminates the employment of the CEO of the local government.

(3) At the time of terminating the CEO’s employment, the local government must, by resolution*, certify that the CEO was terminated in accordance with the local government’s adopted

r. 18G

standards in relation to the termination of the employment of CEOs.

* Absolute majority required.

- (4) A copy of the resolution must be given to the Departmental CEO within 14 days after the resolution is passed by the local government.

18G. Delegations to CEOs, limits on (Act s. 5.43)

Powers and duties of a local government exercised under the following provisions are prescribed under section 5.43(i) as powers and duties that a local government cannot delegate to a CEO —

- (a) section 7.12A(2), (3)(a) or (4); and
- (b) regulations 18C and 18D.

[Regulation 18G inserted: Gazette 31 Mar 2005 p. 1039.]

19. Delegates to keep certain records (Act s. 5.46(3))

Where a power or duty has been delegated under the Act to the CEO or to any other local government employee, the person to whom the power or duty has been delegated is to keep a written record of —

- (a) how the person exercised the power or discharged the duty; and
- (b) when the person exercised the power or discharged the duty; and
- (c) the persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.

19A. Payments in addition to contract or award, limits of (Act s. 5.50(3))

- (1) The value of a payment or payments made under section 5.50(1) and (2) to an employee whose employment with a local

government finishes after 1 January 2010 is not to exceed in total —

- (a) the value of the person's final annual remuneration, if the person —
 - (i) accepts voluntary severance by resigning as an employee; and
 - (ii) is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39;

or

- (b) in all other cases, \$5 000.

- (2) In this regulation —

final annual remuneration in respect of a person, means the value of the annual remuneration paid, or payable, to the person by the local government which employed that person immediately before the person's employment with the local government finished.

[Regulation 19A inserted: Gazette 31 Mar 2005 p. 1032; amended: Gazette 13 Jul 2012 p. 3218.]

Part 5 — Annual reports and planning

[There are no amendments to this Part.]

Part 6 — Disclosure of financial interests and gifts

[There are no amendments to this Part.]

Part 7 — Access to information

[There are no amendments to this Part.]

Part 8 — Local government payments and gifts to members

[There are no amendments to this Part.]

Part 9 — Codes of conduct for employees

[There are no amendments to this Part.]

Part 10 — Training

[There are no amendments to this Part.]

Consultation Draft

Schedule 1 — Forms

[There are no amendments to this Schedule.]

Schedule 2 — Model standards for CEO recruitment, performance and termination

[r. 18FA]

Division 1 — Preliminary provisions

1. Citation

These are the [insert name of local government] *Standards for CEO Recruitment, Performance and Termination*.

2. Terms used

(1) In these standards —

Act means the *Local Government Act 1995*;

additional performance criteria means performance criteria agreed by the local government and the CEO under clause 16(1)(b);

applicant means a person who submits an application to the local government for the position of CEO;

contract of employment means the written contract, as referred to in section 5.39 of the Act, that governs the employment of the CEO;

contractual performance criteria means the performance criteria specified in the CEO's contract of employment as referred to in section 5.39(3)(b) of the Act;

job description form means the job description form for the position of CEO approved by the local government under clause [5(2)];

local government means the [insert name of local government];

selection criteria means the selection criteria for the position of CEO determined by the local government under clause [5(1)] and set out in the job description form;

selection panel means the selection panel established by the local government under clause [8] for the appointment of a person to the position of CEO.

- (2) Other terms used in these standards that are also used in the Act have the same meaning as they have in the Act, unless the contrary intention appears.

Division 2 — Standards for recruitment of CEOs

3. Overview of Division

This Division sets out standards to be observed by the local government in relation to the recruitment of CEOs.

4. Application of Division

- (1) Except as provided in subclause (2), this Division applies to any recruitment and selection process carried out by the local government for the appointment of a person to the position of CEO.
- (2) This Division does not apply —
- (a) if it is proposed that the position of CEO be filled by a person in a class prescribed for the purposes of section 5.36(5A) of the Act; or
 - (b) in relation to a renewal of the CEO's contract of employment, except in the circumstances referred to in clause [13(2)].

5. Determination of selection criteria and approval of job description form

- (1) The local government must determine the selection criteria for the position of CEO, based on the local government's consideration of the knowledge, experience, qualifications and skills necessary to effectively perform the duties and responsibilities of the position of CEO of that particular local government.
- (2) The local government must, by a resolution of an absolute majority of the council, approve a job description form for the position of CEO which sets out —
- (a) the duties and responsibilities of the position; and
 - (b) the selection criteria for the position determined in accordance with subclause (1).

6. Advertising requirements

(1) If the position of CEO is vacant, the local government must ensure it complies with section 5.36(4) of the Act and the *Local Government (Administration) Regulations 1996* regulation 18A.

(2) If clause [13] applies, the local government must advertise the position of CEO in the manner referred to in the *Local Government (Administration) Regulations 1996* regulation 18A as if the position was vacant.

7. Job description form to be made available by local government

If a person requests the local government to provide to the person a copy of the job description form, the local government must —

(a) inform the person of the website address referred to in the *Local Government (Administration) Regulations 1996* regulation 18A(2)(da); or

(b) if the person advises the local government that the person is unable to access that website address —

(i) email a copy of the job description form to an email address provided by the person; or

(ii) mail a copy of the job description form to a postal address provided by the person.

8. Establishment of selection panel for appointment of CEO

(1) The local government must establish a selection panel to conduct the recruitment and selection process for the appointment of a person to the position of CEO.

(2) The selection panel must comprise —

(a) council members (the number of which is to be determined by the local government); and

(b) at least 1 person who is neither a council member nor an employee of the local government.

9. Recommendation by selection panel

(1) The selection panel must assess each applicant's knowledge, experience, qualifications and skills against the selection criteria.

Local Government (Administration) Amendment Regulations (No. 2) 2020

Schedule 2 Model standards for CEO recruitment, performance and termination

Division 2 Standards for recruitment of CEOs

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(2) Following the assessment referred to in subclause (1), the selection panel must —

(a) recommend to the local government one or more applicants who the selection panel considers are suitable for appointment to the position of CEO; or

(b) if the selection panel considers that none of the applicants are suitable for appointment to the position of CEO — advise the local government of that fact.

(3) If the selection panel considers that none of the applicants are suitable for appointment to the position of CEO, the selection panel may recommend to the local government the changes (if any) that the selection panel considers should be made to the duties and responsibilities of the position or the selection criteria.

(4) The selection panel must act under subclauses (1), (2) and (3) —

(a) in an impartial and transparent manner; and

(b) in accordance with the principles set out in section 5.40 of the Act.

(5) The selection panel must not recommend an applicant to the local government under subclause (2)(a) unless the selection panel has —

(a) assessed the applicant as having demonstrated that the applicant's knowledge, experience, qualifications and skills meet the selection criteria; and

(b) verified any academic, or other tertiary level, qualifications the applicant claims to hold; and

(c) whether by contacting referees provided by the applicant or making any other enquiries the selection panel considers appropriate, verified the applicant's character, work history, skills, performance and any other claims made by the applicant.

10. New process to be commenced if no suitable applicants

(1) If the selection panel advises the local government under clause [9(2)(b)] that the selection panel considers that none of the applicants are suitable for appointment to the position of CEO, the local government must carry out a new recruitment and selection process for the position in accordance with these standards.

(2) However, unless the local government considers that changes should be made to the duties and responsibilities of the position or the selection criteria —

(a) clause [5] does not apply to the new recruitment and selection process; and

(b) the job description form previously approved by the local government under clause [5] is the job description form for the purposes of the new recruitment and selection process.

11. Offer of appointment to position of CEO

(1) Any decision by the local government to make an offer of appointment to the position of CEO to an applicant must be made by a resolution of an absolute majority of the council.

(2) The resolution must approve —

(a) the making of the offer of appointment to the applicant; and

(b) the proposed terms of the contract of employment to be entered into by the local government and the applicant.

12. Appointment to position of CEO

(1) In this clause —

negotiated contract means the contract of employment referred to in paragraph (b) of the definition of *successful applicant*;

successful applicant means an applicant who —

(a) has been made an offer of appointment to the position of CEO under clause [11]; and

(b) has negotiated with the local government the terms of the contract of employment to be entered into by the local government and the applicant; and

(c) following that negotiation, has accepted the offer of appointment.

(2) Any appointment of a successful applicant to the position of CEO by the local government must be made by a resolution of an absolute majority of the council.

Local Government (Administration) Amendment Regulations (No. 2) 2020

Schedule 2 Model standards for CEO recruitment, performance and termination

Division 2 Standards for recruitment of CEOs

cl. 13

(3) The resolution must —

(a) endorse the appointment of the successful applicant to the position of CEO; and

(b) approve the terms of the negotiated contract.

13. Recruitment to be undertaken on expiry of certain CEO contracts

(1) In this clause —

commencement day means the day on which the *Local Government (Administration) Amendment Regulations (No. 2) 2020* regulation [regulation inserting new r. 18FA] comes into operation.

(2) This clause applies if —

(a) upon the expiry of the contract of employment of the person (the *incumbent CEO*) who holds the position of CEO —

(i) the incumbent CEO will have held the position for a period of 10 or more consecutive years, whether that period commenced before, on or after commencement day; and

(ii) a period of 10 or more consecutive years has elapsed since a recruitment and selection process for the position was carried out, whether that process was carried out before, on or after commencement day;

and

(b) the incumbent CEO has notified the local government that they wish to have their contract of employment renewed upon its expiry.

(3) Before the expiry of the incumbent CEO's contract of employment, the local government must carry out a recruitment and selection process in accordance with these standards to select a person to be appointed to the position of CEO after the expiry of the incumbent CEO's contract of employment.

(4) This clause does not prevent the incumbent CEO's contract of employment from being renewed upon its expiry if the incumbent CEO is selected in the recruitment and selection process referred to in subclause (3) to be appointed to the position of CEO.

14. Confidentiality of information

The local government must ensure that information provided to, or obtained by, the local government in the course of a recruitment and selection process for the position of CEO is not disclosed, or made use of, except for the purpose of, or in connection with, that recruitment and selection process.

Division 3 — Standards for review of performance of CEOs

15. Overview of Division

This Division sets out standards to be observed by the local government in relation to the review of the performance of CEOs.

16. Performance review process to be agreed between local government and CEO

(1) The local government and the CEO must agree on —

- (a) the process by which the CEO's performance will be reviewed; and
- (b) any performance criteria to be met by the CEO that are in addition to the contractual performance criteria.

(2) Without limiting subclause (1), the process agreed under subclause (1)(a) must be consistent with clauses [17], [18] and [19].

(3) The matters referred to in subclause (1) must be set out in a written document.

17. Carrying out a performance review

(1) A review of the performance of the CEO by the local government must be carried out in an impartial and transparent manner.

(2) The local government must —

- (a) collect evidence regarding the CEO's performance in respect of the contractual performance criteria and any additional performance criteria in a thorough and comprehensive manner; and

- (b) review the CEO's performance against the contractual performance criteria and any additional performance criteria, based on that evidence.

18. Endorsement of performance review by local government

Following a review of the performance of the CEO, the local government must, by a resolution of an absolute majority of the council, endorse the review.

19. CEO to be notified of results of performance review

After the local government has endorsed a review of the performance of the CEO under clause [18], the local government must inform the CEO in writing of —

- (a) the results of the review; and
- (b) if the review identifies any issues about the performance of the CEO — how the local government proposes to address and manage those issues.

Division 4 — Standards for termination of employment of CEOs

20. Overview of Division

This Division sets out standards to be observed by the local government in relation to the termination of the employment of CEOs.

21. General principles applying to any termination

- (1) The local government must make decisions relating to the termination of the employment of a CEO in an impartial and transparent manner.
- (2) The local government must accord a CEO procedural fairness in relation to the process for the termination of the CEO's employment, including —
- (a) informing the CEO of the CEO's rights, entitlements and responsibilities in relation to the termination process; and
- (b) notifying the CEO of any allegations against the CEO; and
- (c) giving the CEO a reasonable opportunity to respond to the allegations; and

- (d) genuinely considering any response given by the CEO in response to the allegations.

22. Additional principles applying to termination for performance-related reasons

- (1) This clause applies if the local government proposes to terminate the employment of a CEO for reasons related to the CEO's performance.

- (2) The local government must not terminate the CEO's employment unless the local government has —

- (a) in the course of carrying out the review of the CEO's performance referred to in subclause (3) or any other review of the CEO's performance, identified any issues (the *performance issues*) related to the performance of the CEO; and

- (b) informed the CEO of the performance issues; and

- (c) given the CEO a reasonable opportunity to address, and implement a plan to remedy, the performance issues; and

- (d) determined that the CEO has not remedied the performance issues to the satisfaction of the local government.

- (3) The local government must not terminate the CEO's employment unless the local government has, within the preceding 12 month period, reviewed the performance of the CEO under section 5.38(1) of the Act.

23. Decision to terminate

Any decision by the local government to terminate the employment of a CEO must be made by a resolution of an absolute majority of the council.

24. Notice of termination of employment

- (1) If the local government terminates the employment of a CEO, the local government must give the CEO notice in writing of the termination.

- (2) The notice must set out the local government's reasons for terminating the employment of the CEO.

Local Government (Administration) Amendment Regulations (No. 2) 2020

Schedule 2 Model standards for CEO recruitment, performance and termination

Division 4 Standards for termination of employment of CEOs

cl. 24

Clerk of the Executive Council

Consultation Draft

LOCAL GOVERNMENT (ADMINISTRATION) AMENDMENT REGULATIONS (No.2) 2020 – EXPLANATORY NOTES

These regulations will bring into effect **section 22** of the *Local Government Legislation Amendment Act 2019*.

In particular, the following will take effect: sections 5.39A, 5.39B & 5.39C.

| Section in Amendment Act | Section in LG Act | Topic |
|---|--|---|
| Section 22 | 5.39A 5.39B 5.39C | Model standards for CEO recruitment, performance and termination. Adoption of Model Standards Policy for temporary employment or appointment of CEO. |
| Regulation | Amends | Explanation |
| Regulation 18A – Vacancy in position of CEO or senior employee to be advertised (Act s.5.36(4) and 5.37(3)) | 18A <i>Local Government (Administration) Regulations 1996</i> | Regulation 18A(1) is being amended to align with the new State-wide public notice provisions. If the position of CEO, or of a senior employee, becomes vacant the local government must give State-wide public notice of the position in accordance with the requirements of the Local Government Act (sections 5.36(4) and 5.37(3)). Regulation 18A(2)(da) provides that the State-wide public notice must include a website address where the job description form (JDF) for the position can be accessed. |
| Regulation 18C – Selection and appointment process for CEOs. | 18C <i>Local Government (Administration) Regulations 1996 – Repealed</i> | Regulation 18C is being repealed. The prescribed model standards for CEO recruitment and appointment outlined at Division 2 (Clauses 3-14) of the <i>Local Government (Administration) Amendment Regulations 2020</i> replace 18C. Local governments are required to determine the selection criteria for the position of CEO prior to a recruitment process being undertaken. The local government must approve by a resolution of an absolute majority of council, a job description form which sets out the duties and responsibilities of the position (5(2)(a)) and details the selection criteria (5(2)(b)). |

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| | | <p>A position vacancy must be advertised in accordance with 5.36(4) of the <i>Local Government Act</i> and 18A of the <i>Local Government (Administration) Regulations 1996</i>. A JDF form must also be made available on the local government's official website.</p> <p>As part of the process of selection, a panel must be established to conduct the recruitment and selection process. The selection panel must be made up of council members and at least one independent person who is not a current councillor or employee of the local government. The independent person should have experience in the recruitment and selection of CEO's and / or senior executives. It is the role of the selection panel to recommend one or more suitable applicants to the position of CEO based on the selection criteria outlined in the JDF.</p> <p>A final decision to make an offer of appointment to the position of CEO must be made by an absolute majority of council. The resolution must also approve the proposed terms of the contract.</p> <p>Appointment of the successful applicant to CEO must also be made by an absolute majority decision of council after negotiation of the final contract terms between the successful applicant and the local government and following the applicant's acceptance of the offer.</p> |
| <p>Regulation 18D – Performance review of CEO, local government's duties as to</p> | <p><i>Local Government (Administration) Regulations 1996 - 18D Repealed</i></p> | <p>Regulation 18D is being repealed. The prescribed model standards for performance review outlined at Division 3 of the of the <i>Local Government (Administration) Amendment Regulations 2020</i> (clauses 15-19) replace 18D.</p> <p>Local governments are required to review the performance of a CEO annually in accordance with section 5.38 of the Act. Division 3 sets out the process for performance review, including establishing the performance criteria upon which to base the review and the requirement to endorse the performance review by absolute majority on its completion.</p> <p>The CEO must be notified of the results of the performance review, including any issues identified in relation to the performance of the CEO, and how the local government proposes to address and manage those issues.</p> |

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| <p>Regulation FA – Prescribed model standards for CEO recruitment, performance and termination (Act s.5.39A(1)).</p> | <p><i>Local Government (Administration) Regulations 1996</i> – 18FA is a new clause.</p> | <p>Regulation 18FA sets out the model standards for local governments in relation to the recruitment, performance review and termination of employment of a local government CEO.</p> |
| <p>Regulation 18FB – Certification of compliance with adopted standards for CEO recruitment (Act s.5.39B(7))</p> | <p><i>Local Government (Administration) Regulations 1996</i> – 18FB is a new clause.</p> | <p>Regulation 18FB requires local governments to certify that they have adopted the standards under section 5.39B of the Act. 18FB applies in relation to the recruitment and appointment of a local government CEO.</p> <p>A copy of the resolution to appoint the CEO in accordance with the adopted standards must be provided to the Department of Local Government, Sport and Cultural Industries within 14 days of the decision to appoint.</p> |
| <p>Regulation 18FC – Certification of compliance with adopted standards for CEO termination (Act s.5.39B(7)).</p> | <p><i>Local Government (Administration) Regulations 1996</i> – 18FC is a new clause</p> | <p>Regulation FC requires a local government to certify that they have adopted the standards under section 5.39B of the Act. 18FC applies in relation to the termination of a CEO's employment contract.</p> <p>If a local government makes the decision to terminate the employment of the CEO, it must certify that the CEO's employment contract was terminated in accordance with the adopted standards for termination as outlined in regulations.</p> |
| <p>Division 2 – Standards for recruitment of CEOs</p> <p>Regulation 4 – Application of Division</p> | <p><i>Local Government (Administration) Regulations 1996</i> – Reg 4 replaces 18C.</p> | <p>Regulation 18C of the <i>Local Government (Administration) Regulations 1996</i> is repealed. Instead, Regulation 4 applies in relation to Division 2 - the recruitment and selection process of a local government CEO.</p> <p>Division 2 does not apply in the event that the position of CEO is to be filled by a person in a prescribed class or in relation to the renewal of the CEO's contract, unless the CEO has been employed for a period of 10 or more consecutive years and a period of 10 or more years has elapsed since a selection and recruitment process was carried out</p> |

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| | | For the purposes of 5.36(5)(a), a person in a prescribed class includes a person who is and will continue to be employed by another local government and is contracted for a period of less than five years, or the person will be acting in the position of CEO for a period of less than one year. |
| Regulation 5 – Determination of selection criteria and approval of job description form. | <i>Local Government (Administration) Regulations 1996 – Reg 5 is a new clause.</i> | <p>Regulation 5 deals with determining the selection criteria for the position of CEO. It is a requirement that the local government base the selection criteria on the necessary skills, knowledge, experience and qualifications necessary to effectively perform the role and responsibilities associated with the position.</p> <p>The local government must approve (by absolute majority) a job description form (JDF) that sets out the duties and responsibilities of the position and the selection criteria.</p> |
| Regulation 6 – Advertising Requirements | <i>Local Government (Administration) Regulations 1996 – Reg 6 is a new clause.</i> | Regulation 6 deals with advertising the position of CEO where the position becomes vacant or the incumbent has held the position for 10 or more consecutive years. It is a requirement of the Local Government Act (s 5.36(4)) that upon the position of CEO becoming vacant, it must be advertised in a manner prescribed. Regulation 18A of the <i>Local Government (Administration) Regulations 1996</i> sets out the requirements for State-wide advertising. |
| Regulation 7 – Job description form to be made available by local government. | <i>Local Government (Administration) Regulations 1996 – Reg 7 is a new clause.</i> | Regulation 7 requires a local government to provide a copy of the JDF to a person upon request. The local government must either provide the web address where the JDF can be downloaded or alternatively if the person is unable to access the website, email a copy, or send a hard copy in the post. |
| Regulation 8 – Establishment of selection panel for appointment of CEO. | <i>Local Government (Administration) Regulations 1996 – Reg 8 is a new clause.</i> | Regulation 8 requires a local government to establish a selection panel to conduct the selection and recruitment process for appointment of a person to the position of CEO. |

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| | | <p>The selection panel must comprise of council members and at least one independent person who is not a councillor nor an employee of the local government.</p> <p>It is recommended that the independent person or persons have relevant experience in the recruitment and selection of CEO's and / or senior executives. It is the role of the selection panel to recommend one or more suitable applicants to the position of CEO based on the selection criteria outlined in the JDF.</p> <p>It is at the discretion of the local government to determine the number of people on the selection panel.</p> |
| <p>Regulation 9 – Recommendation by selection panel.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 9 is a new clause.</i></p> | <p>It is the role of the selection panel to recommend a preferred applicant or applicants for appointment to the position of CEO. Regulation 9 requires the selection panel to make an assessment of each applicant's ability to perform the role of CEO based on their knowledge, experience, qualifications and skills as measured against the selection criteria outlined in the JDF.</p> <p>If the selection panel considers none of the applicants suitable for appointment to the position, they must advise the local government of that fact.</p> <p>If the selection panel considers none of the applicants suitable for appointment to the position of CEO, they may recommend changes be made to the duties and responsibilities of the position or the selection criteria.</p> <p>The selection panel must act in an impartial and transparent manner and in accordance with the principles set out in section 5.40 of the Act.</p> <p>The selection panel is responsible for ensuring that any applicant or applicants they recommend for appointment have demonstrated they meet the selection criteria and have had their qualifications verified. The selection panel must exercise due diligence in verifying referees, work history, skills and any other claims made by the applicant.</p> |

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| <p>Regulation 10 – New process to be commenced if no suitable applicants.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 10 is a new clause.</i></p> | <p>If the selection panel finds that none of the applicants are suitable to be appointed to the position of CEO, they must advise the local government in accordance with 9(2)(b).</p> <p>Regulation 10 requires the recruitment and selection process to be undertaken again if the selection panel advises the local government it considers none of the applicants to be suitable for appointment to the position of CEO.</p> <p>Unless the selection panel recommends changes be made to the duties and responsibilities of the position or the selection criteria, clause 5 does not apply. In this instance, the original JDF previously approved by the local government (under clause 5) is the JDF form for the purposes of the new recruitment and selection process.</p> |
| <p>Regulation 11 – Offer of appointment to position of CEO.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 11 is a new clause.</i></p> | <p>Regulation 11 requires the decision to make an offer of employment to an applicant to the position of CEO to be made by an absolute majority of council.</p> <p>The council must approve making the offer of employment to the preferred applicant and the proposed terms of the contract to be entered into.</p> |
| <p>Regulation 12 – Appointment to position of CEO</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 12 is a new clause.</i></p> | <p>Regulation 12 deals with the appointment of the successful applicant to the position of CEO subsequent to the offer of appointment having been made, the final terms of the contract agreed to and the applicant accepting the offer of employment.</p> <p>The appointment of the successful applicant to the position of CEO by the local government must be made by an absolute majority of council. Council must endorse the appointment and approve the terms of the negotiated contract.</p> |

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| <p>Regulation 13 – Recruitment to be undertaken on expiry of certain CEO contracts.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 13 is a new clause.</i></p> | <p>Regulation 13 applies if a local government CEO has held the position for a period of 10 or more consecutive years upon expiry of the CEO’s contract. Regulation 13 also applies if a period of 10 or more consecutive years has elapsed since a recruitment and selection process for the position has occurred and the incumbent CEO has notified the local government that they wish to have their contract of employment renewed upon its expiry.</p> <p>Subclause 13(2)(a)(ii) is drafted to allow for the possibility that a CEO who has, for example, held office for 10 years and has their contract renewed for another 5-year term following the recruitment and selection process. In that case, clause 13(2)(a)(ii) will operate to ensure that another 10 years can pass before another recruitment process is required. In the absence of clause 13(2)(a)(ii), when the renewed term came to an end, the CEO would have held the position for 15 consecutive years and clause 13(2)(a)(i) would operate to require a process to be undertaken.</p> <p>The local government must carry out the recruitment and selection process before expiry of the incumbent CEO’s contract.</p> <p>The incumbent CEO may have their contract of employment renewed upon expiry if they are selected in accordance with the recruitment and selection process at subclause (3).</p> |
| <p>Regulation 14 – Confidentiality of information</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 14 is a new clause.</i></p> | <p>Regulation 14 requires confidentiality to be observed by the local government as part of the process of recruitment and selection. Information obtained as part of this process must only be used for, or in connection with, recruitment and selection.</p> |
| <p>Division 3 – Standards for review of performance of CEOs</p> <p>Regulation 15 sets out the standards to be observed by the local government in relation to the review of the performance of CEOs.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 15 replaces regulation 18D which is repealed.</i></p> | <p>Regulation 18D is repealed. Division 3 effectively deals with the requirement to consider the performance review of the CEO in accordance with section 5.38 of the Act.</p> |

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| <p>Regulation 16 – Performance review process to be agreed between local government and CEO.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 16 is a new clause.</i></p> | <p>Regulation 16 requires the local government and the CEO to agree on the process for performance review and any performance criteria that are additional to those specified in the contract. For example, the local government and the CEO may wish to include additional performance criteria after 1 or 2 years into a contract term as circumstances and priorities change.</p> <p>The process for performance review must be consistent with clauses 17 (Carrying out a performance review), 18 (Endorsement of the performance review) and 19 (CEO to be notified of the results of the performance review).</p> <p>The process for performance review and the selection criteria upon which the review will be based must be set out in a written document.</p> |
| <p>Regulation 17 – Carrying out a performance review</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 17 is a new clause</i></p> | <p>Regulation 17 deals with how a review of a CEO's performance must be carried out. A performance review must be carried out in an impartial and transparent manner. It must also be comprehensive, and evidence based. The CEO's performance must be measured against the performance criteria as specified in the CEO's contract and any other performance criteria as agreed and set out in the documented performance review process.</p> |
| <p>Regulation 18 – Endorsement of performance review by local government</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 18 is a new clause</i></p> | <p>Regulation 18 requires that a performance review is endorsed by an absolute majority of council upon completion.</p> |
| <p>Regulation 19 – CEO to be notified of results of performance review</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 19 is a new clause</i></p> | <p>Regulation 19(a) requires a local government to notify the CEO of the results of the performance review in writing. If the review identifies any performance issues, the local government must outline how it proposes to address and manage those issues.</p> |

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| | | The local government must notify the CEO of the results of the performance review after it has been endorsed by an absolute majority of council. |
| <p>Division 4 – Standards for termination of employment of CEOs.</p> <p>Regulation 20 – sets out the standards to be observed by the local government in relation to the termination of the employment of CEOs.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 20 is a new clause</i></p> | <p>Regulation 20 provides an overview of Division 4 – Standards for termination of employment of CEOs.</p> |
| <p>Regulation 21 – General principles applying to any termination.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 21 is a new clause</i></p> | <p>Regulation 21 outlines the general principles that must apply to any termination of a CEO's employment contract. Decisions relating to termination of employment must be made in an impartial and transparent manner.</p> <p>A CEO must be afforded procedural fairness in relation to the process for termination of employment. This includes:</p> <ol style="list-style-type: none"> a) being informed of their rights, entitlements and responsibilities; b) notification of any allegations against the CEO; c) being given a reasonable opportunity to respond to the allegations; d) and genuinely considering any response provided by the CEO to the allegations. |
| <p>Regulation 22 – Additional principles applying to termination for performance related reasons.</p> | <p><i>Local Government (Administration) Regulations 1996 – Reg 22 is a new clause</i></p> | <p>Regulation 22(1) applies if the local government proposes to terminate the employment of a CEO based on the CEO's work-related performance.</p> <p>Subclauses 22(2)(a)-(d) and 22(3) require that a CEO's employment must not be terminated unless the local government has:</p> <ul style="list-style-type: none"> • previously identified any issues with the CEO's performance as part of the performance review process; • informed the CEO of the performance issues; |

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| | | <ul style="list-style-type: none"> • given the CEO reasonable opportunity to address and implement a plan to remedy the performance issues; • determined that the CEO has not remedied the performance issues to the satisfaction of the local government; and • 22(3) reviewed the performance of the CEO within the preceding 12 months in accordance with 5.38(1) of the Local Government Act. |
| Regulation 23 – Decision to terminate. | <i>Local Government (Administration) Regulations 1996 – Reg 23 is a new clause</i> | Regulation 23 requires that a decision to terminate the employment of a CEO must be made by an absolute majority of council. |
| Regulation 24 – Notice of termination of employment. | <i>Local Government (Administration) Regulations 1996 – Reg 24 is a new clause</i> | Regulation 24 requires that a local government must provide notice in writing of the decision to terminate the employment of a CEO. Written notice must include the local government's reasons for termination. |



9.4 WORKPLACE HEALTH AND SAFETY ACT

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|---------------------------|---|
| DATE: | 9 November 2020 |
| PROPONENT: | Department of Local Government |
| LOCATION: | Whole of Shire |
| SUBJECT: | Workplace Health and Safety Legislation |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | N/A |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to understand the significant changes that are coming with regard to workplace health and safety and acknowledge the implications of the industrial manslaughter charge that will apply to workplace deaths where OSH standards are not met.

BACKGROUND

As the Western Australian Work Health and Safety Bill 2019 (WHS Bill), progresses rapidly towards enactment as the Work Health and Safety Act in Western Australia, organisations must prepare to transition to compliance. Critical to this preparation is the need for a shift from the mindset that the OSH officer / coordinator / manager or some other employee with a similar title, is solely responsible for all matters pertaining to workplace health and safety in an organisation.

The WHS Bill introduces a range of new concepts, including positive due diligence obligations for ‘Officers’ of organisations. Who is an Officer? ‘Officers’ are a category of duty holders recognised by the WHS Bill and are defined by way of reference to s.9 of the Corporations Act 2001 (Cth), that is:

- (b) *a person:*
- (i) *who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the corporation; or*
 - (ii) *who has the capacity to affect significantly the corporation’s financial standing; or*
 - (iii) *in accordance with whose instructions or wishes the directors of the corporation are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person’s professional capacity or their business relationship with the directors or the corporation);...*

As can be seen from the definition above, everyone with a significant level of organisational influence, from CEOs to directors, managers and sometimes even coordinators, of all portfolios, can fall into the category of Officers under the WHS Bill. It is my understanding that Councillors are specifically omitted from the definition of an Officer within the organisation. The CEO is the most vulnerable person with regard to these changes and with regard to the likelihood of significant penalties – all of which are personal penalties and uninsurable.

The critical message for local governments is that Officers as duty holders under the WHS Bill, may span all portfolios and areas of the organisation. This includes portfolios which are not typically thought of as being associated with workplace safety, such as human resources, finance, governance, infrastructure, and corporate services.

What are the Due Diligence Obligations? The new WHS Bill imposes personal due diligence obligations upon those individuals falling within the definition of an Officer. The obligations are positive in nature, meaning that compliance requires proactive actions to be undertaken (and evidence of this must be able to be provided), with failure to do so resulting in an offence.



A breach of their obligations can arise regardless of whether an injury / incident has occurred. The obligations contained in clause 27 of the WHS Bill require an officer to:

1. Acquire and maintain up-to-date knowledge of WHS matters.
2. Obtain and maintain an understanding of the organisation's operations and the associated hazards and risks.
3. Ensure appropriate resources and processes are available for use, and being used, to eliminate or mitigate risks so far as is reasonably practicable.
4. Ensure that the organisation has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding promptly to that information.
5. Ensure that the organisation has, and implements a process for confirming ongoing legal compliance with the WHS duties and obligations of the organisation.
6. Verify the provision and use of resources and processes for elements 3-5 above.

Officers may delegate tasks to assist with discharging their obligations, however the duty, along with the liability, remains with the officer.

Officers cannot insure against a breach of their obligations

Significantly, clause 272A creates an express prohibition against insurance policies purporting to indemnify individuals for penalties arising from their breach of a duty under the WHS Bill. Furthermore, the Bill establishes an offence for offering or obtaining such insurance, which attracts a penalty of up to \$55,000.

Where to from here?

Local governments must identify persons who may fall within the definition of an Officer. The following questions may assist:

- Does the person make or participate in making significant decisions that affect the organisation as a whole – such as budget decisions?
- Regardless of their job title, do they have significant influence that could affect the whole or a large part of the organisation? If a person is, or is likely to be considered an Officer:
- Do they know and understand the operations of the organisation - beyond the work that their own direct reports undertake?
- Do they know about and understand WHS risks and issues?
- Are they aware of the organisational resources needed, supplied and used in order to ensure the safety of workers and compliance with WHS obligations?
- Do they know if there is a reporting system and if so, do they have assurance that reports are followed up? Is the system understood and used by everyone?
- Could they provide evidence of the organisation's legal compliance with WHS obligations?

With maximum personal penalties for breaches of officers' duties ranging from \$120,000.00, up to \$5,000,000.00- and 20-years imprisonment, local governments can't afford to wait until the regulator comes knocking to find out the answers to the above. We will need to become far more proactive in this space which will have a significant impact both financially and from an organisational structure perspective.

The CEO, Works Manager and Deputy CEO are all vulnerable within these legislative changes.

STATUTORY IMPLICATIONS

Local Government Act (1995)

WHS Act



POLICY IMPLICATIONS

Council has a variety of policies that may be affected by this matter in the longer term.

FINANCIAL IMPLICATIONS

Nil at this time

STRATEGIC IMPLICATIONS

This matter is not dealt with in the Shire of Goomalling Community Strategic Plan.

COMMENT

As this work is being undertaken on Council's behalf there is no reason to hold back consent to collect as long as it is done within best practice guidelines for the work.

ATTACHMENTS

Correspondence from McLeods

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Council:

Note the significant changes that are coming with regard to workplace health and safety and acknowledge the implications of the industrial manslaughter laws that will apply to workplace deaths where OSH standards are not met.

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| 283. RESOLUTION (Officer Recommendation) |
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Moved Cr Chester, seconded Cr Sheen

That the Council:

Note the significant changes that are coming with regard to workplace health and safety and acknowledge the implications of the industrial manslaughter laws that will apply to workplace deaths where OSH standards are not met.

**CARRIED 6/0
By Simple Majority**

Local government decision makers – are you prepared for your new *personal* liabilities under the new Work Health and Safety Act?

By Scott Wade, McLeods

As the Western Australian *Work Health and Safety Bill 2019 (WHS Bill)*, progresses rapidly towards enactment as the Work Health and Safety Act in Western Australia, organisations must prepare to transition to compliance.

Critical to this preparation is the need for a shift from the mindset that the OSH officer / coordinator / manager or some other employee with a similar title, is solely responsible for all matters pertaining to workplace health and safety in an organisation.

The WHS Bill introduces a range of new concepts, including positive due diligence obligations for ‘Officers’ of organisations.

Who is an Officer?

‘Officers’ are a category of duty holders recognised by the WHS Bill and are defined by way of reference to s.9 of the *Corporations Act 2001* (Cth), that is:

‘(b) a person:

- (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the corporation; or
- (ii) who has the capacity to affect significantly the corporation’s financial standing; or
- (iii) in accordance with whose instructions or wishes the directors of the corporation are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person’s professional capacity or their business relationship with the directors or the corporation);...’

As can be seen from the definition above, everyone with a significant level of organisational influence, from CEOs to directors, managers and sometimes even coordinators, of all portfolios, can fall into the category of Officers under the WHS Bill.

The critical message for local governments is that Officers as duty holders under the WHS Bill, may span all portfolios and areas of the organisation. This includes portfolios which are not typically thought of as being associated with workplace safety, such as human resources, finance, governance, infrastructure, and corporate services.

What are the Due Diligence Obligations?

The new WHS Bill imposes personal due diligence obligations upon those individuals falling within the definition of an Officer.

The obligations are positive in nature, meaning that compliance requires proactive actions to be undertaken (and evidence of this must be able to be provided), with failure to do so resulting in an offence. A breach of their obligations can arise regardless of whether an injury / incident has occurred.

The obligations contained in clause 27 of the WHS Bill require an officer to:

1. Acquire and maintain up-to-date knowledge of WHS matters.
2. Obtain and maintain an understanding of the organisation's operations and the associated hazards and risks.
3. Ensure appropriate resources and processes are available for use, and being used, to eliminate or mitigate risks so far as is reasonably practicable.
4. Ensure that the organisation has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding promptly to that information.
5. Ensure that the organisation has, and implements a process for confirming ongoing legal compliance with the WHS duties and obligations of the organisation.
6. Verify the provision and use of resources and processes for elements 3-5 above.

Officers may delegate tasks to assist with discharging their obligations, however the duty, along with the liability, remains with the officer.

Officers cannot insure against a breach of their obligations

Significantly, clause 272A creates an express prohibition against insurance policies purporting to indemnify individuals for penalties arising from their breach of a duty under the WHS Bill. Furthermore, the Bill establishes an offence for offering or obtaining such insurance, which attracts a penalty of up to \$55,000.

Where to from here?

Local governments must identify persons who may fall within the definition of an Officer. The following questions may assist:

- Does the person make or participate in making significant decisions that affect the organisation as a whole – such as budget decisions?
- Regardless of their job title, do they have significant influence that could affect the whole or a large part of the organisation?

If a person is, or is likely to be considered an Officer:

- Do they know and understand the operations of the organisation - beyond the work that their own direct reports undertake?
- Do they know about and understand WHS risks and issues?
- Are they aware of the organisational resources needed, supplied and used in order to ensure the safety of workers and compliance with WHS obligations?
- Do they know if there is a reporting system and if so, do they have assurance that reports are followed up? Is the system understood and used by everyone?
- Could they provide evidence of the organisation's legal compliance with WHS obligations?

With maximum personal penalties for breaches of officers' duties ranging from \$120,000.00, up to \$5,000,000.00- and 20-years imprisonment, local governments can't afford to wait until the regulator comes knocking to find out the answers to the above.

For further advice or information regarding this or any other WHS topics, or to discuss the provision of a complimentary information session, contact Safety Specialist and McLeods Solicitor Scott Wade on 9424 6247 or swade@mcleods.com.au.



9.5 CONSULTATION – CODE OF CONDUCT

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|---------------------------|---|
| DATE: | 9 November 2020 |
| PROPONENT: | Department of Local Government |
| LOCATION: | Whole of Shire |
| SUBJECT: | Model Code of Conduct |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to consider a request from the Department of Local Government for comment regarding the attached proposed Model Code of Conduct Regulations.

BACKGROUND

The Department of Local Government has written to the Council seeking comment on the proposed Model Code of Conduct Regulations. The regulations have come about through the Local Government Act review and while the regulations are provided here, at this stage, there is no actual model available for review.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

The Council has no specific policy regarding this matter although there is a current Code of Conduct.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter is not dealt with directly in the Shire of Goomalling Community Strategic Plan.

COMMENT

The Model Regulations have a focus on integrity, accountability and relationships with others. There is also material regarding complaints and how to deal with them, and reference to some current regulations regarding the misuse of resources, securing personal advantage or disadvantaging others, the prohibition of interfering in the administrative functions of the organisation and relations with employees of the local government.

While I applaud the intent of the legislation, I am sceptical as to the effectiveness of it. With regard to Councillors, I am not convinced that anything will change. Those who flout the rules now are just as likely to do so under the new model. While I am comfortable with my Council and we have a very healthy relationship, this is not the norm from my discussions with others.

ATTACHMENTS

Explanatory Notes
Draft Regulations

VOTING REQUIREMENT

Simple Majority



RECOMMENDATION

That the Council:

Determine if it wishes to make comment at this stage with regard to the draft regulations on the Model Code of Conduct.

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| 284. RESOLUTION |
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Moved Cr Van Gelderen, seconded Cr Sheen

That the Council:

Support WALGA regarding the draft regulations on the Model Code of Conduct.

**CARRIED 6/0
By Simple Majority**

Local Government (Model Code of Conduct) Regulations 2020

Contents

| | | |
|---|--|---|
| Part 1 — Preliminary | | |
| 1. | Citation | 1 |
| 2. | Commencement | 1 |
| Part 2 — Model code of conduct | | |
| 3. | Model code of conduct (Act s. 5.103(1)) | 2 |
| Part 3 — Repeal and consequential amendments | | |
| Division 1 — Repeal | | |
| 4. | <i>Local Government (Rules of Conduct) Regulations 2007</i> repealed | 3 |
| Division 2 — Other regulations amended | | |
| 5. | <i>Local Government (Administration) Regulations 1996</i> amended | 3 |
| Part 9A — Minor breaches by council members | | |
| 34D. | Contravention of local law as to conduct (Act s. 5.105(1)(b)) | 3 |
| 6. | <i>Local Government (Audit) Regulations 1996</i> amended | 4 |
| 7. | <i>Local Government (Constitution) Regulations 1998</i> amended | 4 |
| Schedule 1 — Model code of conduct | | |
| Division 1 — Preliminary provisions | | |
| 1. | Citation | 5 |
| 2. | Terms used | 5 |

Contents

| | | |
|-----|--|----|
| | Division 2 — General principles | |
| 3. | Overview of Division | 5 |
| 4. | Personal integrity | 5 |
| 5. | Relationships with others | 6 |
| 6. | Accountability | 6 |
| | Division 3 — Behaviour | |
| 7. | Overview of Division | 7 |
| 8. | Personal integrity | 7 |
| 9. | Relationships with others | 7 |
| 10. | Complaints about alleged breach | 8 |
| 11. | Local government to deal with complaints | 9 |
| 12. | Other provisions about complaints | 10 |
| | Division 4 — Rules of conduct | |
| 13. | Overview of Division | 10 |
| 14. | Misuse of local government resources | 10 |
| 15. | Securing personal advantage or disadvantaging others | 10 |
| 16. | Prohibition against involvement in administration | 11 |
| 17. | Relations with local government employees | 11 |
| 18. | Disclosure of information | 12 |
| 19. | Disclosure of interests | 13 |

Local Government (Model Code of Conduct) Regulations 2020

Made by the Governor in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations are the *Local Government (Model Code of Conduct) Regulations 2020*.

2. Commencement

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day on which the *Local Government Legislation Amendment Act 2019* sections 48 to 51 come into operation.

Part 2 — Model code of conduct

3. Model code of conduct (Act s. 5.103(1))

The model code of conduct for council members, committee members and candidates is set out in Schedule 1.

Consultation Draft

Part 3 — Repeal and consequential amendments

Division 1 — Repeal

**4. *Local Government (Rules of Conduct) Regulations 2007*
repealed**

The *Local Government (Rules of Conduct) Regulations 2007* are repealed.

Division 2 — Other regulations amended

**5. *Local Government (Administration) Regulations 1996*
amended**

- (1) This regulation amends the *Local Government (Administration) Regulations 1996*.
- (2) Delete regulation 29(1)(baa).
- (3) After regulation 34C insert:

Part 9A — Minor breaches by council members

**34D. *Contravention of local law as to conduct*
(Act s. 5.105(1)(b))**

- (1) In this regulation —
local law as to conduct means a local law relating to the conduct of people at council or committee meetings.
- (2) The contravention of a local law as to conduct is a minor breach for the purposes of section 5.105(1)(b) of the Act.

6. Local Government (Audit) Regulations 1996 amended

- (1) This regulation amends the *Local Government (Audit) Regulations 1996*.
- (2) In regulation 13 in the Table:
 - (a) under the heading “**Local Government Act 1995**” delete “s. 5.103” and insert:

s. 5.104

- (b) delete:

| | | |
|---|--|--|
| Local Government (Rules of Conduct) Regulations 2007 | | |
| r. 11 | | |

7. Local Government (Constitution) Regulations 1998 amended

- (1) This regulation amends the *Local Government (Constitution) Regulations 1998*.
- (2) In Schedule 1 Form 7 delete “*Local Government (Rules of Conduct) Regulations 2007*.” and insert:

code of conduct adopted by the ³ under section 5.104 of the *Local Government Act 1995*.

Schedule 1 — Model code of conduct

[r. 3]

Division 1 — Preliminary provisions

1. Citation

This is the *[insert name of local government] Code of Conduct for Council Members, Committee Members and Candidates*.

2. Terms used

(1) In this code —

Act means the *Local Government Act 1995*;

candidate means a candidate for election as a council member;

publish includes to publish on a social media platform.

(2) Other terms used in this code that are also used in the Act have the same meaning as they have in the Act, unless the contrary intention appears.

Division 2 — General principles

3. Overview of Division

This Division sets out general principles to guide the behaviour of council members, committee members and candidates.

4. Personal integrity

(1) A council member, committee member or candidate should —

(a) act with reasonable care and diligence; and

(b) act with honesty and integrity; and

(c) act lawfully; and

(d) identify and appropriately manage any conflict of interest, including by the refusal of gifts that may give the appearance of a conflict of interest or an attempt to corruptly influence behaviour; and

(e) avoid damage to the reputation of the local government.

- (2) A council member or committee member should —
- (a) act in accordance with the trust placed in council members and committee members; and
 - (b) participate in decision-making in an honest, fair, impartial and timely manner; and
 - (c) actively seek out and engage in training and development opportunities to improve the performance of their role; and
 - (d) attend and participate in briefings, workshops and training sessions provided or arranged by the local government in relation to the performance of their role.

5. Relationships with others

- (1) A council member, committee member or candidate should —
- (a) treat others with respect, courtesy and fairness; and
 - (b) respect and value diversity in the community.
- (2) A council member or committee member should maintain and contribute to a harmonious, safe and productive work environment.

6. Accountability

A council member or committee member should —

- (a) base decisions on relevant and factually correct information; and
- (b) make decisions on merit, in the public interest and in accordance with statutory obligations and principles of good governance and procedural fairness; and
- (c) read all agenda papers given to them in relation to council or committee meetings; and
- (d) be open and accountable to the public and represent all constituents.

Division 3 — Behaviour

7. Overview of Division

This Division sets out —

- (a) requirements relating to the behaviour of council members, committee members and candidates; and
- (b) the mechanism for dealing with alleged breaches of those requirements.

8. Personal integrity

- (1) A council member, committee member or candidate —
 - (a) must ensure that their use of social media and other forms of communication complies with this code; and
 - (b) must only publish material that is factually correct.
- (2) A council member or committee member —
 - (a) must not be impaired by alcohol or drugs in the performance of their official duties; and
 - (b) must comply with all policies, procedures and resolutions of the local government.

9. Relationships with others

A council member, committee member or candidate —

- (a) must not bully or harass another person in any way; and
- (b) must deal with the media in a positive, informative and appropriate manner and in accordance with any relevant policy of the local government; and
- (c) must not use offensive or derogatory language when referring to another person; and
- (d) must not disparage the character of another council member, committee member or candidate or a local government employee in connection with the performance of their official duties; and
- (e) must not impute dishonest or unethical motives to another council member, committee member or candidate or a local

government employee in connection with the performance of their official duties; and

- (f) when attending a council or committee meeting —
 - (i) must not act in an abusive or threatening manner towards another person; and
 - (ii) must not make a statement that the member or candidate knows, or could reasonably be expected to know, is false or misleading; and
 - (iii) must not repeatedly disrupt the meeting; and
 - (iv) must comply with any requirements of a local law of the local government relating to the procedures and conduct of council or committee meetings; and
 - (v) must comply with any direction given by the person presiding at the meeting; and
 - (vi) must immediately cease to engage in any conduct that has been ruled out of order by the person presiding at the meeting;

and

- (g) must direct to the CEO any request for a query or complaint to be dealt with, or other work or action to be undertaken, by a local government employee.

10. Complaints about alleged breach

- (1) A person may make a complaint, in accordance with subclause (2), alleging a breach of a requirement set out in this Division.
- (2) A complaint must be made —
 - (a) in writing in the form approved by the local government; and
 - (b) to a person authorised under subclause (3); and
 - (c) within 1 month after the occurrence of the alleged breach.
- (3) The local government must, in writing, authorise 1 or more persons to receive complaints made under subclause (1).

11. Local government to deal with complaints

- (1) After considering a complaint, the local government must, unless it dismisses the complaint under subclause (2), make a finding as to whether the alleged breach the subject of the complaint has occurred.
- (2) The local government must dismiss the complaint if it is satisfied that —
 - (a) the behaviour to which the complaint relates occurred at a council or committee meeting; and
 - (b) either —
 - (i) the behaviour was dealt with by the person presiding at the meeting; or
 - (ii) the person responsible for the behaviour has taken remedial action in accordance with a local law of the local government that deals with meeting procedures.
- (3) Before making a finding in relation to the complaint, the local government must give the person to whom the complaint relates a reasonable opportunity to be heard.
- (4) A finding that the alleged breach has occurred must be based on evidence from which it may be concluded that it is more likely that the breach occurred than that it did not occur.
- (5) If the local government makes a finding that the alleged breach has occurred, the local government may —
 - (a) decide to take no further action; or
 - (b) in consultation with the person to whom the complaint relates, develop and implement a plan to address the person's behaviour.
- (6) A plan under subclause (5)(b) may include requirements for the person to participate in training, mediation or counselling or to take any other action the local government considers appropriate.
- (7) The local government must give written notice to the complainant and to the person to whom the complaint relates of —
 - (a) its finding in relation to the complaint under subclause (1) or its decision to dismiss the complaint under subclause (2); and
 - (b) its reasons for the finding or decision.

12. Other provisions about complaints

- (1) A complaint made under clause 10(1) about an alleged breach by a candidate cannot be dealt with by the local government unless the candidate has been elected as a council member.
- (2) The procedure for dealing with complaints made under clause 10(1) may be determined by the local government to the extent that it is not provided for in clause 11.

Division 4 — Rules of conduct

13. Overview of Division

- (1) This Division sets out rules of conduct for council members and candidates.
- (2) A reference in this Division to a council member includes a council member when acting as a committee member.

14. Misuse of local government resources

- (1) In this clause —
electoral purpose means the purpose of persuading electors to vote in a particular way at an election, referendum or other poll held under the Act, the *Electoral Act 1907* or the *Commonwealth Electoral Act 1918*;
resources of a local government includes —
 - (a) local government property; and
 - (b) services provided, or paid for, by a local government.
- (2) A council member must not, directly or indirectly, use the resources of a local government for an electoral purpose or other purpose unless authorised under the Act, or by the local government or the CEO, to use the resources for that purpose.

15. Securing personal advantage or disadvantaging others

- (1) A council member must not make improper use of their office —
 - (a) to gain, directly or indirectly, an advantage for the council member or any other person; or

(b) to cause detriment to the local government or any other person.

(2) Subclause (1) does not apply to conduct that contravenes section 5.93 of the Act or *The Criminal Code* section 83.

16. Prohibition against involvement in administration

(1) A council member must not undertake a task that contributes to the administration of the local government.

(2) Subclause (1) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.

17. Relations with local government employees

(1) In this clause —

local government employee means a person —

(a) employed by a local government under section 5.36(1) of the Act; or

(b) engaged by a local government under a contract for services.

(2) A council member or candidate must not —

(a) direct or attempt to direct a local government employee to do or not to do anything in their capacity as a local government employee; or

(b) attempt to influence, by means of a threat or the promise of a reward, the conduct of a local government employee in their capacity as a local government employee; or

(c) act in an abusive or threatening manner towards a local government employee.

(3) Subclause (2)(a) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.

(4) If a council member or candidate, in their capacity as a council member or candidate, is attending a council or committee meeting or other organised event at which members of the public are present, the council member or candidate must not orally, in writing or by any other means —

- (a) make a statement that a local government employee is incompetent or dishonest; or
 - (b) use an offensive or objectionable expression when referring to a local government employee.
- (5) Subclause (4)(a) does not apply to conduct that is unlawful under *The Criminal Code* Chapter XXXV.

18. Disclosure of information

- (1) In this clause —
- closed meeting** means a council or committee meeting, or a part of a council or committee meeting, that is closed to members of the public under section 5.23(2) of the Act;
- confidential document** means a document marked by the CEO, or by a person authorised by the CEO, to clearly show that the information in the document is not to be disclosed;
- document** includes a part of a document;
- non-confidential document** means a document that is not a confidential document.
- (2) A council member must not disclose information that the council member —
- (a) derived from a confidential document; or
 - (b) acquired at a closed meeting other than information derived from a non-confidential document.
- (3) Subclause (2) does not prevent a council member from disclosing information —
- (a) at a closed meeting; or
 - (b) to the extent specified by the council and subject to such other conditions as the council determines; or
 - (c) that is already in the public domain; or
 - (d) to an officer of the Department; or
 - (e) to the Minister; or
 - (f) to a legal practitioner for the purpose of obtaining legal advice; or
 - (g) if the disclosure is required or permitted by law.

19. Disclosure of interests

(1) In this clause —

interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

(2) A council member who has an interest in any matter to be discussed at a council or committee meeting attended by the council member must disclose the nature of the interest —

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed.

(3) Subclause (2) does not apply to an interest referred to in section 5.60 of the Act.

(4) Subclause (2) does not apply if a council member fails to disclose an interest because the council member did not know —

- (a) that they had an interest in the matter; or
- (b) that the matter in which they had an interest would be discussed at the meeting and the council member disclosed the interest as soon as possible after the discussion began.

(5) If, under subclause (2)(a), a council member discloses an interest in a written notice given to the CEO before a meeting, then —

- (a) before the meeting the CEO must cause the notice to be given to the person who is to preside at the meeting; and
- (b) at the meeting the person presiding must bring the notice and its contents to the attention of the persons present immediately before any matter to which the disclosure relates is discussed.

(6) Subclause (7) applies in relation to an interest if —

- (a) under subclause (2)(b) or (4)(b) the interest is disclosed at a meeting; or
- (b) under subclause (5)(b) notice of the interest is brought to the attention of the persons present at a meeting.

- (7) The nature of the interest must be recorded in the minutes of the meeting.

Clerk of the Executive Council

Consultation Draft

LOCAL GOVERNMENT (MODEL CODE OF CONDUCT) REGULATIONS 2020 – EXPLANATORY NOTES

These regulations will bring into effect **sections 48 to 51** of the *Local Government Legislation Amendment Act 2019*.

In particular, the following will take effect: sections 5.102A, 5.103, 5.104 and 5.105.

| | Regulation | Explanation |
|----------|--|--|
| 3 | Model Code of Conduct | These regulations provide for the model code of conduct for council members, committee members and candidates in Schedule 1. |
| 4 | <i>Local Government (Rules of Conduct) Regulation 2007</i> repealed. | The new Local Government (Model Code of Conduct) Regulations repeal the Rules of Conduct regulations as the rules now form part of the Model Code. |
| 5 | <i>Local Government (Administration) Regulations 1996</i> amended | <p>This clause amends Administration Regulation 29 (Information to be available for public inspection) to delete the requirement to keep a register maintained under regulation 12(5) of the Rules of Conduct. This regulation was deleted when the new gifts framework was introduced in 2019.</p> <p>This clause also inserts new Part 9A – Minor breaches by council members. It replaces regulation 4 of the existing Rules of Conduct Regulations (Contravention of certain local laws) and inserts it into the Administration Regulations.</p> <p>It provides that a contravention of a local law that relates to the conduct of people at council or committee meetings is a minor breach for the purposes of section 5.105(1)(b) of the Act. This is not a rule of conduct, which is why it is separate to the provisions in the Model Code.</p> |
| 6 | <i>Local Government (Audit) Regulations 1996</i> amended | This clause amends the statutory requirements for the compliance audit return to capture the adoption of the Model Code under section 5.104 and deletes the reference to the Rules of Conduct Regulations. |
| 7 | <i>Local Government (Constitution) Regulations 1998</i> amended | This clause amends Schedule 1 Form 7 (Declaration by elected member of council) of the Constitution Regulations, to reference the code of conduct adopted by the relevant local government, rather than Rules of Conduct Regulations. |
| | Schedule 1 – Model code of conduct | |
| 1 | Citation | New section 5.104 of the Local Government Act will require local governments to adopt the model code of conduct within three months of these Regulations coming into operation. |

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| | | <p>The Model Code, as drafted, provides a template for local governments to adopt the code as their own by inserting their local government name.</p> <p>In accordance with section 5.104(3), local governments can include additional behaviours under Division 3 that are not inconsistent with the Code, which may not currently be represented.</p> <p>To adopt the code, a resolution needs to be passed by an absolute majority. Once the code is adopted, it must be published on the local government's website.</p> |
| 2 | Terms Used | This clause defines Act, candidate and publish. All other terms used that are also in the Act have the same meaning, unless the contrary intention appears. |
| | Division 2 – General principles | |
| 3 | Overview of Division | <p>As per new section 5.103(2)(a), the Model Code is to contain general principles to guide behaviour. These are set out in Division 2.</p> <p>Throughout the Model Code, where appropriate, the principles, behaviours and rules of conduct are separated into three categories; personal integrity, relationships with others and accountability.</p> |
| 4 | Personal Integrity | <p>This clause outlines specific personal integrity principles, including the need to:</p> <ul style="list-style-type: none"> • act with reasonable care, diligence, honesty and integrity • act lawfully • avoid damage to the reputation of the local government • act in accordance with the trust placed in council members and committee members, and • participate in decision-making in an honest, fair, impartial and timely manner. |
| 5 | Relationships with others | This clause outlines principles for relationships with others, including the need to treat others with respect and maintain and contribute to a harmonious, safe and productive work environment. |
| 6 | Accountability | This clause outlines principles for accountability, including the need for decisions to be based on relevant and factually correct information, and to make decisions on merit. |
| | Division 3 - Behaviour | |
| 7 | Overview of Division | As per new section 5.103(2)(b), the Model Code is to contain requirements relating to behaviour. |

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| | | This division sets the standards of behaviour which enable and empower council members to meeting the principles outlined in Division 2. Division 3 behaviour breaches are managed by local governments, and so the division also includes provisions about how to manage complaints. The emphasis should be on an educative role to establish sound working relationships and avoid repeated breaches, rather than punishment. |
| 8 | Personal Integrity | This clause provides behaviours for council members, committee members and candidates, as well as behaviours specific to council and committee members. It includes a behaviour that the use of social media and other forms of communication complies with the code. |
| 9 | Relationships with others | This clause provides for behaviours related to relationships with others, including the requirement to: <ul style="list-style-type: none"> • deal with the media in a positive, informative and appropriate manner • not disparage the character of another council member, committee member, candidate or local government employee • not impute dishonest or unethical motives to another council member, committee member, candidate of local government employee • not make a statement that the member of candidate knows, or could reasonably be expected to know, is false or misleading. |
| 10 | Complaints about alleged breach | This clause provides that a person may make a complaint alleging a breach of Division 3 by submitting the complaint in writing (in a form approved by the local government) within one month of the alleged breach occurring. The local government is to authorise at least one person to accept the complaints. |
| 11 | Local government to deal with complaints | The process for consideration of a complaint is at the discretion of the local government, however, the Code requires that after considering the complaint, the local government must make a finding as to whether the breach occurred. A local government is also required to dismiss a complaint if it is satisfied that the complaint relates to behaviour which occurred at a council or committee meeting that has already been dealt with or the person responsible for the behaviour has taken remedial action in accordance with the meeting procedures local law. It is a requirement, in accordance with 11(3), that before making a finding, the person to whom the complaint relates, is given a reasonable opportunity to be heard. |

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| | | <p>A finding about whether the breach has occurred should be based on whether it is more likely than not that the breach occurred. This is the same premise used by the Standards Panel in its decision making.</p> <p>After a finding has been made, written notice of the outcome should be given to the complaint and the person to whom the complaint relates.</p> <p>If a finding of breach is made, the local government can choose to take no further action or develop a plan to address the person's behaviour. This could include training, mediation, counselling or any other action considered appropriate.</p> |
| 12 | Other provisions about complaints | <p>Clause 12 provides that the procedure for dealing with complaints is a matter for the local government (to the extent it is not inconsistent with clause 11).</p> <p>If a complaint is made about a candidate, the alleged breach cannot be dealt with unless the candidate is elected as a council member.</p> |
| | Division 4 – Rules of conduct | |
| 13 | Overview of Division | <p>As per section 5.103(2)(c), the Code contains specific rules of conduct. The rules of conduct are specific rules, for which alleged breaches are referred to the Standards Panel.</p> <p>A reference to a council member in this division includes a council member acting as a committee member.</p> |
| 14 | Misuse of local government resources | This is based on current regulation 8 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> , Misuse of local government resources. |
| 15 | Securing personal advantage or disadvantaging others | This is based on current regulation 7 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> , Securing personal advantage or disadvantaging others. |
| 16 | Prohibition against involvement in administration | This is based on current regulation 9 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> , Prohibition against involvement in administration. |
| 17 | Relations with local government employees | <p>This is based on current regulation 10 of the <i>Local Government (Rules of Conduct) Regulations 2007</i>, Relations with local government employees.</p> <p>This regulation also applies to candidates.</p> |
| 18 | Disclosure of information | This is based on current regulation 6 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> , Use of information. |

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| 19 | Disclosure of interest | This is based on current regulation 11 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> , Disclosure of interest. |
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9.6 LOCAL GOVERNMENT ACT REGULATION CHANGES

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| DATE: | 9 November 2020 |
| PROPONENT: | Department of Local Government |
| LOCATION: | Whole of Shire |
| SUBJECT: | Local Government Act Regulation Changes |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 102 |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to consider any comment that it may wish to make to the Department or to WALGA regarding the proposed regulation changes which are in addition to the CEO recruitment, performance and termination regulations.

BACKGROUND

The Department has written to Council seeking feedback on the attached explanatory notes regarding proposed changes to the Local Government Act regulations and other Acts where Councils have a role to play.

STATUTORY IMPLICATIONS

Local Government Act (1995)
Caravan Parks & Camping Grounds Regulations 1997
Control of Vehicles (Off-road Areas) Regulations 1979,
Local Government (Administration) Regulations 1996
Local Government (Elections) Regulations 1997
Local Government (Financial Management) Regulations 1996
Local Government (Functions and General) Regulations 1996
Local Government (Regional Subsidiaries) Regulations 2017
Cat Act 2011
Dog Regulations 2013
Cemeteries Act 1986

POLICY IMPLICATIONS

The Council has no specific policy regarding this matter.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter is not dealt with directly in the Shire of Goomalling Community Strategic Plan.

COMMENT

There are a number of changes that will impact the Council's operations with a significantly increased requirement to publish information on Council's website, changes in practices and processes and what information needs to be available and how or where. Councillors should read the explanatory notes to decide whether to provide comment or not.

ATTACHMENTS

A copy of the Guidance Notes is attached



VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Council:

Provide any comment it wishes to make regarding the proposed regulation changes to the CEO for feedback to the Department.

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| 285. RESOLUTION |
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Moved Cr Barratt, seconded Cr Butt

That the Council:

Do not wish to make any comment regarding the proposed regulation changes to the CEO for feedback to the Department.

**CARRIED 6/0
By Simple Majority**

LOCAL GOVERNMENT REGULATIONS AMENDMENT REGULATIONS (No. 2) 2020 – GUIDANCE NOTES

These regulations bring into effect all of the remaining parts of the *Local Government Legislation Amendment Act 2019*, apart from the best practice standards for CEO recruitment, performance review and termination, and the new Code of Conduct which are both being drafted (and are out for consultation until 6 December 2020).

The guidance notes below cover all of the changes made in these Regulations.

Enquiries should be emailed to actreview@dlgsc.wa.gov.au

| Section in Amendment Act | Section in LG Act | Topic |
|---------------------------------|--------------------------|---|
| 5 | 1.7 and 1.8 | Local and state-wide public notice |
| 13 | 4.39 | Close of enrolments (state-wide public notice) |
| 14 | 4.47 | Call for nominations (state-wide public notice) |
| 16 | 4.52 | Exhibition of candidates' details (on local government website) |
| 17 | 4.64 | Election notice (state-wide public notice) |
| 20 | 5.29 | Convening electors' meetings (local public notice) |
| 24 | 5.50 | Additional payments to employees (local public notice and publication on website) |
| 57 | 5.120 | Complaints officer |
| 64 | 9.10 | Appointment of authorised person |
| 65 | 9.13 | Onus of proof (authorised person) |
| 66 | 9.15 | Terms (authorised person) |
| 68 | 9.49A | Execution of documents |
| 74(1) and (2) | Schedule 9.3 | Transitional provisions to 1995 Act (senior employee definition removed) Transitional provisions for the Amendment Act (authorised person) |

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| Part 4 | <ul style="list-style-type: none"> • <i>Caravan Parks and Camping Grounds Act 1995</i> • <i>Cat Act 2011</i> • <i>Cemeteries Act 1986</i> • <i>Control of Vehicles (Off-road Areas) Act 1978</i> • <i>Dog Act 1976</i> | Authorised person |
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| Regulation | Amends | Explanation/Guidance |
|------------|--|---|
| Reg 4 | <i>Caravan Parks & Camping Grounds Regulations 1997</i> , Regulation 6 | Regulation 6 is amended to implement a more streamlined and uniform method of appointing an authorised person across multiple pieces of legislation. All appointments will now be made under section 9.10(2) of the <i>Local Government Act 1995</i> . The CEO will appoint a person as an “authorised person” for the purpose of exercising functions conferred under the relevant piece of legislation and identity cards will be standardised. |
| Reg 5 | Form 5 | In addition to authorised officers appointed by the local government, the Department has the power to appoint an authorised officer under section 17(1)(a) of the <i>Caravan Parks and Camping Grounds Act 1995</i> . The ‘Identity Card’ in Form 5 is being modified so that it is only applicable to authorised officers appointed by the Department. |
| Reg 7-10 | <i>Control of Vehicles (Off-road Areas) Regulations 1979</i> , Regulation 14, 36,37 and First Schedule | All references to authorised officer are replaced by a reference to authorised person. This aligns the terminology across multiple pieces of legislation in the local government portfolio. |

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| Reg 10 | First Schedule | <p>In addition to the above, Form 4 is being amended to make it clear that it is not the authorised person who has the power to withdraw an infringement notice but a person authorised by the local government. (A person who issues an infringement cannot withdraw it.)</p> <p>Form 5 will no longer be used by local governments for the appointment of authorised persons, this having been replaced by appointment under section 9.10(2) of the <i>Local Government Act 1995</i>, thus ensuring consistency across multiple pieces of legislation. Form 5 'Certificate of appointment of Authorised Person' has been modified so it will only be used by the Minister for Local Government using the Minister's power to appoint an authorised person. The form has also been modified to require a photograph.</p> |
| Reg 12 | <i>Dog Regulations 2013</i> , Regulation 35 | Restatement of existing regulation 35(6) in plain English to enhance clarity. An authorised person cannot withdraw an infringement they have issued. |
| Reg 13 | Form 1 | Form 1 will no longer be used by local governments for the appointment of authorised persons. This has been replaced by appointment under section 9.10(2) of the <i>Local Government Act 1995</i> , thus ensuring consistency across multiple pieces of legislation. Form 1 in Schedule 1 has been replaced and will be used by the local government to appoint registration officers under the <i>Dog Act 1976</i> . |
| Reg 15 | <i>Local Government (Administration) Regulations 1996</i> , Regulations 3A and 3B | <p>The definitions of local public notice and state-wide public notice have been amended in the <i>Local Government Act 1995</i> to recognise alternative and contemporary means of communication. These are set out in new Part 1A of the Administration Regulations to provide flexibility to respond quickly to include future contemporary communication methods as and when necessary.</p> <p>The <i>Local Government Legislation Amendment Act 2019</i> amends section 1.7 of the Local Government Act so that local public notice will be given when notice is published on the official website of the local government and in at least three of the ways set out in new regulation 3A.</p> <p>The new forms of communicating a local public notice include publication in a newspaper or newsletters circulating generally in the district or a newspaper in the State, publication on the official website of a relevant State Government department, circulation by email or text or posting on a local government's social media account. Publication on the website of a State Government department would allow, for example, a tender to</p> |

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| | | <p>be posted on TendersWA, or an election notice on the WAEC website as one of the three ways. Local governments do not have to publish notices on the website of a State Government department if not available, necessary or convenient – the other forms of advertising notices can be used to fulfil the obligations for local and state-wide public notice. Local governments should follow their current processes for arranging publication on State government websites should that option be used.</p> <p>Notices that are posted need to remain available for at least the time specified in the Act or 7 days if no time is specified.</p> <p>The new state-wide public notice provisions incorporate all of the methods that are available as a local public notice. In addition to the requirement to publish the notice on the local government’s own website, regulation 3B states that the notice must be published either in a newspaper circulating generally throughout the State or on the official website of a State Government agency.</p> |
| Reg 16 | Regulation 10 | <p>Regulation 10 deals with the process to revoke or change a decision made at a council or committee meeting, under section 5.25 of the Act. The change to this regulation recognises that the requirement for a special majority decision has been removed from the Act.</p> |
| Reg 17 and 18 | Regulation 11, 12, 13 | <p>To further the policy aims of transparency and accountability, an amendment to regulation 11 has been made to require a local government to include in the minutes, all documents which are attached to a council or committee meeting agenda, except where that part of the meeting was closed to the public.</p> <p>The purpose of this amendments is to ensure the public do not have to refer to separate records to gain an understanding of the matter considered by Council, or the reason for the recording of a Council decision. Having the meeting agenda, including all attachments such as officers’ reports and recommendations, included in the minutes enables readers to get the whole picture.</p> <p>The current provisions in Regulation 14(2) of the Administration Regulations that relate to parts of a meeting that may be closed to members of the public have not been changed.</p> <p>From a record keeping perspective, this change does not alter the requirement for local governments to keep and preserve minutes and all documents relating to meetings. Where confidential material (including</p> |

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| | | <p>confidential minutes) is produced, local governments should continue to keep this material as a (confidential) record of decisions and discussions.</p> <p>The State Records Act 2000 applies to local governments with regards to the keeping of records and can be found at www.legislation.wa.gov.au.</p> <p>Regulation 12 currently provides the requirements for giving local public notice of meetings. The new regulation 12 provides for the same information to be published by the CEO of a local government on a local government's official website instead.</p> <p>Regulation 13 is being replaced to improve accessibility to information held by local government. The unconfirmed minutes of each council or committee meeting open to members of the public are to be published on the local government's official website. This is in addition to the current requirement of the unconfirmed minutes being available for public inspection.</p> <p>With regards to the <i>Local Government (Financial Management) Regulations 1996</i> – Regulation 13, local governments should ensure that only the information that is prescribed is recorded in the Minutes.</p> |
| Reg 19 | Regulation 14 | <p>Regulation 14 is amended to improve accessibility to information held by local governments. The amendment provides that all notice papers, agendas, reports and other documentation produced for a local government or committee meeting must be published on the local government's official website at the time they are made available to council or committee members. This obligation will not apply, if, in the CEO's opinion, that part of the meeting to which the information refers is likely to be closed to the public.</p> |
| Reg 20 | Regulations 19B and 19CA | <p>Existing regulation 19B has been replaced to provide for additional information to be included in the annual report. In addition to the requirement to report on the number of employees receiving salary over an increased threshold of \$130,000 in \$10,000 bands, the annual report is now to include:</p> <ul style="list-style-type: none"> • the amount of money the local government has paid in Standards Panel costs for hearing a complaint regarding one of its council members and any amount that the Standards Panel orders to be reimbursed to the local government by the council member; • the remuneration* paid or provided to the CEO; • the number of council and committee meetings attended by each council member; and • diversity data, including age ranges for council members (where this information is available). |

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| | | <p>Previously, the annual salary threshold of \$100,00 or more had to be reported in the annual report. This is now increased to an annual salary of \$130,000 or more.</p> <p>*Remuneration paid or provided to the CEO under the <i>Salaries and Allowances Act 1975</i> includes salary, allowances, fees, emoluments (a salary, fee, or profit from employment or office) and benefits (whether in money or not).</p> <p>The requirement to provide details of modifications to the strategic community plan and corporate business plan, where significant, made during the financial year has been moved from regulation 19CA (which is being deleted) to be included in 19B.</p> <p>These provisions take effect from the financial year beginning on or after 1 July 2020. There is no requirement for local governments to publish the material listed above for years before these provisions come into effect.</p> |
| Reg 21 | Regulation 19D | <p>The method by which the public has access to the strategic community plan in regulation 19D has been updated. The local government is to publish its strategic community plan on its official website. Local public notice is still required to be given of the adoption or modification of the plan.</p> |
| Reg 22 | Regulation 29 | <p>The information to be available for public inspection under regulation 29 is being amended to recognise that it is available in other forms.</p> <p>As regulation 12 of the <i>Local Government (Rules of Conduct) Regulations 2007</i> was deleted as part of the reforms introduced by the <i>Local Government Regulations Amendment (Gifts) Regulations 2019</i>, the redundant reference in sub regulation 29(1)(baa) is being deleted. The Act requires the gift register to be made available on the local government's website.</p> <p>Regulation 13 is amended (see above) to provide that the unconfirmed minutes of each Council or Committee meeting that is open to the public is to be published on the local government's official website. The requirement in sub regulation 29(1)(c) is consequently unnecessary.</p> <p>As regulation 14 has been amended (see above) to require notice papers, agendas, reports and other documentation produced for a local government or committee meeting to be published on the local government's official website, the requirement in sub regulation 29(1)(d) is unnecessary and is being deleted.</p> |

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| | | <p>Since sub regulations 29(2)-(3) relate expressly to sub regulations 29(1)(c) and 29(1)(d) (relating to closed meetings) above, they are also being deleted.</p> <p>Superseded (previous) versions of policies are to be made available for public inspection. Current policies are to be made available on a local government's website - see new 29C below.</p> <p>There is no requirement for local governments to publish the previous versions of policies for years before these provisions came into effect.</p> |
| Reg 23 | Regulation 29A | <p>Section 5.95(5) of the <i>Local Government Act 1995</i> was deleted by section 46(2) of the <i>Local Government Legislation Amendment Act 2019</i>, removing the requirement to make the contract of a CEO or a Senior Employee available for inspection. As a consequence, regulation 29A(1) is being deleted.</p> <p>Instead the remuneration paid or provided to the CEO is to be disclosed in the annual report (see 19B above).</p> |
| Reg 24 | Regulations 29C and 29D | <p>New regulation 29C imposes an obligation on the CEO of a local government to publish information on the local government official website (in addition to that information in section 5.96A(1) of the <i>Local Government Act 1995</i>). The additional information includes:</p> <ul style="list-style-type: none"> • any adverse recommendation from an inquiry by an authorised person under section 8.13 (authorised persons report); • any adverse finding or recommendation made by an oversight body being the Corruption and Crime Commission, Public Sector Commissioner, State Administrative Tribunal, an Inquiry Panel or a Royal Commission, against the local government, the council, a council member or the CEO, once this is made available to the public; • current versions of local government policies (this amendment captures any policy made under any legislation, including the Local Government Act.) Previous versions of local government policies do not have to be made available on the official website but do have to be available for inspection if requested (see regulation 29 above). • the name of each council member who has lodged a primary or annual return for a financial year beginning 1 July 2020; • the position of each employee who has lodged a primary or annual return for a financial year beginning 1 July 2020 (the returns themselves will not be published); and |

| | | |
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| | | <ul style="list-style-type: none"> the type and amount or value of fees, expenses or allowances paid to each council member, mayor or president during a financial year beginning 1 July 2020. These will need to be detailed by person and type. <p>Regulation 29C also includes timeframes for each class of information to be published on the local government's official website.</p> <p>New regulation 29D specifies the period for which information must be kept on the local government's official website. The following documents must be retained for a period of not less than five years beginning on the day the information is first published:</p> <ul style="list-style-type: none"> The annual report; The annual budget; Confirmed minutes of council and committee meetings; Minutes of electors' meetings; Notice papers, agendas, reports and other documents tabled or produced at council or committee meetings except where these were closed to the public; and The information listed in 29C above. |
| Reg 25 | Regulation 34B | Regulation 34B sets out the gift provisions for employees. The amendment removes the CEO from the definition of an " <i>employee</i> " as the CEO is captured under the gift provisions contained in the Act. |
| Reg 27 | <i>Local Government (Elections) Regulations 1997</i> Regulation 30G | Regulation 30G requires the CEO of a local government to establish and maintain an electoral gift register. The amendment requires the CEO to publish an up-to-date version of the electoral gift register on the local government's official website. Rather than the full address, only the town or suburb of an individual is to be published. |
| Reg 28 | Regulation 30I | This amendment relates to electoral gift registers - the definition of 'publish' is being updated to reflect the amended definition in Local Government Act. |
| Reg 29 | Regulation 43 | A minor amendment is being made to regulation 43(1)(ba) to correct the reference to electoral gift register. |

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| Reg 30 | Regulation 73 | Regulation 73 deals with the adjournment or postponement of a poll. The changes require that the notice of adjournment or postponement is to be published on the local government's official website for at least three days. If the local public notice is published on another (government) website, a notice board or using social media, it must also be posted for at least three days. |
| Reg 32 | <i>Local Government (Financial Management) Regulations 1996</i> Regulation 27 | Regulation 27 sets out a list of notes to be included with the annual budget of a local government. Point (l) is being amended to clarify that itemised information in relation to the fees, expenses and allowances paid to each council member and mayor or president is required. |
| Reg 33 | Regulation 44 | Regulation 44 requires information about fees, expenses and allowances paid to council members, the mayor or the president to be included in the annual financial report. The amendment provides clarity that itemised information is required for each council member and mayor or president, rather than total figures. |
| Reg 35 | <i>Local Government (Functions and General) Regulations 1996</i> Regulation 15 | Regulation 15 deals with the minimum time public tenders are required to be open. The amendment specifies that the closing date for submission of tenders will be at least 14 days after notice is published on the local government's official website and in the three other ways it is advertised under the public notice provisions. The 14-day notice period starts from the date of the last publication. If a list of acceptable tenderers is being invited to submit tenders, the 14 days commences from the date notice was given to the last potential tenderer. |
| Reg 36 | Regulation 17 | Regulation 17 provides for a tenders register to be kept by the CEO of a local government and for this to be available for public inspection. The CEO will now be required to also publish the tenders register on the local government's official website. There is no change to content of the tenders register. There is no prescribed timeframe for this to occur, but the practice of complying as soon as practicable is to be observed in accordance with section 63 of the Interpretation Act 1984 (available at www.legislation.wa.gov.au). |

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| Reg 37 | Regulation 22 | Regulation 22 sets out the minimum time that must be provided for submitting an expression of interest to quote for a contract to supply goods or services to a local government. The 14 days will start from the last date of publication on the local government's official website or any of the other three ways notice must be given. |
| Reg 38 | Regulation 24AE | Regulation 24AE sets the minimum time to be allowed for submitting an application to join a panel of pre-qualified suppliers of particular goods or services. The 14 days will start from the last date of publication on the local government's official website or any of the other three ways notice must be given. |
| Reg 39 | Regulation 24E | Regulation 24E deals with regional price preference policies. The amendment will require the proposed regional price preference policy to be published on the local government's official website. |
| Reg 40 | Regulation 24F | Regulation 24F deals with the adoption of a regional price preference policy. The amendment will require the local government to publish a copy of the adopted policy on their official website. |
| Reg 41 | Regulation 30 | Regulation 30 deals with disposal of property (including land) that is excluded from the application of section 3.58 'Disposing of property' in the <i>Local Government Act 1995</i> . Regulation 30(2a) deals with a disposition of property that is an exempt disposition because it has been disposed of within six months of a public tender or auction process. Currently information on the disposal of property under regulation 30(2a) is to be made available for public inspection for at least 12 months. This amendment extends this to also require the publication of details of this disposal on the local government's official website. |
| Reg 43 | <i>Local Government (Regional Subsidiaries) Regulations 2017</i> Regulation 18 | The effect of this amendment is to require a regional subsidiary to report on the salary bands of employees receiving \$130,000 or more, and the remuneration of the CEO. |



9.7 WALGA ADVOCACY - LOCAL GOVERNMENT ACT CHANGES

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|---------------------------|---|
| DATE: | 9 November 2020 |
| PROPONENT: | WALGA |
| LOCATION: | Whole of Shire |
| SUBJECT: | WALGA Advocacy – LG Act Changes |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 102 |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to consider a request from WALGA with regard to feedback of proposed changes to the Local Government Act

BACKGROUND

WALGA has written to Council seeking feedback on an industry position regarding the proposed changes to the Local Government Act. ALGA will seek zone support for the position/advocacy paper attached to this item however Council may wish to make its own comment or instruct Cr Haywood in relation to any information volunteered to the zone meeting.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

The Council has no specific policy regarding this matter.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter is not dealt with directly in the Shire of Goomalling Community Strategic Plan.

COMMENT

As this work is being undertaken on Councils behalf there is no reason to hold back consent to collect as long as it is done within best practice guidelines for the work.

ATTACHMENTS

State Council Agenda Item and WALGA's Advocacy Positions

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Council:

Directs the CEO to provide comment to WALGA supporting the position outlined in the attached advocacy paper regarding the Local Government Act Review and any other appropriate comment.



286. RESOLUTION

Moved Cr Chester, seconded Cr Van Gelderen

That the Council:

Directs the CEO to provide comment to WALGA supporting the position outlined in the attached advocacy paper regarding the Local Government Act Review.

**CARRIED 6/0
By Simple Majority**

5.1 Local Government Act Review Advocacy Paper – Key Issues From Recent Inquiries into Local Government (05-034-01-0001 TL)

By Tony Brown, Executive Manager Governance and Organisational Services

Recommendation

That:

- 1. Ongoing advocacy relating to the Review of the *Local Government Act 1995* be noted; and,**
- 2. The Advocacy Positions for a New Local Government Act: *Key issues from recent Inquiries into Local Government* – be endorsed.**

Executive Summary

- WALGA has developed an Advocacy Paper focusing on key issues identified in final reports of three recent Local Government Inquiries:
 1. [Final Report of the Local Government Review Panel](#)
 2. [Report of the Inquiry into the City of Perth](#)
 3. [Select Committee into Local Government Final Report](#)
- The Advocacy Paper aims to highlight strategic policy issues, leveraging previous detailed policy development work, at a key stage of Phase two of the Review of the *Local Government Act 1995*.

Attachment

Advocacy Positions for a New Local Government Act: Key issues from recent Inquiries into Local Government

Policy Implications

Policy positions encapsulated in the Advocacy Paper are consistent with WALGA's existing policy positions.

Background

The Review of the *Local Government Act 1995* has been a key focus of the Local Government sector and WALGA since the review was announced in 2017.

Stage one, focusing on priority reforms, are now mostly in place following the passage of the *Local Government Legislation Amendment Act 2019*.

As part of Phase two of the Review, which focuses on wide ranging reforms, the Government established the Local Government Review Panel in November 2019.

The [Final Report of the Local Government Review Panel](#) was released in August 2020.

In addition, the final reports of the following two key inquiries were released in September 2020:

- [Report of the Inquiry into the City of Perth](#)
- [Select Committee into Local Government Final Report](#)

The three reports make recommendations relating to a range of topics and issues relevant to the Review of the Local Government Act.

Comment

Leveraging the concurrent release of the final reports of three Inquiries, an advocacy paper highlighting key issues has been prepared.

The advocacy paper addresses the issues listed below:

- New Local Government Act
- Legislative Intent
- Intergovernmental Cooperation
- Elections
- Rating Exemptions
- Fees and Charges
- Road Funding
- Regional Collaboration
- Community Engagement
- Roles and Responsibilities
- External Oversight
- Financial Management and Procurement
- Accountability and Audit

The Advocacy Paper approach aims to:

- Ensure the Local Government sector's key concerns are prominent during stage two of the Local Government Act Review
- Leverage the timing and inherent legitimacy of the three key reports to highlight ongoing strategic advocacy priorities
- Concentrate engagement at the strategic policy level, rather than the detail of specific proposals that may or may not represent government policy, and
- Link to WALGA's state election advocacy campaign.

The Advocacy Paper does not replace or diminish existing detailed policy positions, which are underpinned by multiple consultation processes and State Council deliberations.

Key Local Government sector policy positions are listed in the Recommendations section of the paper, attached.



Advocacy Positions for a New Local Government Act

**Key issues from recent inquiries
into Local Government**

November 2020

About WALGA

The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 139 Western Australian Local Governments. As the united voice of Local Government in Western Australia, WALGA is an independent, membership-based organization representing and supporting the work and interests of Local Governments in Western Australia. WALGA provides an essential voice for 1,220 Elected Members, approximately 22,000 Local Government employees (16,500 Full Time Equivalent's) as well as over 2.5 million constituents of Local Governments in Western Australia.

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Contents

| | |
|---|----------|
| About WALGA | 2 |
| Contacts | 2 |
| Recommendations | 4 |
| Background | 7 |
| Local Government Review Panel..... | 7 |
| City of Perth Inquiry | 7 |
| Select Committee into Local Government..... | 7 |
| Key Issues | 8 |
| New Local Government Act | 8 |
| Legislative Intent | 9 |
| Intergovernmental Cooperation | 12 |
| Elections..... | 13 |
| Rating Exemptions | 16 |
| Fees and Charges..... | 17 |
| Road Funding..... | 18 |
| Regional Collaboration | 19 |
| Community Engagement | 22 |
| Roles and Responsibilities..... | 24 |
| External Oversight..... | 26 |
| Financial Management and Procurement | 28 |
| Accountability and Audit | 33 |

Recommendations

New Local Government Act

That the State Government prepare a new Local Government Act as a priority.

Legislative Intent

That the following key principles be embodied in the Local Government Act:

1. Uphold the general competence principle currently embodied in the Local Government Act
2. Provide for a flexible, principles-based legislative framework
3. Promote a size and scale compliance regime
4. Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration Local Governments' role in creating a sustainable and resilient community through:
 - i. Economic development
 - ii. Environmental protection, and
 - iii. Social advancement
5. Avoid red tape and 'de-clutter' the extensive regulatory regime that underpins the Local Government Act, and
6. The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

Intergovernmental Cooperation

That a Partners in Government Agreement promoting a collaborative partnership approach be signed by the Premier, Minister for Local Government and Local Government leaders at the commencement of each term of the State Government.

Elections

The Local Government sector supports:

1. Four year terms with a two year spill
2. Greater participation in Local Government elections
3. The option to hold elections through:
 - Online voting
 - Postal voting, and
 - In-person voting
4. Voting at Local Government elections to be voluntary
5. The first past the post method of counting votes

6. Local Governments being enabled to determine the number of Elected Members required on the Council between six and 15 (including the Mayor/President)
7. Local Governments to determine if the Mayor or President is elected by the Council or the community at large.
8. Continuation of the property franchise.

Rating Exemptions

That an independent review of all rate exemptions be undertaken.

Fees and Charges

That:

1. An independent review be undertaken to remove fees and charges from legislation and regulation and,
2. Local Government be empowered to set fees and charges for Local Government services.

Road Funding

That the Government returns to Local Government at least 27 percent of motor vehicle licence fee collections.

Regional Collaboration

That:

1. Local Governments be empowered to form single and joint subsidiaries, and beneficial enterprises, and
2. Compliance requirements of Regional Councils be reviewed and reduced.

Community Engagement

The Local Government sector supports:

1. Responsive, aspirational and innovative community engagement principles
2. Encapsulation of aims and principles in a community engagement policy, and
3. The option of hosting an Annual Community Meeting to present on past performance and outline future prospects and plans.

Roles and Responsibilities

That clarification of roles and responsibilities for mayors/presidents, councillors and CEO's be considered in conjunction with the separation of powers between the Council as governing body and the administration of the Local Government.

External Oversight

The Local Government sector supports:

1. Establishing an Office of the Independent Assessor to replace the Standards Panel to provide an independent body to receive, investigate and assess complaints against elected members and undertake inquiries.
2. Remove the CEO from being involved in processing complaints
3. That an early intervention framework of monitoring to support local governments be provided.

Financial Management and Procurement

That the Local Government sector:

1. Requests the Minister for Local Government to direct the Department of Local Government to prepare a Model set of Financial Reports for the Local Government sector, in consultation with the Office of the Auditor General;
2. Requests the Department of Local Government to re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium sized entities as suggested by the Office of Auditor General;
3. Supports Local Governments being able to use freehold land to secure debt;
4. Supports Building Upgrade Finance being permitted for specific purposes such as cladding, heritage and green improvements;
5. Supports the alignment of Local Government procurement thresholds, rules and policies with the State Government.

Accountability and Audit

That audit committees of Local Government, led and overseen by the Council, have a clearly defined role with an Elected Member majority and chair.

Background

Three significant inquiries relating to Local Government in Western Australia have released their final reports in August and September 2020.

This paper aims to distil key issues raised by these reports and identify strategic advocacy positions of the Local Government sector to inform the strategic direction of legislative reform.

Local Government Review Panel

As part of the Review of the Local Government Act, the Local Government Review Panel was formed to guide the strategic direction of the review and to recommend high level guiding principles for a new act.

The [Local Government Review Panel Final Report](#) was released on 5 August 2020.

City of Perth Inquiry

The Authorised Inquiry into the City of Perth was announced on 24 April 2018 by the Minister for Local Government.

The report contains 341 recommendations, of which 132 have implications for the Local Government sector.

The [Report of the Inquiry into the City of Perth](#) was tabled in Parliament on 11 August 2020.

Select Committee into Local Government

The Legislative Council Select Committee into Local Government commenced on 26 June 2019.

The Committee had broad terms of reference to inquire into Local Government in Western Australia and made a number of recommendations relating to key Local Government sector issues.

The [Select Committee into Local Government Final Report – Inquiry into Local Government](#) was tabled in Parliament on 22 September 2020.

Key Issues

New Local Government Act

The Local Government Review Panel Final Report states:

When the Western Australia Government launched the Local Government Act Review its objectives were to produce ‘a new, modern Act that empowers local governments to better deliver for the community’, and that local government should be ‘Agile, Smart and Inclusive’. Those objectives remain valid.

Discussion

The current *Local Government Act 1995* was proclaimed in 1996 and has been effective at enshrining the general competence principle which has enabled Local Governments to govern in the best interests of their communities. However, over the last 25 years there has been significant regulation and compliance obligations added to the legislation.

The current Local Government Act contains ten parts and totals 490 pages. In addition, there are 13 sets of regulations comprising a further 460 pages. This is a legislative burden on the Local Government sector and requires a significant reduction and a move to a principle over prescription approach to a new Act.

The Local Government Act should facilitate Local Governments utilising their general competence powers within a legislative framework that provides for good governance and accountability to the community for decision-making. The Local Government sector seeks a reduced regulatory approach accompanied by best practice guidance, support and assistance.

With a State Election due in March 2021 it is appropriate for the sector to seek a commitment for the progression of a new Local Government Act.

Local Government Position:

That the State Government prepare a new Local Government Act as a priority.

Legislative Intent

The Local Government Review Panel Final Report recommends:

2. *The Panel recommends the following statement of intent (vision) for a new Act:*

An Act to provide for a system of local government relevant to Western Australia that develops and supports sustainable, accountable, collaborative and capable local governments through democratic representation, the provision of services, opportunities and enhanced well-being for each and every community.
3. *The Panel recommends the adoption of the following objectives for a new Act:*
 - a. *Democratic and accountable local government that recognises the diversity of and within Western Australia's communities.*
 - b. *Recognition of the specific needs and culture of Western Australia's Aboriginal people.*
 - c. *Promotion and improvement of the community's economic, social and environmental well-being.*
 - d. *An adaptive and forward-looking legislative framework, which supports and enables councils to provide local leadership for the whole community, and to collaborate with each other and with other key stakeholders at a regional level.*
 - e. *Open and transparent community participation in the decisions and affairs of local governments.*
 - f. *Enhanced capability of the local government sector, with a focus on continuous improvement and sustainability.*
 - g. *Efficient and effective service delivery and regulation that is responsive to current and future community needs.*
 - h. *Informed decision-making by local governments which is in the interest of their communities, within a legislative framework that supports balance and certainty in relation to the different interests of their communities.*
 - i. *Accountability of local governments to their communities through processes that demonstrate good governance.*
 - j. *Support for approaches and opportunities which foster collaboration and cooperation both within the local government sector and across all levels of Government.*
4. *The Panel recommends an Act that is considerably shorter, less prescriptive and minimises the use of regulations by establishing clear principles, robust processes, model charters, guidelines and templates.*
5. *The Panel recognises the diversity of local governments in Western Australia and supports a new Act which is responsive to this but does not recommend the adoption of a multi-tiered legislative framework.*
6. *The Panel recommends the inclusion of a statement of the role and principal functions of local governments that makes it clear their basic statutory responsibilities, retaining the overall power of general competency in the current Local Government Act.*

The Select Committee into Local Government recommends:

1. *The Government consider implementing a compliance regime that differentiates between local governments based on their size and scale where appropriate.*

Discussion

Throughout WALGA's consultation with the sector on the Local Government Act review, there has been overwhelming support for *principles over prescription*, an approach that avoids red tape and declutters the extensive regulatory regime. The following key principles are fundamental drivers of future Local Government legislation.

General competence

The Local Government Act is founded on the general competence powers principle, which gives Local Governments the legal capacity to do anything that is not prohibited by law. This principle is uniformly supported by the Local Government sector and that it should not be diluted by over-regulating the operations of Local Government.

The general competence principle recognises the democratic mandate of Local Government to represent, plan, and provides services for its community.

Flexible, principles-based legislative framework

The Local Government Act works well when Local Governments apply their general competence powers within a legislative framework that provides for good governance, with accountability to the community for decision-making.

The Local Government Act should focus on principles and objectives, not on process. Best practice, guidance material and smart people working together to solve problems drive innovation; prescriptive regulation drives compliance for the sake of compliance.

To focus on the process and not the principles and objectives risks embedding today's practice into legislation instead of allowing Local Governments the flexibility to innovate and adapt to new methods and new technologies. Not everything a Local Government should do needs to be legislated. Ultimately, Councils are considered to be generally competent and are accountable to the community through democratic elections held every two years.

Size and scale compliance regime

There is a marked appetite to differentiate between Local Governments based on size and scale. There is a significant difference in the compliance requirements of the City of Stirling compared to the Shire of Murchison. Areas such as the integrated planning and reporting framework, internal audits and model procurement policies are example areas that could be considered on a size and scale approach.

Promote enabling legislation

Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration the Local Government's role in creating a sustainable and resilient community through:

- Economic development
- Environmental protection, and
- Social advancement.

There is a need to provide enabling legislation with a 'menu of opportunities' for the sector. Legislation should enable Local Governments to carry out a range of activities, even though all Local Governments may not want to undertake the activity.

Reduce red tape

WALGA has called for the de-cluttering of the extensive regulatory regime that underpins the Local Government Act. The legislative and regulatory regime represents a considerable challenge to the delivery of effective and efficient governance.

The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

The State Government should not impose responsibilities to Local Governments without adequate resourcing. This principle is contained within the British Columbia Community Charter and is supported by the Local Government sector.

Local Government Position:

That the following key principles be embodied in the Local Government Act:

- 1. Uphold the general competence principle currently embodied in the Local Government Act**
- 2. Provide for a flexible, principles-based legislative framework**
- 3. Promote a size and scale compliance regime**
- 4. Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration Local Governments' role in creating a sustainable and resilient community through:**
 - i. Economic development**
 - ii. Environmental protection, and**
 - iii. Social advancement**
- 5. Avoid red tape and 'de-clutter' the extensive regulatory regime that underpins the Local Government Act, and**
- 6. The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.**

Intergovernmental Cooperation

The Local Government Review Panel Final Report recommends:

- 15 *The Panel recommends that the new Act include a set of principles for intergovernmental relations that make clear local government's role and obligations as part of the broader system of government, and that underpin a range of ongoing arrangements such as the State Local Government Partnership.*

Discussion

Local Government strongly supports the enhanced collaboration between State and Local Government, as two spheres of government responsible for delivering public infrastructure and services for the benefit of the Western Australian community.

A Partners in Government Agreement, to be signed by the Premier, Minister for Local Government and Local Government leaders should contain:

- A preamble highlighting the importance of collaboration and partnership
- Objectives and principles
- Meetings of the Partners in Government Group comprising senior State and Local Government decision makers
- Collaboration aims and ideals, and
- Key focus areas.

Collaboration and partnership between the State and Local Government sectors aims to leverage the strengths of both spheres of Government for the benefit of Western Australia: the State's leadership and policy direction, and Local Government's on-the-ground presence in every community in our large and diverse state.

Local Government Position:

That a Partners in Government Agreement promoting a collaborative partnership approach be signed by the Premier, Minister for Local Government and Local Government leaders at the commencement of each term of the State Government.

Elections

The Local Government Review Panel Final Report recommends:

19. *Optional preferential voting be adopted in place of the current first past the post system.*
20. *The principle of one vote per person be included in the legislation, subject to Recommendation 21 below.*
21. *Property franchise voting should be replaced with the requirement for local governments to introduce mechanisms for regular and effective consultation with the business community.*
22. *Local government elections are held once every four years, two years after but to otherwise accord with the timing of the State election.*
23. *All local government elections should be overseen by the Western Australian Electoral Commissioner.*
24. *Provision in the new Act for electronic/online voting to be introduced in the future once the integrity of the process can be assured (including allowing for a pilot).*
25. *The Panel makes the following further recommendations in relation to elections:*
 - a. *Postal voting be required, with lodgement of these votes to be allowed in person on and before election day.*
 - b. *The election process extended to provide more time for the issuing and receipt of postal votes.*
 - c. *The information local government candidates must provide at nomination should be expanded to ensure that adequate information is given for voters to make an informed decision. Candidate nomination forms should also include declaration of membership of a political party and these forms should be published and available during the election period.*
 - d. *A caretaker policy should be introduced barring elected members up for re-election from representing the council at events, handing out council grants or donations and moving substantive notices of motion in the period before the election, and a requirement to comply with this policy should be included in the Code of Conduct.*
 - e. *The donor and the candidate should co-sign each declaration of a gift made.*
 - f. *Donations via crowd funding platforms should be regulated so far as possible.*
26. *In respect to elected member representation, the Panel recommends:*
 - a. *Population should be used to determine the number of elected member positions:*

- (i) *Population of up to 5,000 – 5 councillors (including President).*
 - (ii) *Population of between 5,000 and 75,000 – 5 to 9 councillors (including Mayor/President).*
 - (iii) *Population of above 75,000 – 9 to 15 councillors (including Mayor).*
- b. *Ward boundary reviews, to ensure equitable representation is maintained, should be conducted every four years by the Office of the Electoral Distribution Commissioners, with the support of the WAEC and should be conducted using similar processes and principles that are in place for state electoral boundaries as contained in the Electoral Act 1907.*
- c. *Current classification bands 3 and 4 should not have multiple wards unless the Local Government Commission permits it in the interests of ensuring local democracy is enabled in certain communities.*
- d. *The changes to wards and elected member numbers due to the above recommendations should be phased in.*

Discussion

The overwhelming majority of Local Governments support retaining four year terms with a half spill every two years. A principle of the current two year election cycle is to support the continuity of knowledge and experience of the Local Government. A key risk of a proposal for an all in/all out term is the loss of knowledge and the influence of a Council.

Promoting voting participation in Local Government elections is a priority and can be achieved through a range of voting options, such as:

- On-line voting
- Postal voting, and
- In-person voting.

In respect to voting methods, Local Governments over the past 40 years have experienced preferential voting, proportionate preferential voting and the current first past the post method. Due to its simplicity, and ease of understanding, the Local Government sector supports first past the post voting.

The Local Government sector opposes compulsory voting in Local Government elections.

In respect to Elected Member representation, the general competence principle should apply, enabling a Local Government to determine the appropriate number, between six and 15 elected members (including the Mayor/President), depending on local requirements. This philosophy also extends to the decision to have a Mayor or President elected by the Council or elected at large by the community.

The Local Government sector supports continuation of the status quo with regards to the property franchise.

Local Government Position:

The Local Government sector supports:

- 1. Four year terms with a two year spill**
- 2. Greater participation in Local Government elections**
- 3. The option to hold elections through**
 - Online voting**
 - Postal voting, and**
 - In-person voting**
- 4. Voting at Local Government elections to be voluntary**
- 5. The first past the post method of counting votes**
- 6. Local Governments being enabled to determine the number of Elected Members required on the Council between six and 15 (including the Mayor/President)**
- 7. Local Governments to determine if the Mayor or President is elected by the Council or the community at large**
- 8. Continuation of the property franchise.**

Rating Exemptions

The Local Government Review Panel Final Report recommends:

50(c) *The Economic Regulatory Authority (ERA) should be asked to undertake a review of the rating system, including a thorough examination of the case for the current wide range of exemptions.*

The Select Committee into Local Government recommends:

- 8 *Recognising that the current charitable purposes rate exemption produces perverse outcomes and may inappropriately shield commercial operations from paying rates, the Government clarify the charitable purposes rate exemption in any new local government Act.*
- 9 *The Government conduct a broad review of the rate exemptions to be included in any new local government Act.*

Discussion

Exemptions from rates represent significant revenue leakage for Local Government. Recent data indicates that revenue foregone represents approximately two percent of rate revenue. This shortfall in lost revenue must then be made up from other ratepayers.

Rating exemptions relating to charitable purposes are particularly concerning as this exemption has extended in scope beyond its original intent to provide rating exemptions for the commercial undertakings of not-for-profit organisations. For instance, Independent Living Units, which often cost far more than the median house, are often exempt from rates. The net result of this is that millions of dollars of revenue is lost to Local Government which then has to be recouped from other ratepayers, many of whom would not be in a position to afford an Independent Living Unit themselves.

The rating exemptions that are of concern for the sector relate to the following:

- Rating of Charitable Purpose properties
- Department of Housing: Leasing to Charitable Organisations
- Government Trading Entities
- State Agreement Act projects
- State Owned Unallocated Crown Land

On this basis, the Local Government sector supports an independent review of all rating exemptions to enhance equity among ratepayers in the community.

Local Government Position:

That an independent review of all rate exemptions be undertaken.

Fees and Charges

The Local Government Review Panel Final Report recommends:

- 51 *The Panel recommends that local governments should be able to set reasonable fees and charges according to a rating and revenue strategy, with the oversight of the Audit, Risk and Improvement Committee.*
- 52 *The Panel recommends that local governments and State Government apply cost recovery principles when setting fees and charges.*

Discussion

Fees and charges represent a significant source of discretionary revenue for Local Governments. Examples include dog registration fees, fees for building approvals and swimming pool entrance fees.

Currently fees and charges are determined by legislation or regulation, with an upper limit set by legislation, or by the Local Government. Fees mandated by legislation often do not keep pace with the cost of delivery meaning that ratepayers will subsidise particular activities without any ability to have input into the setting of the fee.

While cost recovery should be a consideration for the setting of fees and charges, there are some services that Local Governments may choose to subsidise to encourage activities with overall community benefit.

Setting fees and charges is a core government function and should be a deliberative decision of the Council.

Local Government Position:

That:

- 1. An independent review be undertaken to remove fees and charges from legislation and regulation and,**
- 2. Local Government be empowered to set fees and charges for Local Government services.**

Road Funding

The Select Committee into Local Government recommends:

7. *The Government consider returning to local governments at least 27 percent of motor vehicle licence fee collections.*

Discussion

Local Governments are responsible for 127,500km of roads in Western Australia, representing 88 percent of the public road network.

With a replacement value close to \$30 billion, the Local Government road network is a significant state asset that connects people and places and facilitates economic activity across all of Western Australia.

In their final report, the Select Committee into Local Government found that the shortfall between local government expenditure on road preservation and the amount required to maintain roads at their current condition has continued to increase over the past five years to \$155.74 million in 2018-19.

To that end, the Local Government sector advocates for road funding from the State Government to return to 27 percent of vehicle licence fees.

Local Government Position:

That the Government returns to Local Government at least 27 percent of motor vehicle licence fee collections.

Regional Collaboration

The Local Government Review Panel recommends:

12. *The Panel recommends that the new Act should promote and mandate expanded regional cooperation between local governments by:*
 - a. *Making increased collaboration a specific objective and principle.*
 - b. *Providing an improved model of joint (regional) subsidiaries that can be used for strategic planning, resource sharing, shared services delivery and commercial enterprises (see also Recommendations 14 and 39).*
 - c. *Requiring regional cooperation as part of IPR (see also Recommendation 35).*
13. *The Panel recommends that consideration also be given to the potential need for a new form of 'regional authority' to enable collaboration on specific issues between governments and with other key stakeholders.*
14. *The Panel recommends:*
 - a. *The regional council model is discontinued.*
 - b. *A flexible model of joint (regional) and single (local) subsidiaries be introduced in order to enable:*
 - (i) *collaboration between local governments; and/or*
 - (ii) *involvement of local government in economic development including commercial activities.*
40. *The Panel recommends that the new Act should provide the freedom for local governments to be involved in commercial activities where it is in the public interest and subject to competitive neutrality principles.*
41. *The Panel recommends that 'beneficial enterprises' not be introduced as a new mechanism for local government commercial activities, but that instead an updated and more flexible subsidiary model should provide for the following:*
 - a. *Local government autonomy to establish a single or joint subsidiary to:*
 - (i) *Carry out any scheme, work or undertaking on behalf of the council;*
 - (ii) *Manage or administer any property or facilities on behalf of the council;*
 - (iii) *Provide facilities or services on behalf of the council; and/or*
 - (iv) *Carry out any other functions on behalf of the council.*
 - b. *The subsidiary to be established through a charter.*
 - c. *The charter to be certified by an independent and suitably experienced legal practitioner as within power and National Competition Policy.*
 - d. *Public notice of the proposal to establish the subsidiary to ensure that there are no private operators that would be significantly disadvantaged.*
 - e. *The subsidiary to be able to undertake commercial activities (within the limits of competitive neutrality and a thorough risk assessment).*

- f. The subsidiary to have the ability to acquire, hold, dispose of or otherwise deal with property.*
 - g. Dividends able to be paid to member local governments.*
 - h. The requirement for employees of the subsidiary to be employed under the same award or agreement conditions as the relevant local government/s and within the jurisdiction of the Western Australian Industrial Relations Commission.*
 - i. No requirement for ministerial approval at the outset, but reserve powers for the Minister for Local Government to intervene if issues arise should be included.*
42. *The Panel recommends local governments should utilise the subsidiary models and, as a general rule, should not form entities outside this, such as under the Associations Incorporation Act, except as a means of establishing or maintaining partnerships with other local or regional organisations in those instances where the local government is not the dominant party.*

Discussion

The Local Government sector supports streamlined and effective regional collaboration to leverage economies of scale, combined resources and enhanced accountability.

Regional collaboration provides many benefits for the community, including:

- Efficient service delivery leveraging economies of scale
- Enhanced accountability for specific functions, and
- Reduced risk by quarantining ratepayer funds in a separate legal entity

Flexibility for local governments to select and adapt the most suitable collaborative model to local circumstances is crucial for the benefits of regional collaboration to be realised. While competitive neutrality is important, and should be respected, the ability to undertake commercial activities is important, particularly to address instances of market failure.

The subsidiary model, governed by a charter, provides simplicity and can be customised to meet local and service delivery needs.

The beneficial enterprises model provides for a commercial focus while increasing accountability and reducing risk by quarantining ratepayer funds.

To that end, the local government sector supports the ability to utilise a range of fit-for-purpose regional collaborative models.

Local Government position

That:

- 1. Local Governments be empowered to form single and joint subsidiaries, and beneficial enterprises, and**
- 2. Compliance requirements of Regional Councils be reviewed and reduced.**

Community Engagement

The Local Government Review Panel Final Report recommends:

33. *The Panel recommends that the following community engagement principles should be included in the new Act:*
 - a. *Councils actively engage with their local communities;*
 - b. *Councils are responsive to the needs, interests and aspirations of individuals and groups within its community;*
 - c. *Community engagement processes have clearly defined objectives and scope;*
 - d. *Participants in community engagement have access to objective, relevant and timely information to inform their participation;*
 - e. *Participants in community engagement are representative of the persons and groups affected by the matter that is the subject of the community engagement;*
 - f. *Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement; and,*
 - g. *Participants in community engagement are informed of the ways in which the community engagement process will influence council decision-making.*

34. *The Panel recommends a Community Engagement Charter be required as a mechanism for guiding and enhancing community participation in local decision-making, and that a model charter be prepared to set parameters and provide guidance on mechanisms to be used.*

35. *The Panel recommends the Annual Electors' Meeting is replaced by an Annual Community Meeting whereby:*
 - a. *As a minimum, councils provide information on their achievements and future prospects;*
 - b. *Councils report on the local government's financial performance and performance against relevant Council Plans;*
 - c. *Both the mayor/president and the Chair of the Audit Committee address the meeting;*
 - d. *There is ample time for questions; and,*
 - e. *Wider community participation is encouraged through different delivery mechanisms.*

Discussion

With a local presence in every community in Western Australia, community engagement is core business for Local Government.

Principles and methods supporting responsive, aspirational and innovative community engagement are supported. Local Governments are often on the frontier of innovative community engagement methods, such as participatory budgeting and deliberative democracy.

To that end, the Local Government sector supports community engagement aims and principles to be encapsulated in a policy. However, the content of such a policy should not be prescribed; Local Governments, with knowledge and regular touchpoints with their communities, are best placed to determine the content of a community engagement policy.

An optional Annual Community Meeting is supported, at which Local Governments could present their annual report, financial performance and recent achievements, and outline their future prospects and plans.

Local Government Position:

The Local Government sector supports:

- 1. Responsive, aspirational and innovative community engagement principles**
- 2. Encapsulation of aims and principles in a community engagement policy, and**
- 3. The option of hosting an Annual Community Meeting to present on past performance and outline future prospects and plans.**

Roles and Responsibilities

The Local Government Review Panel Final Report recommends:

28. *The Panel recommends significant changes in the Act to the current statements of roles and responsibilities for mayors/presidents, councillors and CEOs and that the Act should include a new statement of responsibilities for the 'council' which captures the roles and responsibilities of all councillors acting collectively as the council.*

29-32. *Revised statements of roles and responsibilities that are specific to address the following issues:*

- *Community leadership*
- *Strategic planning*
- *Continuous improvement*
- *Executive function (for mayors/presidents)*
- *Guiding the CEO (for mayors/presidents)*
- *Training*

The Select Committee into Local Government Report recommends:

26. *The Government clarify the roles of council and the chief executive officer, and the distinction between governance and operational matters, in any new local government Act.*

Discussion

The *Local Government Act 1995* is predicated on separate roles and responsibilities for Elected Members and the administration, as summarised in the Second Reading Speech:

*'The new Act will provide a clear distinction between the representative and policy making role of the elected Councillors and the administrative and advisory role of the chief executive officer and other staff.'*¹

The Inquiry Report's recommendations for training and induction are reflective of the mandatory training and continuing professional development requirements introduced in the *Local Government Legislation Amendment Act 2019*.

WALGA has long advocated for absolute certainty in responsibilities and separation of powers associated with employees. Appointing and dismissing senior designated employees falls within the function of the CEO.

From this perspective, clarification of roles and responsibilities requires similar consideration of a clearly defined separation of powers between the governing body and the administration.

¹ Government of Western Australia, Local Government Bill Second Reading, 31 Aug. 1995 pp. 7547-7551

Local Government Position:

That clarification of roles and responsibilities for mayors/presidents, councillors and CEO's be considered in conjunction with the separation of powers between the Council as governing body and the administration of the Local Government.

External Oversight

The Local Government Review Panel Final Report recommends:

57. *The Panel recommends that there should be an early intervention framework of monitoring to support local governments. The department should have additional powers to appoint and support the monitor with councils responsible for the direct costs of the monitor.*
58. *The Panel recommends the Minister should have the power to direct local governments and make declarations in respect to the Local Government Act during a declared state of emergency.*
59. *The Panel recommends establishing an Office of the Independent Assessor that should:*
 - a. *Be an independent body to receive, investigate and assess complaints against elected members and undertake inquiries. This removes the CEO from being involved in processing and determining complaints.*
 - b. *Be a statutory appointment by the Governor.*
 - c. *Upon assessment, refer the complaint back to the council (behaviour-related), the State Administrative Tribunal (SAT) (serious breaches), or to another appropriate body (such as, Corruption and Crime Commission, Public Sector Commission, Ombudsman) according to the subject of the complaint.*
 - d. *Replace the Standards Panel by investigating and making determinations on Rules of Conduct breaches. SAT will determine the penalties.*
 - e. *Amongst other powers, have the power to investigate, to order compulsory mediation and to deal with abuses of process.*
 - f. *Be required to notify the CEO and council of any matters on a confidential basis.*

The City of Perth Inquiry Report recommends:

- 323-332. *An Office of Inspector of Local Government (Inspector) be established as an independent statutory office, responsible to the Minister for Local Government.*

The Select Committee into Local Government Report recommends:

25. *The Government give active consideration, as part of the review of the Local Government Act 1995, to establishing a new independent statutory body to regulate and support the local government sector.*

Discussion

The recommendation from the Local Government Act Review Panel to replace the Standards Panel with an Office of the Independent Assessor is worth supporting. The proposal is to set-up an independent body to receive, investigate and assess complaints against elected members and undertake inquiries. This removes the CEO from being involved in processing and determining complaints, which has previously put the CEO in an invidious position.

An early intervention framework of monitoring to support Local Governments should also be provided.

Local Government Position:

The Local Government sector supports:

- 1. Establishing an Office of the Independent Assessor to replace the Standards Panel to provide an independent body to receive, investigate and assess complaints against elected members and undertake inquiries.**
- 2. Remove the CEO from being involved in processing complaints**
- 3. That an early intervention framework of monitoring to support local governments be provided.**

Financial Management and Procurement

The Local Government Review Panel Final Report recommends:

43. *The Panel recommends the following financial management principles be included in the new Act:*
 - a. *Councils should have regard to achieving intergenerational equity, including ensuring the following:*
 - (i) *Policy decisions are made after considering their financial effects on future generations*
 - (ii) *The current generation funds the cost of its services, and*
 - (iii) *Long life infrastructure may appropriately be funded by borrowings*
 - b. *Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with the council's financial policies and strategic plans*
 - c. *Financial risks are monitored and managed prudently having regard to economic circumstances*
 - d. *Financial policies and strategic plans, including the Revenue and Rating Strategy and Investment policy, seek to provide stability and predictability in the financial impact on the community; and*
 - e. *Accounts and records that explain the financial operations and financial position of the council are kept.*

44. *Having regard to the need for sound financial decision-making and accountability, the Panel recommends the following:*
 - a. *Local governments should be required to adopt or justify departures from a model investment policy to the Audit, Risk and Improvement Committee and relevant State Government Agency.*
 - b. *Local governments should be able to use freehold land to secure debt.*
 - c. *Debt should not be used for recurrent expenditure except in an emergency situation.*
 - d. *Notice should continue to be required to be given for borrowings not included in the local government's annual budget.*
 - e. *Building upgrade finance is permitted for specific purposes such as cladding, heritage and green improvements.*
 - f. *Local governments should adopt program budgeting to more clearly show the actual cost of delivering a service or undertaking an activity.*
 - g. *Local governments should report on the percentage of their expenditure spent on local businesses in their annual report.*

45. *The Panel recommends that local government procurement thresholds, rules and policies are, where applicable, aligned with the State Government, including (but not limited to):*
 - a. *Tender threshold (currently \$250,000);*

- b. *Procurement rules and methods for goods and services under the tender threshold;*
 - c. *Procurement policies, including sustainable procurement, procuring from disability enterprises, buy local (where 'local' refers to Western Australia or a specific region of the state determined by the local government) and Aboriginal businesses; and*
 - d. *Using TendersWA as the primary tender platform.*
46. *The Panel recommends the development of a model procurement policy for all local governments. If a local government chooses to deviate from the policy it should be required to explain its reasoning to the responsible State Government agency.*
 47. *The Panel recommends enhancing legislation to regulate and guide the establishment and management of panel contracts.*
 48. *The Panel recommends a requirement for local governments to have an open register of local businesses with local governments determining what is considered 'local' to their community.*
 49. *The Panel recommends breaches of the local government procurement rules to be referred to the Office of the Independent Assessor to use the appropriate powers under the new Local Government Act.*

The Select Committee into Local Government recommends:

12. *The Government give active consideration to providing, through the Department of Local Government, Sport and Cultural Industries, an accounting advice helpdesk service to the local government sector similar to the service provided by the Department of Treasury to the State government sector.*
13. *The Government:*
 - *consider reducing the financial reporting requirements on local governments*
 - *in doing so, take into account the information provided by the Office of the Auditor General, set out at Appendix 3 and Appendix 4 of this report.*
14. *The Department of Local Government, Sport and Cultural Industries and the Government consider the introduction of tiered financial reporting for local governments.*

The City of Perth Inquiry Report recommends:

188. *The State Government consider amendments to the Local Government Act 1995 to provide for better practice financial management through the establishment of Local Government Financial Management Instructions (similar to the Treasurer's Instructions for State Government) that establish a minimum set of standards and*

requirements for the financial administration of local government (Financial Management Instructions).

189. *The “WA Accounting Manual” be reviewed, updated and promulgated by the Department within the next 12 months.*

190. *The Minister for Local Government consider prescribing the format of the annual budget and financial report to provide consistency across local government.*

Discussion

The sector has considered a number of the recommendations from the reports and supports reviewing the financial reporting requirements for Local Governments.

Model Financial Statements

WALGA has recently formed a Sector Reference Group to review the current financial ratios and to suggest more appropriate ratios. The Reference Group believes the first action to be taken should be for the Department of Local Government to prepare a Model set of Financial Reports for the Local Government sector. This is to enable consistent financial reporting across the sector which would then allow for ratios to be more meaningful for sector analysis.

The following is an excerpt of notes from the group;

The Working Group discussed the possibility of progressing this resolution as soon as possible, rather than waiting for the work on financial ratios to be completed. It was decided that this should be actioned as a priority. A signal from the Minister for Local Government as to whether this proposal is supported will assist in guiding the group’s next steps, noting that the actual development of a model set of accounts would take time and resources. The group also noted that the Office of Auditor General (OAG) have made complementary recommendations relating to financial reporting. For example, in the [Audit Results Report – Annual 2018-19 Financial Audits of Local Government Entities](#), it was recommended that DLGSC re-assess the amount of detail required to be included in annual financial reports.

Resolved:

That WALGA advocates to the Minister for Local Government that the Department of Local Government to prepare a Model set of Financial Reports for the Local Government sector, in consultation with the Office of the Auditor General.

The concept on a model set of accounts is not new. Every other State produces one in some form. This document would be produced annually by the Department and be endorsed by the OAG.

The proposal would involve a detailed set of accounts, including notes, would be available to the industry in March of each year. The document would provide a template for Statements and Notes. These items would include references to legislation and Accounting Standards so the user can gain an appreciation as to why the information is required. Accompanying text could provide a greater understanding of the information and the cross referencing to other information. For example, the note on calculating financial ratios would include how those ratios are calculated, hence doing away with the need for Departmental Guidance Notes.

The benefits that would accrue to the Local Government sector and the community would be substantial. One set of model reports that could provide clear outcomes, rather than waiting for the annual audit to see if a Local Government had interpreted the standards and legislation correctly. Small Local Government would benefit as they may not have qualified accountants on staff and this would provide cost savings. Accessing information about each Local Government would be simplified. The audit process would also be simplified. All of these measures have the ability to lower costs incurred by Local Government in producing the annual financial report.

Use of Debt

The sector's long held position is that the Act should allow Local Governments to use freehold land, in addition to its general fund, as security when borrowing. Currently a Local Government can only borrow against its cash. In most cases this is sufficient, however there have been examples of Local Governments borrowing for large scale infrastructure projects that would benefit from being able to use their freehold land as security.

Building Upgrade Finance

Building Upgrade Finance would enable Local Governments to guarantee finance for building upgrades for non-residential property owners. In addition to building upgrades to achieve environmental outcomes, Local Governments have identified an opportunity to use this approach to finance general upgrades to increase the commercial appeal of buildings for potential tenants. In this way, BUF is viewed as means to encourage economic investment to meet the challenges of a soft commercial lease market and achieve economic growth.

Procurement

WALGA has consistently supported the alignment of the tender threshold with that of the State Government and broadly supports the principle that suppliers of goods, services and works competing for contracts will benefit where procurement processes across State and Local Government has more similarities than differences.

Local Government Position:

That the Local Government sector:

- 1. Requests the Minister for Local Government to require the Department of Local Government to prepare a Model set of Financial Reports for the Local Government sector, in consultation with the Office of the Auditor General;**
- 2. Requests the Department of Local Government to re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium sized entities as suggested by the Office of Auditor General;**
- 3. Supports Local Governments being able to use freehold land to secure debt;**
- 4. Supports Building Upgrade Finance being permitted for specific purposes such as cladding, heritage and green improvements;**
- 5. Supports the alignment of Local Government procurement thresholds, rules and policies with the State Government.**

Accountability and Audit

The Local Government Review Panel Final Report recommends:

53. *The Panel recommends the role of audit committees be expanded to become Internal Audit, Risk and Improvement Committees and:*
 - a. *The majority of the Committee members, including the Chair, should be independent of the local government and should be drawn from a suitably qualified panel.*
 - b. *To address the impost on small local governments, the committee could be established on a regional basis.*

54. *The Panel recommends the main roles of the Audit, Risk and Improvement Committee should include:*
 - a. *Developing an audit plan which focuses on compliance, risk (including procurement), financial management, fraud control, governance and delivery of Council Plans;*
 - b. *Identifying continuous improvement opportunities and monitoring programs and projects in this area;*
 - c. *Conducting the mandatory internal audits as outlined in the audit plan; and*
 - d. *Providing advice to the council in relation to these matters.*

The Select Committee into Local Government recommends:

11. *The Government give active consideration to facilitating, through the Department of Local Government, Sport and Cultural Industries, a shared internal audit service for the Local Government sector, particularly to assist small and medium councils.*

Discussion

The Local Government sector supports a robust self-regulation audit framework, which includes a role for the audit committee overseen by council, and a role for the Office of the Auditor General in conducting financial and performance audits of Local Government.

In accordance with the principles of self-governance and self-regulation, majority independent membership of audit committees is not supported. Oversight of the affairs of the Local Government is a fundamental role of the Council, and should not be confused by diffusing responsibility among an audit committee comprised of a majority of non-elected members. Notwithstanding, the Local Government sector acknowledges that some independent expertise may be beneficial to the audit committee process.

The Local Government sector supports a clearly defined role for the audit committee, led and overseen by the elected Council.

Local Government Position:

That audit committees of Local Government, led and overseen by the Council, have a clearly defined role with an Elected Member majority.



9.8 2018-2019 ANNUAL REPORT AND SETTING OF ANNUAL GENERAL MEETING OF ELECTORS

| | |
|---------------------------|---|
| DATE: | 9 November 2020 |
| SUBJECT: | 2018-2019 Annual Report and Electors Meeting Date |
| PROPONENT: | Shire of Goomalling |
| LOCATION: | N/A |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 5-1 |
| ASSESSMENT NO: | N/A |

PURPOSE

Council is requested to accept the 2018/2019 Annual Report and Financial Statements and set the date for the Annual General Meeting of Electors.

BACKGROUND

The Local Government Act 1995 requires a Local Government to prepare an Annual Report each financial year and to hold an Annual General Meeting of Electors. The Annual General Meeting of Electors is to be held on a day selected by the Local Government, but not more than 56 days after the report is accepted by the Local Government.

The annual audit was undertaken Butler Settineri on behalf of the Auditor General. The audit report was signed off by the Auditor General prior to the State of Emergency being declared for COVID-19. Council now must hold its 2019 Electors meeting within 56 days of 4 November 2020.

COVID-19 restrictions have been eased for local government electors' meetings. The Ministerial Order taking effect from 4 November 2020 means that electors' general meetings and electors' special meetings can now take place, if they operate in a COVID-19 safe environment.

This includes following good hygiene habits and complying with physical distancing measures. The Local Government Amendment (COVID-19 Response) Act 2020 came into effect on 21 April 2020.

The Act, and subsequent Ministerial Order meant that local governments could not hold the 2018/19, 2019-20 electors' general meetings or electors' special meetings under sections 5.27 and 5.28 of the Local Government Act 1995, while the State of Emergency declaration was in force.

Under the new Ministerial Order, local governments may hold:

- electors' general meetings for 2018-19 or 2019-20 if they have not already taken place. These meetings are to be held within 56 days of the Order taking effect.
- electors' special meetings, which can now be held within 35 days of the Order taking effect.

STATUTORY IMPLICATIONS

Local Government Act 1995 (as amended).

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

** Absolute majority required.*



- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

[Section 5.54 amended: No. 49 of 2004 s. 49.]

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Local Government (Financial Management) Regulations.
Local Government (Administration) Regulations.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

C2.7 Provide reporting processes in transparent, accountable and timely manner.

COMMENTS AND DETAILS

Council has already dealt with the matters that came from the audit report and has undertaken corrective actions where appropriate. Council has also provided a report to the Minister for Local Government with regard to the matters listed as significant within the audit report.

ATTACHMENTS

2018-2019 Annual Report, including Financial Statements and Audit Report

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant of Sections 5.54 and 5.55 of the Local Government 1995, accepts the Annual Report and Financial Statements for the 2018/2019 financial year.
2. Convenes the Annual General Meeting of Electors prior to 30 December 2020 at the Community and Sports Centre 47 Quinlan Street, Goomalling.



287. RESOLUTION

Moved Cr Chester, seconded Cr Barratt

That Council:

- 1. Pursuant of Sections 5.54 and 5.55 of the Local Government 1995, accepts the Annual Report and Financial Statements for the 2018/2019 financial year.**
- 2. Convenes the Annual General Meeting of Electors on Tuesday 15 December 2020 at 7.00pm at the Sports and Community Centre, 47 Quinlan Street, Goomalling.**

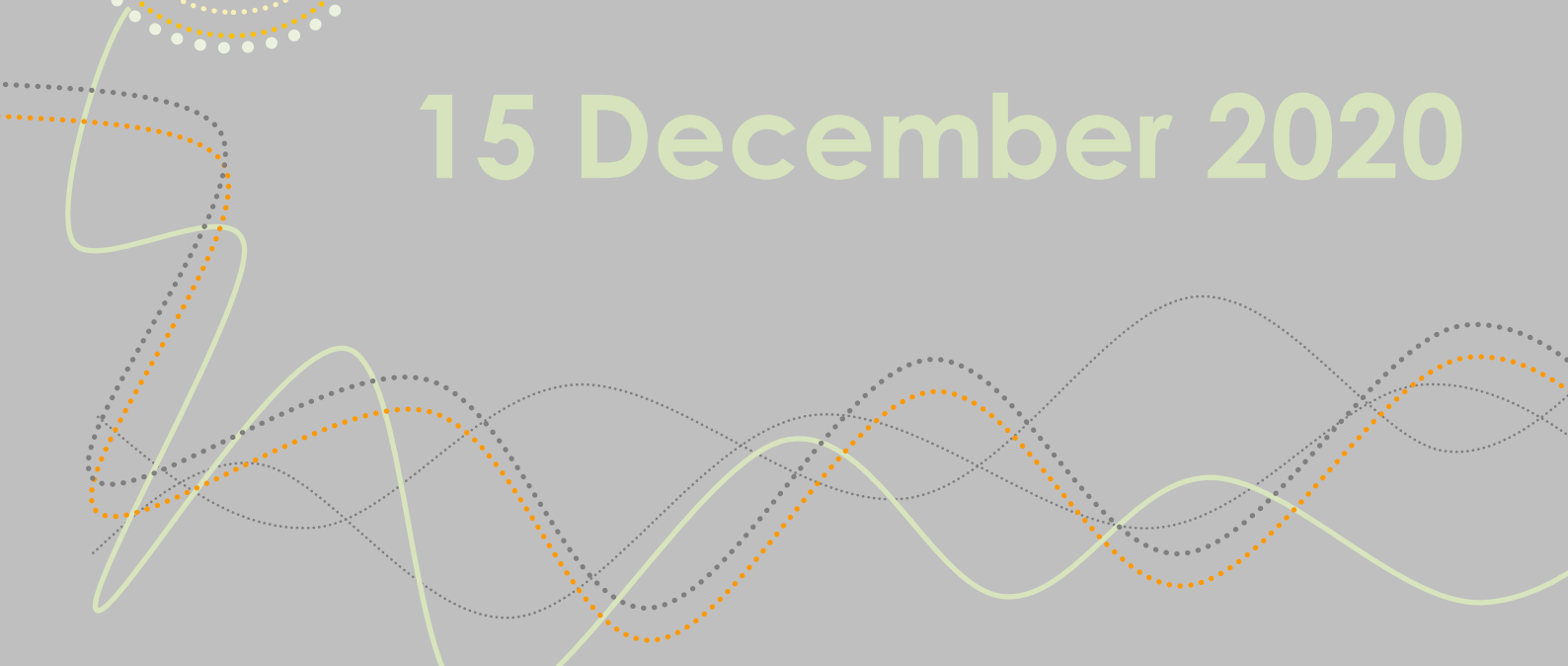
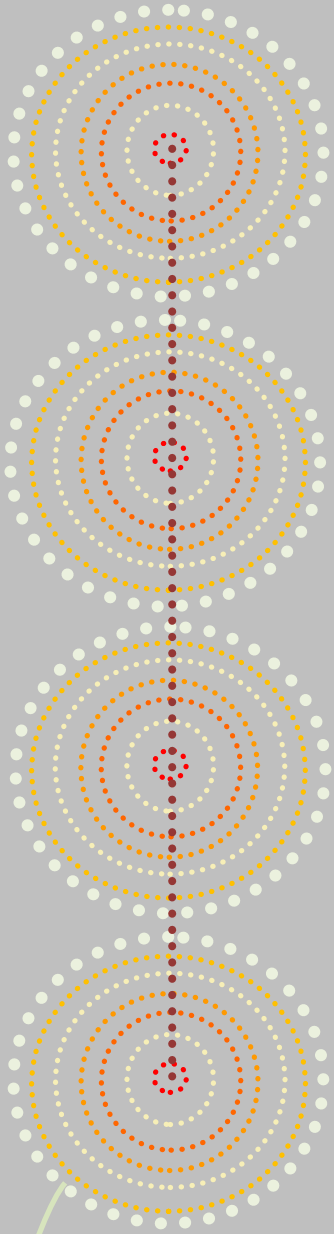
CARRIED 6/0
By Absolute Majority

Shire of Goomalling



Annual Report 2018/2019

15 December 2020





CONTENTS

Agenda

Minutes of Previous Meeting

Financial Statements

Statement by Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

Statement of Comprehensive Income by Program

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Rate Setting Statement

Notes to and Forming Part of the Financial Report

Supplementary Ratio Information

Independent Audit Report

Shire President's Report

Chief Executive Officer's Report

GOOMALLING
AGENDA FOR ANNUAL GENERAL MEETING OF ELECTORS
2020



Agenda for the **Annual General Meeting of Electors** of the Shire of Goomalling, to be held at the Goomalling Sport & Community Centre on **day 15th** **2020**, commencing at 7.00pm.

Business:

- 1. Opening and President's Welcome**
- 2. Attendance and Submission of Apologies**
- 3. Confirmation of Minutes of Previous Meeting – Tuesday 4 June 2019**

Recommendation

That the Minutes of the Annual General Meeting of Electors held on 4 June 2019 as read be confirmed as true and correct record of proceedings.

- 4. Matters Arising from Minutes**
- 5. Business of the Meeting**

5.1 Receiving the 2018/2019 Annual Financial Report

Recommendation

That the Shire of Goomalling 2018/2019 Annual Financial Report for the year ended 30 June 2019 be received.

5.2 Receiving of the Annual Report incorporating

- (i) President's Report**
- (ii) Chief Executive Officer's Report**
- (iii) Auditor's Report**

Recommendation

That the Shire of Goomalling 2018/2019 Annual Report, Annual Financial Statements and the Independent Auditor's Report for the year ended 30 June 2019 be received.

6 Other Business

7 Closure



1. OPENING

The Shire President, Cr Barry Haywood declared the meeting open at 7.00 pm

2. ATTENDANCE

Councillors

| | |
|-----------------|----------------------|
| Shire President | Cr Barry Haywood |
| Councillor | Cr Julie Chester |
| Councillor | Cr Kevin Ryan |
| Councillor | Cr Christine Barratt |

Staff

| | |
|-------------------------|------------------|
| Chief Executive Officer | Mr Peter Bentley |
| Finance Manager | Ms Natalie Bird |
| Works Manager | Mr David Long |

Electors Anne & Keith Drew, Louise Barker, Wendy Williams, Mary Anne Casey, Annette & James Trahair, Margaret Rowles, Lois Leeson, Harold Forward, Leisa Long, Jules Thygesen, Peta Anne & Terry Brennan, Margaret Bird.

Apologies Cr Roly Van Gelderen & Chris Van Gelderen, Cr Rodney Sheen, Cr Joe Bowen & Mr John Bird

3. MINUTES

Resolution

That the Minutes of the Annual General Meeting of Electors held on Monday, 16 April 2018, as read be confirmed as true and correct record of proceedings.

Moved: Cr Ryan Seconded: Anne Drew

CARRIED

4. MATTERS ARISING

- 34 Wollyam Street will no longer be purchased due to the South West Aboriginal Corporation determining that the property was still required for Aboriginal people.
- Retirement Village units in Wollyam Street are now been rented, two are tenanted and the other two are available for rent.
- White Street access is only from Beecroft road end to the Lions Club shed.



5. BUSINESS OF THE MEETING

5.1 Receiving of the Shire of Goomalling Annual Financial Report for the year ended 30 June 2018.

A question was raised from the floor regarding the debt situation and how the Council was going to improve the situation in the coming years. Comment was made about what auditors should be reporting to the ratepayers and what timing is appropriate.

A question was raised from the floor regarding whether rates will go up due to this situation. The CEO explained that rates will always go up and detailed the differences between the CPI and Local Government CPI.

A question was raised from the floor regarding the charging of sewerage rates and whether they would continue to rise each year and what they were for.

A question was raised from the floor regarding the number of staff and if we need so many. There was also comment that Employee costs were greater than Rate Revenue and this was explained to be due to the salaries related to the Doctor's surgery being included within the total.

A question was raised from the floor regarding residential and public building strategies and long term maintenance plans. The CEO provided an update of the progress so far.

Moved: Cr Chester, seconded Mary Anne Casey that the Shire of Goomalling Annual Financial for the year ended 30 June 2018 be received.

CARRIED

5.2 Receiving of the Annual Reports incorporating:

1. President Report
2. Chief Executive Officer's Report
3. Auditors Report

Moved: Harold Forward

Seconded: Wendy Williams

That the Shire of Goomalling 2017/2018 Annual Report, Annual Financial Report and the Independent Auditor's Report for the year ended 30 June 2018 be received.

CARRIED



6. OTHER BUSINESS

- A question from the floor regarding the replacement for Mr Linton Thomas and the meeting was advised that the Shire of Toodyay Building, Health & Planning staff would contract to the Shires of Goomalling and Dowerin and charged as a user pay system.
- A question from the floor regarding Council's intention on the management of the Corella's in the townsite as they are very noisy and destructive to the tree. Discussion continues with Jules Thygesen undertaking to provide the CEO with documentation which had been supplied to the previous CEO.
- Concerns were also raised with the availability of fresh food and groceries for the elderly, it was requested that the shire facilitate a community meeting regarding a co-operative and also how other co-operative operate in their communities. The CEO undertook to investigate the York IGA and potentially the Cunderdin model as well.
- A question from the floor regarding what the future of the Goomalling Go Cart club behind the caravan park as can be very loud when they are racing is there any intention of moving them to another location.
- A suggestion from the floor was the Council get together with surrounding Councils to encourage CBH to get the trucks off the road and the wheat on the rail as they are damaging our roads and it is dangerous.
- A question from the floor regarding the purchase of record keeping software to improve the communication and efficiently dealing with inward and outward correspondence.
- At the conclusion the CEO encouraged ratepayers to contact him in person to discuss any issues that they may have and/or via email or phone and the Shire President also encouraged community members to talk to their local Councillor as well.

7. CLOSURE

There being no further business the Shire President thanked everyone for attending and declared the meeting closed at 8.47pm.

SHIRE OF GOOMALLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

TABLE OF CONTENTS

| | |
|---|----|
| Statement by Chief Executive Officer | 2 |
| Statement of Comprehensive Income by Nature or Type | 3 |
| Statement of Comprehensive Income by Program | 4 |
| Statement of Financial Position | 5 |
| Statement of Changes in Equity | 6 |
| Statement of Cash Flows | 7 |
| Rate Setting Statement | 8 |
| Notes to and forming part of the Financial Report | 9 |
| Independent Auditor's Report | 51 |

COMMUNITY VISION

To be a vibrant, prosperous and sustainable community living and working in a respectful, inclusive, fair and equitable community.

Principal place of business:
32 Quinlan Street
GOOMALLING WA 6460

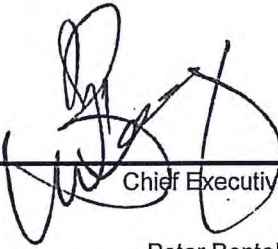
SHIRE OF GOOMALLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

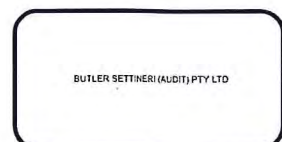
The attached financial report of the Shire of Goomalling for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Goomalling at 30 June 2019 and the results of the operations for the financial year then ended in accordance 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 ~~NINETEENTH~~ day of FEBRUARY 2020



Chief Executive Officer
Peter Bentely

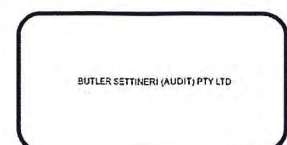
Name of Chief Executive Officer



SHIRE OF GOOMALLING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

| | NOTE | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 22(a) | 2,118,671 | 2,107,161 | 2,039,601 |
| Operating grants, subsidies and contributions | 2(a) | 976,691 | 515,444 | 890,692 |
| Fees and charges | 2(a) | 1,426,460 | 1,599,890 | 1,497,150 |
| Interest earnings | 2(a) | 69,435 | 65,836 | 79,144 |
| Other revenue | 2(a) | 231,663 | 217,670 | 482,504 |
| | | <u>4,822,919</u> | <u>4,506,001</u> | <u>4,989,091</u> |
| Expenses | | | | |
| Employee costs | | (2,301,325) | (2,183,815) | (2,005,790) |
| Materials and contracts | | (1,441,060) | (1,203,395) | (1,433,679) |
| Utility charges | | (271,634) | (230,140) | (271,082) |
| Depreciation on non-current assets | 10(b) | (1,541,152) | (1,501,174) | (1,497,521) |
| Interest expenses | 2(b) | (234,853) | (246,701) | (263,721) |
| Insurance expenses | | (174,180) | (153,425) | (156,735) |
| Other expenditure | | (201,968) | (149,788) | (272,604) |
| | | <u>(6,166,171)</u> | <u>(5,668,438)</u> | <u>(5,901,132)</u> |
| | | <u>(1,343,252)</u> | <u>(1,162,437)</u> | <u>(912,041)</u> |
| Non-operating grants, subsidies and contributions | 2(a) | 425,173 | 990,434 | 1,855,457 |
| Profit on asset disposals | 10(a) | 570 | 14,786 | 0 |
| (Loss) on asset disposals | 10(a) | (81,436) | (191,682) | (148,433) |
| Fair value adjustments to financial assets at fair value through profit or loss | 7(b) | 6,151 | 0 | 0 |
| Fair value adjustments to LHFR through profit & loss | 6 | 0 | 0 | 59,041 |
| | | <u>350,457</u> | <u>813,538</u> | <u>1,766,065</u> |
| Net result for the period | | (992,795) | (348,899) | 854,024 |
| Other comprehensive income/ (losses) | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 11 | (83,595) | 0 | (106,587) |
| Total other comprehensive income/(loss) for the period | | (83,595) | 0 | (106,587) |
| Total comprehensive loss/income for the period | | (1,076,390) | (348,899) | 747,437 |

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



SHIRE OF GOOMALLING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

| | NOTE | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | 2(a) | | | |
| Governance | | 66,834 | 70,630 | 139,240 |
| General purpose funding | | 2,727,976 | 2,330,775 | 2,616,986 |
| Law, order, public safety | | 69,078 | 69,000 | 79,246 |
| Health | | 711,802 | 687,150 | 677,504 |
| Education and welfare | | 1,971 | 3,000 | 2,933 |
| Housing | | 268,140 | 283,820 | 226,398 |
| Community amenities | | 357,972 | 353,960 | 354,598 |
| Recreation and culture | | 78,048 | 54,946 | 126,003 |
| Transport | | 3,581 | 4,000 | 3,550 |
| Economic services | | 430,216 | 377,300 | 390,227 |
| Other property and services | | 107,301 | 271,420 | 372,406 |
| | | <u>4,822,919</u> | <u>4,506,001</u> | <u>4,989,091</u> |
| Expenses | 2(b) | | | |
| Governance | | (514,071) | (566,660) | (428,867) |
| General purpose funding | | (18,430) | (17,500) | (17,730) |
| Law, order, public safety | | (162,226) | (155,700) | (157,458) |
| Health | | (753,035) | (728,500) | (823,989) |
| Education and welfare | | (10,486) | (13,400) | (10,471) |
| Housing | | (314,878) | (256,500) | (249,815) |
| Community amenities | | (434,288) | (402,357) | (398,958) |
| Recreation and culture | | (815,238) | (710,929) | (655,449) |
| Transport | | (1,767,094) | (1,775,712) | (1,852,496) |
| Economic services | | (707,271) | (718,034) | (714,184) |
| Other property and services | | (434,301) | (76,445) | (327,994) |
| | | <u>(5,931,318)</u> | <u>(5,421,737)</u> | <u>(5,637,411)</u> |
| Finance Costs | 2(b) | | | |
| General purpose funding | | (771) | (1,000) | 0 |
| Economic services | | (232,757) | (244,375) | (257,825) |
| Other property and services | | (1,325) | (1,326) | (5,896) |
| | | <u>(234,853)</u> | <u>(246,701)</u> | <u>(263,721)</u> |
| | | <u>(1,343,252)</u> | <u>(1,162,437)</u> | <u>(912,041)</u> |
| Non-operating grants, subsidies and contributions | 2(a) | 425,173 | 990,434 | 1,855,457 |
| Profit on disposal of assets | 10(a) | 570 | 14,786 | 0 |
| (Loss) on disposal of assets | 10(a) | (81,436) | (191,682) | (148,433) |
| Fair value adjustments to financial assets at fair value through profit or loss | 5 | 6,151 | 0 | 0 |
| Fair Value adjustment to LHFR through profit & loss | 6 | 0 | 0 | 59,041 |
| | | <u>350,458</u> | <u>813,538</u> | <u>1,766,065</u> |
| Net result for the period | | <u>(992,795)</u> | <u>(348,899)</u> | <u>854,024</u> |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 11 | (83,595) | 0 | (106,587) |
| Total other comprehensive (loss) income for the period | | <u>(83,595)</u> | <u>0</u> | <u>(106,587)</u> |
| Total comprehensive loss/income for the period | | <u>(1,076,390)</u> | <u>(348,899)</u> | <u>747,437</u> |

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

SHIRE OF GOOMALLING
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

| | NOTE | 2019 \$ | 2018 \$ |
|--------------------------------------|-------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 349,077 | 595,535 |
| Trade receivables | 5 | 237,277 | 401,632 |
| Other Financial assets | 7(a) | 964,295 | 900,001 |
| Other loans and receivables | 7(a) | 0 | 32,355 |
| Inventories | 6 | 33,371 | 23,694 |
| TOTAL CURRENT ASSETS | | 1,584,020 | 1,953,217 |
| NON-CURRENT ASSETS | | | |
| Trade receivables | 5 | 73,699 | 70,493 |
| Other Financial assets | 7(b) | 287,664 | 46,400 |
| Other loans and receivables | 7(b) | 0 | 269,565 |
| Inventories | 6 | 530,000 | 530,000 |
| Property, plant and equipment | 8 | 26,322,446 | 26,956,172 |
| Infrastructure | 9 | 40,216,431 | 40,971,684 |
| TOTAL NON-CURRENT ASSETS | | 67,430,241 | 68,844,314 |
| TOTAL ASSETS | | 69,014,261 | 70,797,531 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 388,618 | 670,843 |
| Borrowings | 13(b) | 372,905 | 394,382 |
| Employee related provisions | 14 | 391,544 | 405,158 |
| TOTAL CURRENT LIABILITIES | | 1,153,067 | 1,470,383 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 13(b) | 3,247,708 | 3,621,343 |
| Employee related provisions | 14 | 20,102 | 36,031 |
| TOTAL NON-CURRENT LIABILITIES | | 3,267,809 | 3,657,374 |
| TOTAL LIABILITIES | | 4,420,876 | 5,127,757 |
| NET ASSETS | | 64,593,384 | 65,669,774 |
| EQUITY | | | |
| Retained surplus | | 25,289,692 | 26,312,441 |
| Reserves - cash backed | 4 | 929,955 | 900,001 |
| Revaluation surplus | 11 | 38,373,738 | 38,457,333 |
| TOTAL EQUITY | | 64,593,384 | 65,669,774 |

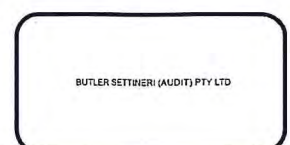
This statement is to be read in conjunction with the accompanying notes.



SHIRE OF GOOMALLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

| | NOTE | RETAINED SURPLUS \$ | RESERVES CASH BACKED \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|-----------------------------------|------|---------------------------|----------------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2017 | | 25,276,476 | 1,081,942 | 38,563,920 | 64,922,337 |
| Comprehensive income | | | | | |
| Net result for the period | | 854,024 | 0 | 0 | 854,024 |
| Other comprehensive losses | 11 | 0 | 0 | (106,587) | (106,587) |
| Total comprehensive income/(loss) | | 854,024 | 0 | (106,587) | 747,437 |
| Transfers from/(to) reserves | | 181,941 | (181,941) | 0 | 0 |
| Balance as at 30 June 2018 | | 26,312,441 | 900,001 | 38,457,333 | 65,669,774 |
| Comprehensive income | | | | | |
| Net result for the period | | (992,795) | 0 | 0 | (992,795) |
| Other comprehensive income | 11 | 0 | 0 | (83,595) | (83,595) |
| Total comprehensive loss | | (992,795) | 0 | (83,595) | (1,076,390) |
| Transfers from/(to) reserves | | (29,954) | 29,954 | 0 | 0 |
| Balance as at 30 June 2019 | | 25,289,692 | 929,955 | 38,373,738 | 64,593,384 |

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



SHIRE OF GOOMALLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

| | NOTE | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|---|------|----------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 2,129,074 | 2,107,161 | 1,992,546 |
| Operating grants, subsidies and contributions | | 1,124,022 | 515,444 | 975,756 |
| Fees and charges | | 1,426,460 | 1,599,890 | 1,497,149 |
| Interest received | | 69,435 | 65,836 | 79,144 |
| Goods and services tax received | | 237,610 | 300,000 | 286,051 |
| Other revenue | | 231,663 | 217,670 | 482,532 |
| | | 5,218,263 | 4,806,001 | 5,313,178 |
| Payments | | | | |
| Employee costs | | (2,340,478) | (2,183,815) | (1,980,961) |
| Materials and contracts | | (1,719,386) | (1,353,395) | (1,131,416) |
| Utility charges | | (271,634) | (230,140) | (271,082) |
| Interest expenses | | (238,820) | (246,701) | (268,407) |
| Insurance paid | | (174,180) | (153,425) | (156,735) |
| Goods and services tax paid | | (234,197) | (300,000) | (298,813) |
| Other expenditure | | (201,968) | (149,788) | (272,604) |
| | | (5,180,663) | (4,617,264) | (4,380,018) |
| Net cash provided by (used in) operating activities | 15 | 37,603 | 188,737 | 933,160 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | | | | |
| | | (97,586) | (700,000) | (1,427,839) |
| Payments for construction of infrastructure | | (413,170) | (999,836) | (1,375,060) |
| Payments for financial assets at amortised cost | | (29,954) | 0 | (900,001) |
| subsidies and contributions | | 425,173 | 990,434 | 1,855,457 |
| Proceeds from self supporting loans | | 32,467 | 32,468 | 30,585 |
| Proceeds from sale of property, plant & equipment | | 87,727 | 645,000 | 55,000 |
| Proceeds from sale of infrastructure | | 106,395 | 0 | 0 |
| Net cash provided by (used in) investment activities | | 111,052 | (31,934) | (1,761,858) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | | (334,439) | (759,219) | (346,460) |
| Proceeds from new borrowings | | 0 | 405,000 | 270,000 |
| Repayment of leases | | (60,674) | (65,079) | (95,785) |
| Net cash provided by (used in) financing activities | | (395,113) | (419,298) | (172,245) |
| Net increase (decrease) in cash held | | (246,458) | (262,495) | (1,000,943) |
| Cash at beginning of year | | 595,535 | 1,314,047 | 1,596,478 |
| Cash and cash equivalents at the end of the year | 3 | 349,077 | 1,051,552 | 595,535 |

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



SHIRE OF GOOMALLING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

| | NOTE | 2019 Actual | 2019 Budget | 2018 Actual |
|---|--------|--------------------|--------------------|--------------------|
| | | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | |
| Net current assets at start of financial year - surplus/(deficit) | 23 (b) | 52,200 | 130,727 | 362,200 |
| | | 52,200 | 130,727 | 362,200 |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 66,834 | 70,630 | 139,240 |
| General purpose funding | | 848,149 | 455,738 | 801,913 |
| Law, order, public safety | | 69,078 | 69,000 | 79,246 |
| Health | | 711,802 | 687,150 | 677,504 |
| Education and welfare | | 1,971 | 3,000 | 2,933 |
| Housing | | 268,140 | 298,606 | 226,398 |
| Community amenities | | 357,972 | 353,960 | 354,598 |
| Recreation and culture | | 78,048 | 54,946 | 126,003 |
| Transport | | 4,151 | 4,000 | 3,550 |
| Economic services | | 430,216 | 377,300 | 449,268 |
| Other property and services | | 107,301 | 271,420 | 372,406 |
| | | 2,943,661 | 2,645,750 | 3,233,059 |
| Expenditure from operating activities | | | | |
| Governance | | (514,071) | (566,660) | (428,867) |
| General purpose funding | | (19,201) | (18,500) | (17,730) |
| Law, order, public safety | | (162,226) | (155,700) | (157,458) |
| Health | | (753,035) | (728,500) | (823,989) |
| Education and welfare | | (10,486) | (13,400) | (10,471) |
| Housing | | (314,878) | (448,182) | (249,815) |
| Community amenities | | (434,288) | (402,357) | (398,958) |
| Recreation and culture | | (868,404) | (710,929) | (655,449) |
| Transport | | (1,767,094) | (1,775,712) | (1,852,496) |
| Economic services | | (968,299) | (962,409) | (1,013,050) |
| Other property and services | | (435,625) | (77,771) | (441,282) |
| | | (6,247,607) | (5,860,120) | (6,049,565) |
| Non-cash amounts excluded from operating activities | 23(a) | 1,599,201 | 1,680,539 | 1,546,262 |
| Amount attributable to operating activities | | (1,652,545) | (1,403,105) | (908,044) |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 425,173 | 990,434 | 1,855,457 |
| Proceeds from disposal of assets | 10(a) | 194,122 | 645,000 | 55,000 |
| Proceeds from self supporting loans | 13(b) | 32,467 | 32,468 | 30,585 |
| Purchase of property, plant and equipment | 8(a) | (97,586) | (700,000) | (1,427,839) |
| Purchase and construction of infrastructure | 9(a) | (413,170) | (999,836) | (1,375,060) |
| Amount attributable to investing activities | | 141,005 | (31,934) | (861,857) |
| FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 13(b) | (334,439) | (759,219) | (346,460) |
| Proceeds from borrowings | 13(c) | 0 | 405,000 | 270,000 |
| Repayment of Leases | | (60,674) | (65,079) | (98,452) |
| Transfers to reserves (restricted assets) | 4 | (29,954) | (20,700) | (28,338) |
| Transfers from reserves (restricted assets) | 4 | 0 | 0 | 210,279 |
| Amount attributable to financing activities | | (425,067) | (439,998) | 7,029 |
| Surplus/(deficit) before imposition of general rates | | (1,936,607) | (1,875,036) | (1,762,872) |
| Total amount raised from general rates | 22 | 1,885,979 | 1,875,036 | 1,815,073 |
| Surplus/(deficit) after imposition of general rates | 23(b) | (50,625) | (0) | 52,200 |

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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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 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.

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 25 to these financial statements.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue

Grant Revenue

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

| | 2019 Actual | 2019 Budget | 2018 Actual |
|---|------------------|------------------|------------------|
| | \$ | \$ | \$ |
| Operating grants, subsidies and contributions | | | |
| General purpose funding | 771,050 | 388,444 | 725,013 |
| Law, order, public safety | 7,000 | 7,000 | 12,250 |
| Housing | 20,000 | 0 | 0 |
| Recreation and culture | 0 | 0 | 33,000 |
| Transport | 0 | 120,000 | 118,156 |
| Economic services | 175,005 | 0 | 0 |
| Other property and services | 3,636 | 0 | 2,273 |
| | 976,691 | 515,444 | 890,692 |
| Non-operating grants, subsidies and contributions | | | |
| Housing | 0 | 350,000 | 976,352 |
| Recreation and culture | 0 | 0 | 44,567 |
| Transport | 425,173 | 640,434 | 826,538 |
| Economic services | 0 | 0 | 8,000 |
| | 425,173 | 990,434 | 1,855,457 |
| Total grants, subsidies and contributions | 1,401,864 | 1,505,878 | 2,746,149 |

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 21.

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 reporting period.

2. REVENUE AND EXPENSES

| (a) Revenue (Continued) | 2019 | 2019 | 2018 |
|---|-----------|-----------|-----------|
| | Actual | Budget | Actual |
| | \$ | \$ | \$ |
| Other revenue | | | |
| Reimbursements and recoveries | 60,289 | 48,250 | 482,504 |
| Other | 171,373 | 169,420 | 0 |
| | 231,663 | 217,670 | 482,504 |
| Fees and Charges | | | |
| Governance | 3,204 | 4,130 | 3,450 |
| General purpose funding | 2,205 | 2,000 | 1,805 |
| Law, order, public safety | 62,078 | 62,000 | 66,996 |
| Health | 686,802 | 662,150 | 652,504 |
| Education and welfare | 1,772 | 500 | 2,528 |
| Housing | 242,351 | 278,820 | 223,033 |
| Community amenities | 139,361 | 134,440 | 143,467 |
| Recreation and culture | 33,441 | 36,300 | 34,935 |
| Transport | 684 | 500 | 592 |
| Economic services | 209,692 | 207,050 | 196,344 |
| Other property and services | 44,868 | 212,000 | 171,496 |
| | 1,426,460 | 1,599,890 | 1,497,150 |
| There were no changes during the year to the amount of the fees or charges detailed in the original budget. | | | |
| Interest earnings | | | |
| Loans receivable - clubs/institutions | 18,797 | 18,646 | 20,828 |
| Reserve accounts interest | 20,920 | 20,700 | 27,950 |
| Rates instalment and penalty interest (refer Note 22(d)) | 21,835 | 21,490 | 19,970 |
| Other interest earnings | 7,884 | 5,000 | 10,396 |
| | 69,435 | 65,836 | 79,144 |

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

| | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Auditors remuneration | | | |
| - Audit of the Annual Financial Report | 20,000 | 11,000 | 10,210 |
| | 20,000 | 11,000 | 10,210 |
| Interest expenses (finance costs) | | | |
| Borrowings (refer Note 13(b)) | 233,529 | 240,880 | 257,824 |
| Finance Leases | 1,324 | 5,821 | 5,897 |
| | 234,853 | 246,701 | 263,721 |
| Rental charges | | | |
| - Operating leases | 26,375 | 0 | 22,004 |
| | 26,375 | 0 | 22,004 |

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

3. CASH AND CASH EQUIVALENTS

| | NOTE | 2019 | 2018 |
|---|------|-----------|-----------|
| | | \$ | \$ |
| Cash at bank and on hand | | 349,077 | 595,535 |
| Financial assets at amortised cost - Term Deposits | 7 | 929,955 | 900,001 |
| Comprises: | | | |
| - Unrestricted cash and cash equivalents | | 57,513 | 536,711 |
| - Restricted cash and cash equivalents | | 1,221,519 | 958,825 |
| | | 1,279,032 | 1,495,536 |
| The following restrictions have been imposed by regulations or other externally imposed requirements: | | | |
| Reserve accounts | | | |
| Leave reserve | 4 | 109,813 | 107,342 |
| Plant Replacement Reserve | 4 | 153,542 | 150,088 |
| Sewerage Reserve | 4 | 319,713 | 312,519 |
| Vehicle Reserve | 4 | 105,115 | 102,750 |
| LCDC Reserve | 4 | 10,211 | 9,981 |
| Staff Housing Reserve | 4 | 49,494 | 48,381 |
| Community Bus Reserve | 4 | 52,976 | 51,784 |
| Mortlock Lodge Reserve | 4 | 3,172 | 3,100 |
| Aged Care Reserve | 4 | 116,681 | 114,056 |
| SW LAG Officer AL/LSL Reserve | 4 | 9,238 | - |
| | | 929,955 | 900,001 |
| Other restricted cash and cash equivalents | | | |
| Unspent grants/contributions | 21 | 231,450 | 39,813 |
| Bonds & Deposits Held | 25 | 25,882 | - |
| Local Medical Practice | | 34,232 | 19,011 |
| Total restricted cash and cash equivalents | | 1,221,519 | 958,825 |

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 with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

| 4. RESERVES - CASH BACKED | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2018 | 2018 | 2018 | 2018 |
|---|------------------------------|--------------------------|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|
| | Actual Opening Balance | Actual Transfer to | Actual Transfer (from) | Actual Closing Balance | Budget Opening Balance | Budget Transfer to | Budget Transfer (from) | Budget Closing Balance | Actual Opening Balance | Actual Transfer to | Actual Transfer (from) | Actual Closing Balance |
| (1) Leave reserve | 107,342 | 2,471 | - | 109,813 | 107,342 | 2,469 | - | 109,811 | 138,532 | 3,810 | (35,000) | 107,342 |
| (2) Plant Replacement Reserve | 150,088 | 3,455 | - | 153,543 | 150,088 | 3,452 | - | 153,540 | 185,000 | 5,088 | (40,000) | 150,088 |
| (3) Sewerage Reserve | 312,519 | 7,194 | - | 319,714 | 312,519 | 7,188 | - | 319,707 | 304,155 | 8,364 | - | 312,519 |
| (4) Vehicle Reserve | 102,750 | 2,365 | - | 105,115 | 102,750 | 2,363 | - | 105,113 | 100,000 | 2,750 | - | 102,750 |
| (5) LCDC Reserve | 9,981 | 229 | - | 10,210 | 9,981 | 230 | - | 10,211 | 11,000 | 303 | (1,322) | 9,981 |
| (6) Staff Housing Reserve | 48,381 | 1,113 | - | 49,494 | 48,381 | 1,113 | - | 49,494 | 55,000 | 1,513 | (8,132) | 48,381 |
| (7) Community Bus Reserve | 51,784 | 1,192 | - | 52,976 | 51,785 | 1,191 | - | 52,976 | 57,437 | 1,580 | (7,232) | 51,785 |
| (8) Mortlock Lodge Reserve | 3,100 | 71 | - | 3,171 | 3,100 | 71 | - | 3,171 | 3,738 | 103 | (740) | 3,101 |
| (9) Aged Care Reserve | 114,056 | 2,625 | - | 116,681 | 114,056 | 2,623 | - | 116,679 | 145,139 | 3,991 | (35,074) | 114,056 |
| (10) SW LAG Officer AL/LSL Reserve | - | 9,238 | - | 9,238 | - | - | - | - | 16,371 | 450 | (16,822) | - |
| (11) Swimming Pool Revitalisation Reserve | - | - | - | - | - | - | - | - | 65,570 | 388 | (65,958) | - |
| | 900,001 | 29,954 | - | 929,955 | 899,999 | 20,700 | - | 920,700 | 1,081,941 | 28,338 | (210,279) | 900,001 |

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 |
|---|-------------------------|--|
| (1) Leave reserve | Ongoing | - To be used to fund Long Service Leave Requirements |
| (2) Plant Replacement Reserve | Ongoing | - To be used for the future replacement of plant |
| (3) Sewerage Reserve | Ongoing | - To be used to maintain and upgrade the sewerage scheme in the Goomalling Town site |
| (4) Vehicle Reserve | Ongoing | - To be used for the purchase of motor vehicles and utilities if at a future date Council ceases to lease the same |
| (5) LCDC Reserve | Ongoing | - To be used to fund Landcare Activities |
| (6) Staff Housing Reserve | Ongoing | - To be used for the maintenance, upgrading and construction of new housing for Council employees or public rental housing |
| (7) Community Bus Reserve | Ongoing | - To be used to purchase a new Community Bus when the time arises |
| (8) Mortlock Lodge Reserve | Ongoing | - To be used for maintenance and improvement to the Mortlock Retirement Units |
| (9) Aged Care Reserve | Ongoing | - To be used to provide for the needs of the aged |
| (10) S&R Coordinator AL/LSL Reserve | Ongoing | - To be used to fund the S&R Coordinators annual and long service leave requirements |
| (11) Swimming Pool Revitalisation Reserve | Ongoing | - To be used to fund Revitalisation of the Swimming Pool |

5. TRADE RECEIVABLES

Current
 Rates receivable
 GST receivable
 Sundry Debtors

Non-current
 Pensioner's rates and ESL deferred

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| | 165,516 | 179,128 |
| | 18,792 | 22,205 |
| | 52,968 | 200,299 |
| | 237,277 | 401,632 |
| | 73,699 | 70,493 |
| | 73,699 | 70,493 |

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

| | 2019 | 2018 |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Fuel, Materials and Books | 33,371 | 23,694 |
| | <u>33,371</u> | <u>23,694</u> |
| Non-current | | |
| Land held for resale - cost | 929,261 | 929,261 |
| Less impairment | (399,261) | (399,261) |
| | <u>530,000</u> | <u>530,000</u> |

The following movements in inventories occurred during the year:

| | | |
|---|----------------|----------------|
| Carrying amount at 1 July | 553,693 | 562,036 |
| Inventories expensed during the year | (119,285) | (135,548) |
| Additions to inventory | 128,962 | 68,166 |
| Fair value adjustment to LHFR through profit & loss | - | 59,041 |
| Carrying amount at 30 June | <u>563,371</u> | <u>553,694</u> |

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

7. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost
 Other loans and receivables

| 2019 | 2018 |
|---------|---------|
| \$ | \$ |
| 964,295 | 900,001 |
| | 32,355 |
| 964,295 | 932,356 |

Other financial assets at amortised cost
 - Financial assets at amortised cost - term deposits
 - Financial assets at amortised cost - self supporting loans

| | |
|---------|---------|
| 929,955 | 900,001 |
| 34,340 | 0 |
| 964,295 | 900,001 |

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

| | |
|---|--------|
| 0 | 32,355 |
| 0 | 32,355 |

(b) Non-current assets

Financial assets at fair value through profit and loss
 Financial assets at amortised cost - Self Supporting Loan

| | |
|---------|--------|
| 52,551 | 46,400 |
| 235,113 | 0 |
| 287,664 | 46,400 |

Other loans and receivable

| | |
|---|---------|
| 0 | 269,565 |
|---|---------|

Total

| | |
|---------|---------|
| 287,664 | 315,965 |
|---------|---------|

Financial assets at fair value through profit and loss

- Units in Local Government House Trust

| | |
|--------|--------|
| 52,551 | 46,400 |
| 52,551 | 46,400 |

Other financial assets at amortised cost.

- Financial assets at amortised cost - Self Supporting Loan

| | |
|---------|---|
| 235,113 | 0 |
|---------|---|

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

| | |
|---|---------|
| 0 | 269,565 |
| 0 | 269,565 |

During the year, the following gains/(losses) were recognised in profit and loss:

Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

| | |
|-------|---|
| 6,151 | 0 |
| 6,151 | 0 |

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 24.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 26 for explanations regarding the change in accounting policy.

8. PROPERTY, PLANT AND EQUIPMENT

(a) 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 | Total land | Buildings - non- specialised | Total buildings | Total land and buildings | Furniture & Equipment | Plant and equipment | Swimming Pool & Equipment | Total property, plant and equipment |
|---|----------------------------|------------|------------------------------------|--------------------|--------------------------------|--------------------------|------------------------|---------------------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2017 | 3,844,827 | 3,844,827 | 19,384,486 | 19,384,486 | 23,229,313 | 407,065 | 1,379,198 | 1,272,821 | 26,288,397 |
| Additions | - | - | 1,320,526 | 1,320,526 | 1,320,526 | 10,249 | 408 | 96,656 | 1,427,839 |
| (Disposals) | - | - | - | - | - | (30,323) | (77,069) | - | (107,392) |
| Revaluation increments / (decrements) transferred to revaluation surplus | - | - | - | - | - | (106,587) | - | - | (106,587) |
| Depreciation (expense) | - | - | (292,719) | (292,719) | (292,719) | (77,442) | (151,392) | (24,532) | (546,085) |
| Carrying amount at 30 June 2018 | 3,844,827 | 3,844,827 | 20,412,293 | 20,412,293 | 24,257,120 | 202,962 | 1,151,145 | 1,344,945 | 26,956,172 |
| Comprises: | | | | | | | | | |
| Gross carrying amount at 30 June 2018 | 3,844,827 | 3,844,827 | 20,705,012 | 20,705,012 | 24,549,839 | 433,685 | 1,435,282 | 1,393,056 | 27,811,862 |
| Accumulated depreciation at 30 June 2018 | - | - | (292,719) | (292,719) | (292,719) | (230,723) | (284,137) | (48,111) | (855,690) |
| Carrying amount at 30 June 2018 | 3,844,827 | 3,844,827 | 20,412,293 | 20,412,293 | 24,257,120 | 202,962 | 1,151,145 | 1,344,945 | 26,956,172 |
| Additions | - | - | 77,586 | 77,586 | 77,586 | - | 20,000 | - | 97,586 |
| (Disposals) | (25,000) | (25,000) | (88,270) | (88,270) | (113,270) | - | (2,157) | - | (115,427) |
| Revaluation increments / (decrements) transferred to revaluation surplus | - | - | (83,595) | (83,595) | (83,595) | - | - | - | (83,595) |
| Depreciation (expense) | - | - | (311,089) | (311,089) | (311,089) | (43,952) | (152,220) | (25,029) | (532,290) |
| Carrying amount at 30 June 2019 | 3,819,827 | 3,819,827 | 20,006,926 | 20,006,925 | 23,826,752 | 159,011 | 1,016,767 | 1,319,916 | 26,322,446 |
| Comprises: | | | | | | | | | |
| Gross carrying amount at 30 June 2019 | 3,819,827 | 3,819,827 | 20,608,004 | 20,608,004 | 24,427,831 | 433,686 | 1,439,782 | 1,393,056 | 27,694,354 |
| Accumulated depreciation at 30 June 2019 | - | - | (601,078) | (601,078) | (601,078) | (274,675) | (423,015) | (73,140) | (1,371,908) |
| Carrying amount at 30 June 2019 | 3,819,827 | 3,819,827 | 20,006,926 | 20,006,925 | 23,826,752 | 159,011 | 1,016,767 | 1,319,916 | 26,322,446 |

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|-----------------------------|----------------------|--|--------------------------------------|------------------------|---|
| Land and buildings | | | | | |
| Land - freehold land | 2 | Market approach using recent observable market data for similar items (Net revaluation method) | Independent and Management Valuation | June 2017 | Price per hectare/market borrowing rate |
| Buildings - non-specialised | 3 | Market approach using recent observable market data for similar items (Net revaluation method) | Independent and Management Valuation | June 2017 | Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs. |
| Furniture & Equipment | 3 | Costs approach using depreciated replacement cost (Net revaluation method). | Independent Registered Valuer | June 2015 | Constructions/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs. |
| Plant and equipment | 3 | Costs approach using depreciated replacement cost (Net revaluation method). | Independent and Management Valuation | June 2016 | Constructions/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs. |
| Swimming Pool & Equipment | 3 | Costs approach using depreciated replacement cost (Net revaluation method). | Independent and Management Valuation | June 2016 | Constructions/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs. |

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.

9. INFRASTRUCTURE

(a) 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.

| | Infrastructure - Roads | Infrastructure - Footpaths | Infrastructure - Other Infrastructure | Infrastructure - Drainage | Infrastructure - Sewerage | Total Infrastructure |
|--|---------------------------|-------------------------------|---|------------------------------|------------------------------|----------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2017 | 34,709,698 | 706,106 | 1,081,083 | 2,398,308 | 1,652,865 | 40,548,060 |
| Additions | 1,111,706 | 50,531 | 203,973 | - | 8,850 | 1,375,060 |
| Depreciation (expense) | (827,117) | (22,938) | (27,058) | (40,804) | (33,519) | (951,436) |
| Carrying amount at 30 June 2018 | 34,994,287 | 733,699 | 1,257,998 | 2,357,504 | 1,628,196 | 40,971,684 |
| Comprises: | | | | | | |
| Gross carrying amount at 30 June 2018 | 37,213,026 | 795,976 | 1,309,335 | 2,720,258 | 1,694,350 | 43,732,945 |
| Accumulated depreciation at 30 June 2018 | (2,218,739) | (62,277) | (51,337) | (362,754) | (66,154) | (2,761,261) |
| Carrying amount at 30 June 2018 | 34,994,287 | 733,699 | 1,257,998 | 2,357,504 | 1,628,196 | 40,971,684 |
| Additions | 263,246 | 43,529 | 106,395 | - | - | 413,170 |
| (Disposals) | - | - | (159,561) | - | - | (159,561) |
| Depreciation (expense) | (880,471) | (24,463) | (29,604) | (40,804) | (33,520) | (1,008,862) |
| Carrying amount at 30 June 2019 | 34,377,062 | 752,766 | 1,175,227 | 2,316,700 | 1,594,676 | 40,216,431 |
| Comprises: | | | | | | |
| Gross carrying amount at 30 June 2019 | 37,476,271 | 839,506 | 1,248,650 | 2,720,258 | 1,694,350 | 43,979,035 |
| Accumulated depreciation at 30 June 2019 | (3,099,209) | (86,740) | (73,423) | (403,558) | (99,674) | (3,762,604) |
| Carrying amount at 30 June 2019 | 34,377,063 | 752,766 | 1,175,227 | 2,316,699 | 1,594,676 | 40,216,431 |

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|---------------------------------------|----------------------|---|--------------------------------------|------------------------|---|
| Infrastructure - Roads | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Management Valuation | 30 June 2015 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Footpaths | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Management Valuation | 30 June 2015 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Other Infrastructure | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Independent and Management Valuation | 30 June 2016 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Drainage | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Management Valuation | 30 June 2015 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Sewerage | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Independent and Management Valuation | 30 June 2016 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs |

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.

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either 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 where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are 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 and no more than five 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

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 *AASE 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.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

| | 2019 | | | | 2019 | | | | 2018 | | | |
|---------------------------------------|----------|----------|--------|----------|----------|----------|--------|-----------|----------|----------|--------|-----------|
| | Actual | Actual | 2019 | 2019 | Budget | Budget | 2019 | 2019 | Actual | Actual | 2018 | 2018 |
| | Net Book | Sale | Actual | Actual | Net Book | Sale | Budget | Budget | Net Book | Sale | Actual | Actual |
| | Value | Proceeds | Profit | Loss | Value | Proceeds | Profit | Loss | Value | Proceeds | Profit | Loss |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land - freehold land | 25,000 | - | - | (25,000) | - | - | - | - | 96,041 | 55,000 | - | (41,041) |
| Buildings - non-specialised | 88,270 | 85,000 | - | (3,270) | 821,896 | 645,000 | 14,786 | (191,682) | - | - | - | - |
| Furniture & Equipment | - | - | - | - | - | - | - | - | 30,323 | - | - | (30,323) |
| Plant and equipment | 2,157 | 2,727 | 570 | 0 | - | - | - | - | 77,069 | - | - | (77,069) |
| Infrastructure - Other Infrastructure | 159,561 | 106,395 | - | (53,166) | - | - | - | - | - | - | - | - |
| | 274,989 | 194,122 | 570 | (81,436) | 821,896 | 645,000 | 14,786 | (191,682) | 203,433 | 55,000 | - | (148,433) |

| Program | 2019 | | | |
|------------------------|----------|----------|--------|----------|
| | Actual | Actual | 2019 | 2019 |
| | Net Book | Sale | Actual | Actual |
| | Value | Proceeds | Profit | Loss |
| | \$ | \$ | \$ | \$ |
| Recreation and culture | 159,561 | 106,395 | - | (53,166) |
| Transport | 2,157 | 2,727 | 570 | - |
| Economic services | 113,270 | 85,000 | - | (28,270) |
| | 274,989 | 194,122 | 570 | (81,436) |

The following assets were disposed of during the year.

| | 2019 | | | |
|---------------------------------|----------|----------|--------|----------|
| | Actual | Actual | 2019 | 2019 |
| | Net Book | Sale | Actual | Actual |
| | Value | Proceeds | Profit | Loss |
| | \$ | \$ | \$ | \$ |
| Land | | | | |
| Economic services | | | | |
| Lot 450 Main Street, Goomalling | 25,000 | - | - | (25,000) |
| Land Total | 25,000 | - | - | (25,000) |
| Buildings | | | | |
| Economic services | 88,270 | 85,000 | - | (3,270) |
| Buildings Total | 88,270 | 85,000 | - | (3,270) |
| Plant and Equipment | | | | |
| Transport | | | | |
| Ford Territory | 2,157 | 2,727 | 570 | - |
| Plant and Equipment Total | 2,157 | 2,727 | 570 | - |
| Other Infrastructure | | | | |
| Recreation and culture | | | | |
| Synthetic Bowling Green | 159,561 | 106,395 | - | (53,166) |
| Other Infrastructure Total | 159,561 | 106,395 | - | (53,166) |
| | 274,989 | 194,122 | 570 | (81,436) |

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

| (b) Depreciation | 2019 | 2019 | 2018 |
|---------------------------------------|-----------|-----------|-----------|
| | Actual | Budget | Actual |
| | \$ | \$ | \$ |
| Buildings - non-specialised | 311,089 | 294,289 | 292,719 |
| Furniture & Equipment | 43,952 | 78,513 | 77,442 |
| Plant and equipment | 152,220 | 153,295 | 151,392 |
| Swimming Pool & Equipment | 25,029 | 23,771 | 24,532 |
| Infrastructure - Roads | 880,471 | 829,146 | 827,117 |
| Infrastructure - Footpaths | 24,463 | 22,997 | 22,938 |
| Infrastructure - Other Infrastructure | 29,604 | 25,127 | 27,058 |
| Infrastructure - Drainage | 40,804 | 41,136 | 40,804 |
| Infrastructure - Sewerage | 33,520 | 32,900 | 33,519 |
| | 1,541,152 | 1,501,174 | 1,497,521 |

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.

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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

| Asset Class | Useful life |
|------------------------------|-----------------|
| Buildings | 30 to 50 years |
| Drainage | 100 years |
| Furniture & Equipment | 4 to 10 years |
| Plant & Equipment | 5 to 14 years |
| Roads | |
| Pavement | 50 years |
| Surface | 20 years |
| Subgrade | not depreciated |
| Culverts | 19 years |
| Footpaths | 20 years |
| Swimming Pool Infrastructure | 10 - 67 years |
| Wastewater infrastructure | 10 - 67 years |
| Other Infrastructure | 10 to 67 years |

Depreciation (Continued)

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.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

11. REVALUATION SURPLUS

| | 2019 | 2019 | 2019 | Total | 2019 | 2018 | 2018 | 2018 | Total | 2018 |
|---|------------|-------------|-------------|-------------|------------|------------|-------------|-------------|-------------|------------|
| | Opening | Revaluation | Revaluation | Movement on | Closing | Opening | Revaluation | Revaluation | Movement on | Closing |
| | Balance | Increment | (Decrement) | Revaluation | Balance | Balance | Increment | (Decrement) | Revaluation | Balance |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 3,061,682 | - | - | - | 3,061,682 | 3,061,682 | - | - | - | 3,061,682 |
| Revaluation surplus - Buildings - non-specialised | 10,721,575 | - | (83,595) | (83,595) | 10,637,980 | 10,721,575 | - | - | - | 10,721,575 |
| Revaluation surplus - Furniture & Equipment | 126,130 | - | - | - | 126,130 | 232,717 | - | (106,587) | (106,587) | 126,130 |
| Revaluation surplus - Swimming Pool & Equipment | 932,516 | - | - | - | 932,516 | 932,516 | - | - | - | 932,516 |
| Revaluation surplus - Infrastructure - roads | 19,720,840 | - | - | - | 19,720,840 | 19,720,840 | - | - | - | 19,720,840 |
| Revaluation surplus - Infrastructure - Other Infrastructure | 569,391 | - | - | - | 569,391 | 569,391 | - | - | - | 569,391 |
| Revaluation surplus - Infrastructure - Drainage | 1,891,185 | - | - | - | 1,891,185 | 1,891,185 | - | - | - | 1,891,185 |
| Revaluation surplus - Infrastructure - Sewerage | 1,434,014 | - | - | - | 1,434,014 | 1,434,014 | - | - | - | 1,434,014 |
| | 38,457,333 | - | (83,595) | (83,595) | 38,373,738 | 38,563,920 | - | (106,587) | (106,587) | 38,457,333 |

Movements on revaluation of property, plant and equipment (including infrastructure) 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.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Rates paid in advance
 Accrued salaries and wages
 ATO liabilities
 Accrued interest on long term borrowings
 Bonds and deposits held

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| | 100,138 | 392,453 |
| | 182,197 | 186,165 |
| | 3,242 | - |
| | 21,638 | 34,489 |
| | 55,521 | 57,736 |
| | 25,883 | - |
| | 388,618 | 670,843 |

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.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

13. INFORMATION ON BORROWINGS

Total Borrowings

| | 2019 | 2018 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Current Loan | 368,500 | 329,303 |
| Current Lease | 4,405 | 65,079 |
| | <u>372,905</u> | <u>394,382</u> |
| Non Current Loan | 3,247,708 | 3,621,343 |
| Non Current Lease | 3,247,708 | 3,621,343 |

(a) Borrowings

| | 2019 | 2018 |
|--------------------|------------------|------------------|
| | \$ | \$ |
| Current | 372,905 | 394,382 |
| Non-current | 3,247,708 | 3,621,343 |
| | <u>3,620,613</u> | <u>4,015,725</u> |

(b) Repayments - Borrowings

| Particulars | Loan Number | Institution | Interest Rate | 30 June 2019 | | 30 June 2018 | | 30 June 2019 | | 30 June 2019 | | 30 June 2019 | | 30 June 2019 | | 30 June 2018 | | 30 June 2018 | |
|--|-------------|-------------|---------------|------------------------------|------------------|-----------------------------|----------------------------|------------------------------|------------------------------|------------------|-----------------------------|----------------------------|------------------------------|------------------------------|------------------|-----------------------------|----------------------------|------------------------------|--|
| | | | | Actual Principal 1 July 2019 | Actual New Loans | Actual Principal repayments | Actual Interest repayments | Actual Principal outstanding | Budget Principal 1 July 2019 | Budget New Loans | Budget Principal repayments | Budget Interest repayments | Budget Principal outstanding | Actual Principal 1 July 2019 | Actual New Loans | Actual Principal repayments | Actual Interest repayments | Actual Principal outstanding | |
| Housing | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Aged Independent living Units | 114 | Bendigo | 5.26% | 200,000 | - | 7,728 | 5,260 | 192,272 | 200,000 | - | 7,728 | 5,260 | 192,273 | - | 200,000 | - | - | 200,000 | |
| Aged Independent living Units #2 | 118 | - | - | - | - | - | - | - | 200,000 | - | - | - | 200,000 | - | - | - | - | - | |
| New Sports Pavilion | 111 | Bendigo | 6.34% | 1,156,032 | - | 23,818 | 72,933 | 1,132,214 | 1,155,904 | - | 24,716 | 72,035 | 1,131,168 | 1,178,825 | - | 22,793 | 74,267 | 1,156,032 | |
| Retc Football/Hockey Ovals | 113 | Bendigo | 5.22% | 70,000 | - | 12,591 | 3,497 | 57,409 | 70,000 | - | 12,594 | - | 57,406 | - | 70,000 | - | - | 70,000 | |
| Resurface Multi Purpose Courts | 116 | - | - | - | - | - | - | - | - | 60,000 | - | - | 60,000 | - | - | - | - | - | |
| Community Resource Centre | 117 | - | - | - | - | - | - | - | - | 60,000 | - | - | 60,000 | - | - | - | - | - | |
| Economic services | | | | | | | | | | | | | | | | | | | |
| Rural Transaction Centre (CRC) | 104 | Bendigo | 7.65% | 158,915 | - | 45,478 | 7,987 | 113,437 | 158,915 | - | 45,478 | 11,287 | 113,437 | 204,393 | - | 45,478 | 15,361 | 158,915 | |
| Slater Homestead | 105 | Bendigo | 7.65% | 47,670 | - | 13,644 | 2,396 | 34,026 | 47,670 | - | 13,644 | 3,386 | 34,026 | 61,314 | - | 13,644 | 4,605 | 47,670 | |
| Rural Transaction Centre (CRC) | 106 | Bendigo | 5.51% | 409,196 | - | 20,572 | 29,006 | 388,624 | 409,123 | - | 14,332 | 35,491 | 394,791 | 422,113 | - | 12,917 | 36,521 | 409,196 | |
| Grange/Salmon Gum Subdivisions | 108 | Bendigo | 7.65% | 633,707 | - | 164,469 | 45,538 | 469,239 | 634,084 | - | 164,581 | 45,419 | 469,503 | 786,846 | - | 153,139 | 55,403 | 633,707 | |
| Caravan Park - Ablution Block Portable | 109 | Bendigo | 5.47% | 28,122 | - | 13,673 | 1,358 | 14,450 | 28,114 | - | 13,679 | 1,353 | 14,436 | 41,109 | - | 12,987 | 1,949 | 28,122 | |
| Bank Overdraft (subdivisions) | 112 | Bendigo | 5.26% | 945,000 | - | - | 46,757 | 945,000 | 945,000 | - | 430,000 | 48,003 | 515,000 | 1,000,000 | - | 55,000 | 49,201 | 945,000 | |
| Slater Homestead | 115 | - | - | - | - | - | - | - | - | 85,000 | - | - | 85,000 | - | - | - | - | - | |
| | | | | 3,648,642 | - | 301,972 | 214,732 | 3,346,670 | 3,648,811 | 405,000 | 726,751 | 222,234 | 3,327,060 | 3,694,600 | 270,000 | 315,958 | 237,306 | 3,648,642 | |
| Self Supporting Loans | | | | | | | | | | | | | | | | | | | |
| Recreation and culture | | | | | | | | | | | | | | | | | | | |
| Mortlock Sports Council | 110 | Bendigo | 6.34% | 302,004 | - | 32,467 | 18,797 | 269,537 | 302,086 | - | 32,468 | 18,646 | 269,618 | 332,506 | - | 30,502 | 20,518 | 302,004 | |
| | | | | 302,004 | - | 32,467 | 18,797 | 269,537 | 302,086 | - | 32,468 | 18,646 | 269,618 | 332,506 | - | 30,502 | 20,518 | 302,004 | |
| | | | | 3,950,646 | - | 334,439 | 233,529 | 3,616,208 | 3,950,897 | 405,000 | 759,219 | 240,880 | 3,596,678 | 4,027,106 | 270,000 | 346,460 | 257,824 | 3,950,646 | |

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.
Other loan repayments were financed by general purpose revenue.
Bendigo Bank have a registered charge over Goomalling Shire Rates as security over borrowings.

SHIRE OF GOMMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

13. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

| Particulars/Purpose | Institution | Loan Type | Term Years | Interest Rate % | Amount Borrowed | | Amount (Used) | | Total Interest & Charges | Actual Balance Unspent |
|--|--------------|-----------|------------|-----------------|-----------------|-------------|---------------|-------------|--------------------------|------------------------|
| | | | | | 2019 Actual | 2019 Budget | 2019 Actual | 2019 Budget | | |
| Loan 114 - Aged Housing Wollyam Street | Bendigo Bank | Debenture | 10 | 5.00% | - | 200,000 | - | 200,000 | - | - |
| Loan 115 - Slater Homestead Barn Renovations | Bendigo Bank | Debenture | 5 | 5.00% | - | 85,000 | - | 85,000 | - | - |
| Loan 116 - Resurface Multi Purpose Courts | Bendigo Bank | Debenture | 5 | 5.00% | - | 60,000 | - | 60,000 | - | - |
| Loan 117 - Community Resource Centre | Bendigo Bank | Debenture | 5 | 5.00% | - | 60,000 | - | 60,000 | - | - |
| | | | | | - | 405,000 | - | 405,000 | - | - |

(d) Undrawn Borrowing Facilities

| | 2018 | 2019 |
|--|------------------|------------------|
| Credit Standby Arrangements | | |
| Bank overdraft limit | 350,000 | 400,000 |
| Credit card limit | 15,000 | 10,000 |
| Credit card balance at balance date | (2,822) | (404) |
| Total amount of credit unused | 362,178 | 409,596 |
| Loan facilities | | |
| Loan facilities - current | 368,500 | 329,304 |
| Loan facilities - non-current | 3,247,708 | 3,621,343 |
| Total facilities in use at balance date | 3,616,208 | 3,950,647 |
| Unused loan facilities at balance date | NIL | NIL |

(e) Finance Leases

| Particulars/Purpose | Principal Actual 1 July 2018 | New Leases | Principal Repayments | | Principal | | Interest | |
|---|------------------------------|------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Actual 30 June 2019 | Budget 30 June 2019 | Actual 30 June 2019 | Budget 30 June 2019 | Actual 30 June 2019 | Budget 30 June 2019 |
| Photocopier | 6,537 | - | 2,132 | 2,132 | 4,405 | 4,405 | 468 | 468 |
| GO 025 Roller - Residual was leased for 12 months | 58,542 | - | 58,542 | 62,947 | - | - | 856 | 856 |
| | 65,079 | - | 60,674 | 65,079 | 4,405 | 4,405 | 1,324 | 1,324 |

| | 2018 | 2019 |
|--|--------------|---------------|
| Lease facilities | | |
| Lease facilities - current | 4,405 | 65,079 |
| Lease facilities - non-current | - | - |
| Total facilities in use at balance date | 4,405 | 65,079 |

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 when 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.

Risk

Information regarding exposure to risk can be found at Note 24.

14. EMPLOYEE RELATED PROVISIONS

| Employee Related Provisions | Provision for Annual Leave | Provision for Long Service Leave | Total |
|--------------------------------|----------------------------------|--|-----------|
| | \$ | \$ | \$ |
| Opening balance at 1 July 2018 | | | |
| Current provisions | 181,388 | 223,770 | 405,158 |
| Non-current provisions | - | 36,031 | 36,031 |
| | 181,388 | 259,801 | 441,189 |
| Additional provision | 125,049 | (1,916) | 123,133 |
| Amounts used | (133,644) | (19,032) | (152,676) |
| Balance at 30 June 2019 | 172,793 | 238,853 | 411,646 |
| Comprises | | | |
| Current | 172,793 | 218,751 | 391,544 |
| Non-current | - | 20,102 | 20,102 |
| | 172,793 | 238,853 | 411,646 |

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

| | 2019 | 2018 |
|---|---------|---------|
| | \$ | \$ |
| Less than 12 months after the reporting date | 388,925 | 405,158 |
| More than 12 months from reporting date | - | 36,031 |
| Expected reimbursements from other WA local governments | 22,721 | - |
| | 411,646 | 441,189 |

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

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.

15. 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:

| | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 349,077 | 1,051,552 | 595,535 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | (992,795) | (348,899) | 854,024 |
| Non-cash flows in Net result: | | | |
| Adjustments to fair value of financial assets | - | - | (59,041) |
| Movement in Local Government House | (6,151) | - | 28 |
| Depreciation | 1,541,152 | 1,501,174 | 1,497,521 |
| (Profit)/loss on sale of asset | 80,867 | 176,896 | 148,433 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | 161,144 | - | 25,247 |
| (Increase)/decrease in inventories | (9,676) | - | 8,342 |
| Increase/(decrease) in payables | (282,222) | (150,000) | 294,017 |
| Increase/(decrease) in provisions | (29,543) | - | 20,046 |
| Grants contributions for the development of assets | (425,173) | (990,434) | (1,855,457) |
| Net cash from operating activities | 37,603 | 188,737 | 933,160 |

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2019 | 2018 |
|-----------------------------|-------------------|-------------------|
| | \$ | \$ |
| Governance | 652,531 | 699,303 |
| General purpose funding | 947,717 | 970,697 |
| Law, order, public safety | 731,650 | 797,076 |
| Health | 8,750 | 29,011 |
| Education and welfare | 610,902 | 572,081 |
| Housing | 4,680,871 | 5,527,992 |
| Community amenities | 2,610,140 | 2,651,172 |
| Recreation and culture | 10,510,010 | 10,574,544 |
| Transport | 38,232,924 | 38,546,344 |
| Economic services | 9,779,495 | 9,481,898 |
| Other property and services | 214,930 | 947,413 |
| | <u>68,979,921</u> | <u>70,797,531</u> |

17. CONTINGENT LIABILITIES

The Shire of Goomalling is not aware of any contingent liabilities as at the reporting date.

18. LEASING COMMITMENTS

The Shire of Goomalling had no capital expenditure commitments as at the end of the current reporting period.

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year
- later than one year but not later than five years

| | 2019 | 2018 |
|--|-------|--------|
| | \$ | \$ |
| | 2,317 | 58,542 |
| | 2,088 | 6,537 |
| | 4,405 | 65,079 |

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

| | 2019 Actual | 2019 Budget | 2018 Actual |
|------------------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Meeting Fees | 13,300 | 17,500 | 21,100 |
| President's allowance | 625 | 2,500 | 2,500 |
| Deputy President's allowance | 2,500 | 625 | 625 |
| Travelling expenses | 3,250 | 4,500 | 3,623 |
| Telecommunications allowance | 487 | 0 | 529 |
| Conference Expenses | 6,548 | 0 | 3,483 |
| | <u>26,710</u> | <u>25,125</u> | <u>31,860</u> |

Key Management Personnel (KMP) Compensation Disclosure

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

| | 2019 Actual | 2018 Actual |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 399,448 | 315,205 |
| Post-employment benefits | 37,952 | 43,547 |
| Other long-term benefits | 28,438 | 24,952 |
| Termination benefits | 0 | 0 |
| | <u>465,838</u> | <u>383,704</u> |

Short-term employee benefits

These amounts include all salary, 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 annual leave and long service leave benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

19. RELATED PARTY TRANSACTIONS (Continued)

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.

| | 2019 Actual | 2018 Actual |
|---|----------------|----------------|
| The following transactions occurred with related parties: | \$ | \$ |
| Sale of goods and services - other related parties | 0 | 0 |
| Purchase of goods and services - other related parties | 109,837 | 157,118 |

Related Parties

The Shire President and Finance Manager are board members at Goomalling & Districts Community Financial Services Limited, being the local community bank company (Bendigo Bank). The Shire banks with Bendigo Bank.

Four Councillors & the Finance Manager have direct or indirect through close family members interest in the board of Mortlock Sports Council. The Shire has made a self supporting loan to Mortlock Sports Council as follows:

| | 2019 Actual | 2018 Actual |
|--|----------------|----------------|
| | \$ | \$ |
| | 269,453 | 301,920 |

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. (KMP)

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered related parties in relation to the Shire.

20. MAJOR LAND TRANSACTIONS

Salmon Gum Way and Grange Street Subdivisions

(a) Details

The Shire of Goomalling has undertaken a rural residential subdivision in Salmon Gum Way and Grant Street, Goomalling. The Shire will conduct either auction or tender process for the sale of lots on Salmon Gum Way. In relation to lots in Grange Street, the sale will be by tender process at market valuations. The proceeds from the sale of the two rural residential subdivisions will be applied towards the repayment of loans raised to finance the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account. A business plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995.

(b) Current year transactions

| | 2019 Actual | 2019 Budget | 2018 Actual |
|--------------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Revenue | | | |
| - Sale proceeds | - | 165,000 | 55,000 |
| Expenditure | | | |
| - Cost | - | (129,958) | (41,041) |
| - Interest on borrowings | (92,295) | (45,419) | (55,403) |
| Loss on Sale | (92,295) | (10,377) | (41,444) |

(c) Expected future cash flows

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total |
|--------------------------|----------|----------|---------|---------|----------|
| | \$ | \$ | \$ | \$ | \$ |
| Cash outflows | | | | | |
| - Development costs | - | - | - | - | - |
| - Interest on borrowings | (16,655) | (18,720) | (3,838) | - | (39,214) |
| | (16,655) | (18,720) | (3,838) | - | (39,214) |
| Cash inflows | | | | | |
| - Sale proceeds | - | 55,000 | 55,000 | 55,000 | 165,000 |
| | - | 55,000 | 55,000 | 55,000 | 165,000 |
| Net cash flows | (16,655) | 36,280 | 51,162 | 55,000 | 125,786 |

(d) Assets and liabilities

| Land held for resale included within Note 6 | 2019 | 2018 |
|---|---------|---------|
| | \$ | \$ |
| Current inventory | | |
| Land held for resale - cost | 530,000 | 530,000 |
| | 530,000 | 530,000 |

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

| Grant/Contribution | Opening Balance ⁽¹⁾ | Received ⁽²⁾ | Expended ⁽³⁾ | Closing Balance ⁽¹⁾ | Received ⁽²⁾ | Expended ⁽³⁾ | Closing Balance |
|---|-----------------------------------|-------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|--------------------|
| | 1/07/17 | 2017/18 | 2017/18 | 30/06/18 | 2018/19 | 2018/19 | 30/06/19 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Law, order, public safety | | | | | | | |
| DFES - Bush Fire Mitigation | 0 | 8,250 | (8,250) | 0 | 3,000 | (3,000) | 0 |
| DFES - Admin | 0 | 4,000 | (4,000) | 0 | 4,000 | (4,000) | 0 |
| Recreation and Culture | | | | | | | |
| Grant - Kids Sport Program | 199 | 1,000 | (1,199) | 0 | | | 0 |
| Housing | | | | | | | |
| R4R Regional Pool Funding (aged care) | 0 | 0 | 0 | 0 | 20,000 | (20,000) | 0 |
| Transport | | | | | | | |
| R2R - Konno West Road | 0 | 331,710 | (331,710) | 0 | 164,434 | (164,434) | 0 |
| Govt Grants - State Special | 0 | 84,328 | (84,328) | 0 | 47,287 | (47,287) | 0 |
| Govt Grants - Tied MRWA Spec | 0 | 410,500 | (410,500) | 0 | 171,180 | (15,186) | 155,994 |
| Flood Damage previous years | 0 | 0 | 0 | 0 | 34,870 | (34,870) | 0 |
| NDRRA Event previous years | 0 | 0 | 0 | 0 | 3,914 | (3,914) | 0 |
| Economic services | | | | | | | |
| Skeleton Weed (LAG) | 19,240 | 105,000 | (105,208) | 19,032 | 120,000 | (121,305) | 17,727 |
| Grant = CCPF Goomalling Youth Zone | 5,369 | | (5,369) | 0 | 0 | 0 | 0 |
| CLCF Youth Development Scholarship | 0 | 0 | 0 | 1,385 | 0 | (1,385) | 0 |
| State NRM Office Community Cactus | 20,165 | 0 | (5,493) | 14,672 | 0 | (14,672) | 0 |
| State NRM new community cactus | 0 | 0 | 0 | 0 | 6,960 | 0 | 6,960 |
| Grant - Community Cactus Control - Dept of AG | 13,236 | 0 | (13,236) | 0 | 0 | 0 | 0 |
| Grant - CGG - Community Gardens Program | 12,054 | 0 | (12,054) | 0 | 0 | 0 | 0 |
| Volunteer Recognition | 0 | 1,000 | (1,000) | 0 | 1,000 | (1,000) | 0 |
| CLGF Community Development Scholarship | 0 | 4,872 | (148) | 4,724 | 0 | 0 | 4,724 |
| Safer Communities Fund round 3 | 0 | 0 | 0 | 0 | 46,045 | 0 | 46,045 |
| Naidoc Week Celebrations | 0 | 0 | 0 | 0 | 1,000 | (1,000) | 0 |
| Other property and services | | | | | | | |
| Apprentice Scheme | 0 | 2,273 | (2,273) | 0 | 3,640 | (3,640) | 0 |
| Total | 70,263 | 952,933 | (984,768) | 39,813 | 627,330 | (435,693) | 231,450 |

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.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

22. RATING INFORMATION

(a) Rates

| RATE TYPE | Rate in \$ | Number of Properties | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2017/18 | | |
|---|------------|----------------------|-----------------------|---------------------|----------------------|-------------------|----------------------|-------------|---------------------|------------------|----------------------|----------------------|-----------|
| | | | Actual Rateable Value | Actual Rate Revenue | Actual Interim Rates | Actual Back Rates | Actual Total Revenue | Budget Rate | Budget Interim Rate | Budget Back Rate | Budget Total Revenue | Actual Total Revenue | |
| Differential general rate / general rate | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | |
| Gross rental valuations | | | | | | | | | | | | | |
| GRV - Residential | 0.1085 | 219 | 1,519,370 | 164,852 | 10,943 | - | - | 175,795 | 164,850 | - | - | 164,850 | 158,714 |
| GRV - Commercial | 0.122 | 18 | 337,295 | 41,150 | - | - | - | 41,150 | 41,150 | - | - | 41,150 | 39,801 |
| GRV - Industrial | 0.117 | 11 | 80,636 | 9,434 | - | - | - | 9,434 | 9,434 | - | - | 9,434 | 9,112 |
| GRV - Urban Farmland | 0.1045 | 16 | 199,420 | 20,839 | - | - | - | 20,839 | 20,839 | - | - | 20,839 | 18,776 |
| Unimproved valuations | | | | | | | | | | | | | |
| UV - Rural Zone 2 | 0.0063 | 37 | 17,687,000 | 111,428 | - | - | - | 111,428 | 111,428 | - | - | 111,428 | 107,634 |
| UV - Special Rural | 0.0125 | 11 | 1,198,500 | 14,981 | - | - | - | 14,981 | 14,981 | - | - | 14,981 | 17,860 |
| UV - General Zone 3 Farming | 0.00685 | 215 | 179,907,000 | 1,232,342 | - | - | - | 1,232,342 | 1,232,342 | - | - | 1,232,342 | 1,185,906 |
| Sub-Total | | 527 | 200,929,221 | 1,595,026 | 10,943 | - | - | 1,605,969 | 1,595,026 | - | - | 1,595,026 | 1,537,803 |
| Minimum payment | | | \$ | | | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | | | |
| GRV - Residential | 950 | 128 | 662,909 | 121,600 | - | - | - | 121,600 | 121,600 | - | - | 121,600 | 118,680 |
| GRV - Commercial | 900 | 17 | 52,493 | 15,300 | - | - | - | 15,300 | 15,300 | - | - | 15,300 | 14,875 |
| GRV - Industrial | 550 | 8 | 14,325 | 4,400 | - | - | - | 4,400 | 4,400 | - | - | 4,400 | 4,240 |
| GRV - Urban Farmland | 715 | 12 | 39,911 | 8,580 | - | - | - | 8,580 | 8,580 | - | - | 8,580 | 8,970 |
| Unimproved valuations | | | | | | | | | | | | | |
| UV - Rural Zone 2 | 1,155 | 33 | 4,934,500 | 38,115 | - | - | - | 38,115 | 38,115 | - | - | 38,115 | 36,300 |
| UV - Special Rural | 1,195 | 8 | 408,000 | 9,560 | - | - | - | 9,560 | 9,560 | - | - | 9,560 | 4,540 |
| UV - General Zone 3 Farming | 1,195 | 69 | 7,558,000 | 82,455 | - | - | - | 82,455 | 82,455 | - | - | 82,455 | 89,665 |
| Sub-Total | | 275 | 13,670,138 | 280,010 | - | - | - | 280,010 | 280,010 | - | - | 280,010 | 277,270 |
| Total amount raised from general rate | | 802 | 214,599,359 | 1,875,036 | 10,943 | - | - | 1,885,979 | 1,875,036 | - | - | 1,875,036 | 1,815,073 |
| Specified Area Rate (refer Note 22(b)) | | | | | | | | 1,885,979 | | | | 1,875,036 | 1,815,073 |
| Ex-gratia rates | | | | | | | | 214,587 | | | | 214,020 | 207,606 |
| Totals | | | | | | | | 18,105 | | | | 18,105 | 16,922 |
| Totals | | | | | | | | 2,118,671 | | | | 2,107,161 | 2,039,601 |

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.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

22. RATING INFORMATION (Continued)

(b) Specified Area Rate

| Specified Area Rate | Basis of Valuation | Rate in \$ | 2018/19 Rateable Value | 2018/19 Rate Revenue | 2018/19 Interim Rate Revenue | 2018/19 Back Rate Revenue | 2018/19 Total Specified Area Rate Revenue | 2018/19 | 2018/19 | 2018/19 | 2018/19 | 2017/18 |
|-----------------------------|--------------------|------------|------------------------|----------------------|------------------------------|---------------------------|---|---------------------|--------------------------|-----------------------------|----------------------|----------------------|
| | | | | | | | | Budget Rate Revenue | Budget Back Rate Revenue | Budget Interim Rate Revenue | Budget Total Revenue | Total Actual Revenue |
| Sewerage - Residential | GRV | 0.0765 | 2,785,190 | 213,067 | - | - | 213,067 | 212,500 | - | - | 212,500 | 206,246 |
| Sewerage - Religious Church | GRV | 380.00 | - | 1,520 | - | - | 1,520 | 1,520 | - | - | 1,520 | 1,360 |
| | | | | 214,587 | - | - | 214,587 | 214,020 | - | - | 214,020 | 207,606 |

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

Rates Discounts

| Rate or Fee | Discount | Discount | 2019 Actual | 2019 Budget | 2018 Actual | Circumstances in which Discount is Granted |
|------------------|----------|----------|-------------|-------------|-------------|---|
| Discount Granted | % | \$ | \$ | \$ | \$ | |
| Early Payment | n/a | 1,000 | 1,000 | 1,000 | 1,000 | Ratepayers making their rates payments in full within 35 days of the date of issue of the notice are eligible to enter the early payment prize draw for the following: (a) - A \$600 voucher to be spent at any business in the Shire of Goomalling. (b) - A \$300 voucher to be spent at any business in the Shire of Goomalling. (c) - A \$100 voucher to be spent at any business in the Shire of Goomalling. |
| | | | 1,000 | 1,000 | 1,000 | |

22. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge \$ | Instalment Plan Interest Rate % | Unpaid Rates Interest Rate % |
|---------------------|------------|------------------------------------|------------------------------------|---------------------------------|
| Option One | | | | |
| Payment in Full | 29/08/2018 | 0.00 | 0.00% | 0.00% |
| Option Two | | | | |
| Instalment 1 | 29/08/2018 | 5.00 | 5.50% | 11.00% |
| Instalment 2 | 29/10/2018 | 5.00 | 5.50% | 11.00% |
| Option Three | | | | |
| Instalment 1 | 29/08/2018 | 5.00 | 5.50% | 11.00% |
| Instalment 2 | 29/10/2018 | 5.00 | 5.50% | 11.00% |
| Instalment 3 | 29/12/2018 | 5.00 | 5.50% | 11.00% |
| Instalment 4 | 28/02/2019 | 5.00 | 5.50% | 11.00% |

| | 2019 Actual \$ | 2019 Budget \$ | 2018 Actual \$ |
|-----------------------------|-------------------|-------------------|-------------------|
| Interest on unpaid rates | 16,608 | 15,990 | 15,919 |
| Interest on instalment plan | 5,227 | 5,500 | 4,051 |
| Charges on instalment plan | 2,205 | 2,000 | 1,805 |
| | <u>24,040</u> | <u>23,490</u> | <u>21,775</u> |

23. RATE SETTING STATEMENT INFORMATION

| Note | 2018/19 | 2018/19 | 2018/19 | | |
|---|--|--|-------------------------------------|------------------|------------------|
| | (30 June 2019 Carried Forward) | Budget (30 June 2019 Carried Forward) | (1 July 2018 Brought Forward) | | |
| | \$ | \$ | \$ | | |
| (a) Non-cash amounts excluded from operating activities | | | | | |
| <p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p> | | | | | |
| Adjustments to operating activities | | | | | |
| | Less: Profit on asset disposals | 10(a) | (570) | (14,786) | - |
| | Less: Movement in liabilities associated with restricted cash | | - | - | (31,190) |
| | Movement in LGH Trust | | (6,151) | - | 28 |
| | Movement in pensioner deferred rates (non-current) | | (3,208) | - | (10,036) |
| | Movement in Lease and Loan Liability (non-current) | | 4,942 | - | 2,667 |
| | Movement in employee benefit provisions (non-current) | | (15,929) | 2,469 | (5,510) |
| | Movement in employee leave reserve | | (2,471) | - | - |
| | Movement in other provisions (non-current) | | - | - | 3,390 |
| | Add: Loss on disposal of assets | 10(a) | 81,436 | 191,682 | 148,433 |
| | Add: Loss on revaluation of fixed assets | 9(a) | - | - | (59,041) |
| | Add: Depreciation on assets | 10(b) | 1,541,152 | 1,501,174 | 1,497,521 |
| | Non cash amounts excluded from operating activities | | 1,599,201 | 1,680,539 | 1,546,262 |
| (b) Surplus/(deficit) after imposition of general rates | | | | | |
| <p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p> | | | | | |
| Adjustments to net current assets | | | | | |
| | Less: Reserves - restricted cash | 3 | (929,955) | (920,700) | (900,002) |
| | Less: - Financial assets at amortised cost - self supporting loans | 7(a) | (34,341) | 113 | (32,355) |
| | Less: Leave Reserve - cash backed | | 109,813 | 109,811 | 107,342 |
| | Add: Borrowings | 13(a) | 368,500 | 19,785 | 329,303 |
| | Add: Lease Liability | | 4,405 | - | 65,079 |
| | Total adjustments to net current assets | | (481,577) | (790,991) | (430,633) |
| Net current assets used in the Rate Setting Statement | | | | | |
| | Total current assets | | 1,584,020 | 1,297,582 | 1,953,216 |
| | Less: Total current liabilities | | (1,153,067) | (506,591) | (1,470,383) |
| | Less: Total adjustments to net current assets | | (481,577) | (790,991) | (430,633) |
| | Net current assets used in the Rate Setting Statement | | (50,625) | (0) | 52,200 |

24. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|--|-----------------------------------|--|
| Market risk - interest rate | Long term borrowings at variable rates | Sensitivity analysis | Utilise fixed interest rate borrowings |
| Credit risk | Cash and cash equivalents, trade receivables, financial assets and | Aging analysis Credit analysis | Diversification of bank deposits, credit limits. Investment policy |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

| | Weighted Average Interest Rate | Carrying Amounts | Fixed Interest Rate | Variable Interest Rate | Non Interest Bearing |
|--|--------------------------------------|---------------------|------------------------|---------------------------|-------------------------|
| | % | \$ | \$ | \$ | \$ |
| 2019 | | | | | |
| Cash and cash equivalents | 0.00% | 349,077 | - | 349,077 | - |
| Financial assets at amortised cost - term deposits | 2.05% | 929,955 | 929,955 | - | - |
| 2018 | | | | | |
| Cash and cash equivalents | 0.00% | 595,535 | - | 595,535 | - |
| Financial assets at amortised cost - term deposits | 2.30% | 900,001 | 900,001 | - | - |

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

| | 2019 | 2018 |
|--|-------|-------|
| | \$ | \$ |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 3,491 | 5,954 |

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 13(b).

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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 applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 30 June 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was considered to be insignificant receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

| | Current | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total |
|-----------------------|---------|------------------------------|-------------------------------|-------------------------------|---------|
| 30 June 2019 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 85,525 | 43,677 | 23,831 | 86,182 | 239,215 |
| Loss allowance | - | - | - | - | - |
| 01 July 2018 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 112,117 | 33,156 | 26,992 | 77,353 | 249,619 |
| Loss allowance | - | - | - | - | - |

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables. The amounts calculated have not been brought to account as they are considered immaterial.

| | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|-----------------------|---------|-------------------------------|-------------------------------|-------------------------------|---------|
| 30 June 2019 | | | | | |
| Sundry Receivables | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 36,449 | 692 | 2,588 | 14,945 | 54,673 |
| 01 July 2018 | | | | | |
| Sundry Receivables | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 15,401 | 2,245 | 1,751 | 179,461 | 198,857 |

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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 and disclosed in Note 13(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|-------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2019 | | | | | |
| Payables | 388,618 | - | - | 388,618 | 388,618 |
| Borrowings | 521,212 | 1,510,354 | 1,973,165 | 4,004,731 | 3,620,613 |
| | 909,830 | 1,510,354 | 1,973,165 | 4,393,349 | 4,009,231 |
| 2018 | | | | | |
| Payables | 670,843 | - | - | 670,843 | 670,843 |
| Borrowings | 553,606 | 2,904,990 | 2,470,640 | 5,929,236 | 4,015,726 |
| | 1,224,449 | 2,904,990 | 2,470,640 | 6,600,079 | 4,686,569 |

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

25. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

In previous years, bonds and deposits were held as trust monies. These amounts have been transferred from Trust to Restricted cash. Refer to Note 3.

| | 1 July 2018 | Amounts Received | Amounts Paid | Total | Reclassification to Restricted Cash 30 June 2019 | Trust 30 June 2019 |
|---------------------------------|-------------|------------------|--------------|--------|---|-----------------------|
| | \$ | \$ | \$ | | \$ | \$ |
| Police Licensing DOT | - | 643,987 | (643,987) | - | - | - |
| Mortlock Farm Improvement Group | 1,542 | 15 | - | 1,557 | 1,557 | - |
| Pioneer Pathway Signage | 51,553 | 514 | (2,180) | 49,887 | (0) | 49,887 |
| General Prepayment & Deposits | 24,297 | - | (24,297) | - | - | - |
| DFES1920 | - | 14,945 | - | 14,945 | 14,945 | - |
| Pet Bond | - | 200 | - | 200 | 200 | - |
| Deposit purchase 40 Forrest St | - | 2,306 | - | 2,306 | (0) | 2,306 |
| Tidy Towns | 105 | 1 | - | 106 | 106 | - |
| Market Day stalls | 100 | 1 | - | 101 | 101 | - |
| Gym Bond | 7,600 | 2,874 | (1,500) | 8,974 | 8,974 | - |
| Other Bonds | 1,000 | - | (1,000) | - | - | - |
| | 86,197 | 664,843 | (672,964) | 78,076 | 25,883 | 52,194 |

26. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with significant application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

There were no adjustments as a result of adopting AASB9.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Shire did not designate any financial assets as at fair value through profit and loss.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire has assessed the ECL to be insignificant.

27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 and AASB 1058 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict transfer of goods and services to customers in amounts that reflect the consideration (that is the payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers. The impact to the standards may cause the Shire to defer some revenue until all performance obligations have been met.

(b) Leases

The Shire will adopt AASB 16 retrospectively from 1 July 2019 which will result in changes in accounting policies.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

The Shire will also recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In accordance with the transition provisions of AASB 16, the Shire will apply this standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. AASB 16 is estimated to cause the majority of leases of the Shire to be brought into the statement of financial position.

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

28 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

29. ACTIVITIES/PROGRAMS

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

| PROGRAM NAME AND OBJECTIVES | ACTIVITIES |
|--|--|
| GOVERNANCE 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 to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services. |
| GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community. | Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. |
| HEALTH 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. |
| EDUCATION AND WELFARE 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. |
| HOUSING To provide housing to staff. | Staff housing, provision of general rental accomodation when buildings not required by staff. |
| COMMUNITY AMENITIES 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. |
| RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which help the social well being of the community. | Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities. |
| TRANSPORT To provide safe, effective and efficient transport services to the community. | Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities. |
| ECONOMIC SERVICES 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. |
| OTHER PROPERTY AND SERVICES To monitor and control Council's overhead operating accounts. | Private works operation, plant repair and operation costs, housing and engineering operation costs. |

30. FINANCIAL RATIOS

| | 2019 Actual | 2018 Actual | 2017 Actual |
|-----------------------------------|----------------|----------------|----------------|
| Current ratio | 0.35 | 0.76 | 0.89 |
| Asset consumption ratio | 0.92 | 0.95 | 0.97 |
| Asset renewal funding ratio* | N/A | N/A | N/A |
| Asset sustainability ratio | 0.06 | 1.06 | 1.02 |
| Debt service cover ratio | 0.63 | 1.26 | 1.74 |
| Operating surplus ratio | (0.39) | (0.24) | (0.01) |
| Own source revenue coverage ratio | 0.59 | 0.68 | 0.74 |

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 | $\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$ |
| 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 | $\frac{\text{own source operating revenue}}{\text{operating expense}}$ |

Notes:

- * The Asset Renewal Funding Ratio was not disclosed in the financial report as the long term financial plan and asset management plan is not current for the relevant years.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Goomalling

Report on the Audit of the Financial Report

Qualified Opinion

I have audited the annual financial report of the Shire of Goomalling which comprises the Statement of Financial Position as at 30 June 2019, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the annual financial report of the Shire of Goomalling:

- (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 2019 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 Qualified Opinion

The Shire has recognised rates revenue from properties that are owned by the Shire, with a corresponding expense in the Statement of Comprehensive Income by Nature or Type and the Statement of Comprehensive Income by Program. This treatment is not in accordance with the presentation requirements of Australian Accounting Standard AASB 101 "Presentation of Financial Statements". Consequently the total revenue and total expenses presented in the Statement of Comprehensive Income by Nature or Type and the Statement of Comprehensive Income by Program are overstated by \$110,140 for the year ended 30 June 2019 and \$112,403 for the year ended 30 June 2018.

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 annual 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 qualified opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, 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 an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual 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 annual 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 annual 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 annual 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 annual financial report, including the disclosures, and whether the annual 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 current ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
 - b. The debt service cover ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
 - c. The operating surplus ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- The financial ratios are reported in Note 30 of the annual financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long term financial plan and asset management plan respectively.
 - b. For 15 employees, there were no signed employment contracts or letters of employment in the Shire's records.
 - c. A review in relation to the appropriateness and effectiveness of the financial management systems and procedures of the local government was not completed at least once in every three financial years as required by Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996.
 - d. A review in relation to the appropriateness and effectiveness of the Council's systems and procedures in relation to risk management, internal controls and legislative compliance was not completed at least once in every three financial years as required by Regulation 17 of the Local Government (Audit) Regulations 1996.
 - (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the Asset Consumption Ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 30 of the audited annual financial report were included in the supplementary information and/or audited annual 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 Goomalling for the year ended 30 June 2019 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
20 February 2020



It is with great pleasure that I present Council's Financial Report and other activities for the Shire of Goomalling across the 2018/19 financial year for the 2018/19 Annual Report.

Finance

Council is in difficult financial position and the CEO has written in more detail on this matter. I would like to reassure the Community that the Council is focussed on the task at hand to bring about sustainable change to the Shire of Goomalling and I am encouraged that our staff have the same best interests at heart too.

While we understand that this will take some time to turn around, and that there will be some disappointment in this situation, we are confident that the work that Council and staff have already done, and have planned for the coming years, will provide a sound basis to go forward as a sustainable, effective and efficient organisation.

Roads

Goomalling-Meckering Road upgrade has had a delayed start as our application for clearing permit was being contested. It was eventually approved and works have commenced in December 2019.

In the planning stages of widening Konnongorryng West Road between the Northam-Pithara Rd intersection and the CBH entrance, discussions have been ongoing between the Shire, CBH and Arc Infrastructure. Works are expected to commence in the 2019/20 year.

We have been successful in securing funding for repairs on Calingiri Road as part of the Lime Route. These works will commence this year (2020).

Our minor roads are also starting to look good, I thank Dave and the outside crew for their continual maintenance work on our unsealed roads, the results are showing.

Projects

19 solar LED security lights and 14 CCTV cameras were installed to pathways, buildings and carparks within the recreation hub precinct to foster an enhanced sense of safety amongst users. This project was funded by the Australian Government's Safer Communities Fund.

Maintenance works have been carried out on some of the bitumen pavement failures on our town streets and patching of footpaths to even out cracks and bumps. These are only temporary repairs until a more detailed reconstruction can be implemented.

Once again I would like to thank the Wheatbelt Work Camp. The assistance they provide to Council through various town and building maintenance projects is invaluable and it is greatly appreciated.



Council

The Recreation Hub Master Plan was adopted by Council in November 2018, setting the foundation for future developments at the recreation and town hall precincts. Our Community Strategic Plan was also reviewed and was adopted in June 2019.

Thank you to all seven Councillors for their commitment and dedication to our community.

Council staff

Over the 2018/19 period we farewelled Clem Kerp in August and welcomed on board Peter Bentley as CEO in September 2018 and David Long as Works Manager in January 2019. We wish them a long and enjoyable stay in our community. We can already see positive results of the changes they have implemented.

Thank you to both our office staff and outside staff for the work they do to keep our community flourishing and our town looking nice.

In August 2018 the Shire of Goomalling was recognised in the Children's Environment and Health Local Government Policy Awards ceremony, winning the category "Young People Making a Difference in Communities" for the second consecutive year, for the very successful youth event #GoomaTownFest. I congratulate our Youth Officers on their passion and enthusiasm in making these events a success.

Volunteers

A Big Thank You to our volunteer fire fighters, ambulance officers, sporting organisations, recycling initiatives, and the many other volunteer groups for the wonderful work you all do for our community. This is an indispensable feature of a successful regional town and Goomalling do it very well.

Cr Barry Haywood
Shire President

SHIRE OF GOOMALLING
CHIEF EXECUTIVE OFFICER'S REPORT 2019
ANNUAL GENERAL MEETING OF ELECTORS,



The 2019 year has been a challenging one with a number of changes being made to our original budget for the year. Council reviewed its financial position in depth and has agreed to a number of measures to improve our budgetary position.

- Withdrawal from the aged housing project (\$200,000 saving and debt reduction)
- Made repairs to the CRC Roof at a cost of \$5,000 (reduced debt by \$60,000)
- Agreed to refinance our loan portfolio
- Contracted services as best we could to reduce costs
- Recruited a Works Manager to effectively manage our road network
- A number of other measures to reduce our costs

Over the years we have accumulated a number of fantastic community facilities which we should be rightly proud of, however they have come at a cost and this has left us with high debt levels. Servicing this level of debt puts pressure on us financially and so we are concentrating on refinancing this debt, keeping the services we provide at sustainable levels and bringing our systems and processes up to contemporary levels.

Our Audit this year highlighted a number of matters listed as significant – some of these matters have been dealt with prior to the audit and others are ongoing. A report was required to be prepared for the Minister for Local Government and a copy of that report appears on our website. Advice has been received from the Minister's office that the report is acceptable. This doesn't mean that we are in a financially sound position, but it does mean that the Minister's office has a degree of confidence that we are heading in the right direction. This follows on from our own far reaching review of what we do and how we do it and assessing our financial position.

Our methods of budgeting have changed significantly this year and we now produce 10 year plans for building maintenance, a 20 year plant replacement plan, a 10 year roads program and provide extremely detailed information on our operational expenditures to Councillors. This information is available on our website in the budget document for all to see.

A number of important issues were highlighted during the review which brought about the introduction of many of these planning documents. There is a considerable backlog of building maintenance, our plant is old and in the odd case dangerous, so we will plan for the replacement and upgrades in these areas, but it will be a lengthy process.

Our focus for both this year and next year will be on systems, process and planning to ensure that we stabilise our financial position and to put these things in place to improve our sustainability in coming years. With scarce resources this will take time and it will mean that larger projects will be on hold for the time being but we will return to a stable and predictable future at the end of the process.

This year we also experienced problems with clearing permits, for the Meckering Road in particular, as there was an appeal after it was issued. This resulted in a lengthy appeals process and the work on the Meckering Road had to be postponed to next year. The appeal was eventually dismissed however the delay to our works programme was lengthy. This work will be completed with the next section of the road next year.

SHIRE OF GOOMALLING
CHIEF EXECUTIVE OFFICER'S REPORT 2019
ANNUAL GENERAL MEETING OF ELECTORS,



We also undertook a review of our Strategic Plan and we will do so again during next year to align the plan with the current Council's aspirations and also align to the electoral cycle. Council adopted the Recreation Master Plan in November 2018 which is a planning document for the future of our recreation precinct. While the plan is not set in stone, it is a guideline to inform us as we progress the various elements of the precinct and is a basis to seek external funding for future development.

Council also reviewed its Heritage Inventory, approved several developments for CBH in Goomalling and Konnongorring and agreed to contribute to the Wheatbelt Secondary Freight Route project which will see potentially several million dollars from the \$70M program be spent on Calingiri Road and potentially the Meckering Road which could free up Regional Road Group funds for other roads.

There were a number of problems with our water treatment plant which provides water to our recreation facility. Some of this was due to the system not being set up to adequately to service the volumes of water used and partly through input water quality with regard to algae. While most of the issues have been rectified, some of the costs incurred had to borne by Council and the contractor also made a significant contribution to the costs of rectification as well. This system continues to be in need of close monitoring and there will be issues with it from time to time until some significant rains help to fill our dams to give us water to shandy with the treated water.

While there are always problems to deal with, there are always silver linings and positive things happening around us as well. Goomalling is a fantastic place to live and we have a great crew in the office helping me in my job here. My thanks to all of my office staff who have all had to endure significant change over the last year and no doubt will do in the coming year as well. It is not easy adapting to such wholesale change and Nat and all of the girls have done a great job but there is more to come!

Dave Long has fitted in really well with the works crew as our Works Manager and no doubt everyone is starting to see his influence in the way that we work and look at our roads and other infrastructure. Again, our outside crew has also had to deal with massive change in the way we work and I also congratulate them on the way that things have now settled in.

The Council has had a serious appetite for change in the way that we do things and as a group has been extremely supportive and understanding of our position. They have all taken the bit between the teeth and taken on board the advice and the changes that we are implementing and have been a keen and cohesive group over my first year in Goomalling. I would like to thank them all for their support.

Peter Bentley
Chief Executive Officer



Strategic Direction

Mission Statement:

Providing good government in developing economic prosperities, social advancement and environmental enhancements.

OBJECTIVES AND STRATEGIES

Leadership

We will continue to advocate on behalf of the community to position our Shire with key stakeholders that will support our success and growth.

Accountable and Sustainable

We will continue to be transparent, display good governance and manage our customer service commitments within our resources.

Advocating Improvement

We are determined to be solution focused, proactively seeking innovative partnerships, working collaboratively with stakeholders and industry to enable growth and ensure that our Shire is sustainable.

The Shire's goal is managing infrastructure assets to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a cycle approach,
- Developing cost-effective management strategies for the long term,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.

Our Goals

Social

Create an environment that strengthens "a sense of community"
Create an environment that provides for a caring and healthy community
Provide active and passive recreation facilities and services
Provide services and processes to enhance public safety

Economic

Provide effective and efficient transportation network
Facilitate the development of local and regional tourism
Actively support and develop local and new businesses

Natural Environment

Enhance the health and integrity of the natural environment

Built Environment

Manage current and future assets and infrastructure in a sustainable manner

Civic Leadership

Provide accountable and transparent leadership
Maintain and strengthen the Shire's capability and capacity



Our People

Senior Staff

Chief Executive Officer
 Mr Peter Bentley

Finance Manager
 Miss Natalie Bird

Works & Services Manager
 Mr David Long

Health & Building Services
 Mr Linton Thomas (Building & Health Surveying Services)

Employee Remuneration 2018/19

In the 2018/19 financial year the Shire of Goomalling had one (1) employees entitled to an annual cash salary of \$100,000 or more in the following bands:

| Bands | # Employees |
|---------------------|-------------|
| \$100,000 – 109,999 | 0 |
| \$110,000 – 119,999 | 0 |
| \$120,000 – 129,999 | 0 |
| \$130,000 – 139,999 | 0 |
| \$140,000 – 149,999 | 1 |
| \$150,000 – 159,999 | 0 |
| \$160,000 – 169,999 | 0 |
| \$170,000 – 179,999 | 0 |
| \$180,000 – 189,000 | 0 |

The Shire of Goomalling would be unable to function without the support and dedication of its administration and outside staff and I would like to acknowledge the following staff and identify their role in our operations:

Office Staff

| | |
|---------------------|--------------------------------------|
| Tahnee Bird | Community Development Officer |
| Joanna Bywaters | Property Management Officer |
| Trudi Manera | Finance Officer |
| Karen Mannaerts | Executive Assistant / Web Officer |
| Chloe Watson | Executive Assistant |
| Kristina Perrin | Customer Service Officer |
| Christine Schorer | Customer Service Officer / Creditors |
| Hayley Sewell | Admin Officer |
| Nola Chattaway | Swimming Pool Manager |
| Monique Broekman | Gym Instructor |
| Elaine O'Hehir | Dental Receptionist |
| Keith & Kathy Allen | Caravan Park Caretakers |

SHIRE OF GOOMALLING

CHIEF EXECUTIVE OFFICER'S REPORT 2019
ANNUAL GENERAL MEETING OF ELECTORS,



Outside Staff

Gardeners/Oval

Mal Chester P/T

Jeff Sinclair

Brett King P/T

Works Crew

Russell Beck

Bryce Carr

Nathan Beck

Brad McConkey

Darrel Weinbrecht

Rod Taylor

Margaret Hepi (Waste Site)

Craig Glatz

Steve Atherton

Medical Centre

Dr Nina McLellan

Carol Craig (Practice Nurse)

Felicity Sewell (Practice Nurse)

Carlene Brookes (Practice Manager)

Mandy Bird

Lara Lord

Elected Members

Councillors for 2018/19

Shire President

Deputy Shire President

Councillor

Barry Haywood

Councillor

Roly Van Gelderen

District Goomalling

Councillor

Barry Haywood (2019)

Councillor

Kevin Ryan (2019)

Councillor

Roland Van Gelderen (2019)

Councillor

Rodney Sheen (2021)

Councillor

Julie Chester (2021)

Councillor

Raymond Bowen (2019)

Councillor

Christine Barratt (2021)

** Years in brackets denotes the term expiry of the Councillor.*

Elections

No elections were held over the 2018/19 period.



Record Keeping

The Shire of Goomalling has reviewed its Record Keeping Plan in 2017, as required by the State Records Act 2000. The plan and review have been approved by the State Records Commission in 2018 and the next review of the plan is due in 2023. The Shire of Goomalling is committed to ensuring record keeping practices comply with legislation.

Freedom of Information

The Shire of Goomalling has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. This Statement is reviewed annually and is available on our website or on request at the administration office. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

Nil Freedom of Information Applications were received during this report period.

Disability Access and Inclusion Plan

Council continues to make progress on the Disability Access and Inclusion Plan (DAIP) which was adopted by Council on 16 October 2013. A series of outcomes were included in the DAIP for the delivery and monitoring of initiatives and strategies included in the plan.

A full review of Council's Disability Access Plan has been undertaken with community consultation in 2018 and a revised plan was submitted for approval to the Disability Services Commission and approved.

The 2018-2023 Disability Access and Inclusion Plan is available for perusal on Council's website.



9.9 CONVERSION OF INTEREST ONLY LOAN TO PRINCIPAL AND INTEREST

| | |
|---------------------------|---|
| DATE: | 9 November 2020 |
| PROPONENT: | N/A |
| LOCATION: | Whole of Shire |
| SUBJECT: | Conversion of Interest only loan to P & I |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 94 |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to endorse the change of the current interest only loan of \$945,000 to principal and interest.

BACKGROUND

Five years ago, Council took out an interest only loan of \$1,250,000 which was originally requested to be \$1,750,000. Technically this was to be an overdraft facility with Council selling almost all of its residential properties, excepting the CEO's house, the Throssell Street units and the APU's, to finance the repayment of the loan.

It would seem that the loan was eventually drawn down for \$1,250,000 as Bendigo Bank was uncomfortable with extending any further credit beyond this amount given Council's already extensive loan portfolio. Correspondence on file confirms this loan as a cashflow support and is not directly tied to any particular project.

Council resolved in 2015 to enter into a master lending agreement with the WA Treasury Corporation however after the Corporation refused to fund the loans detailed by the CEO at the time, it would appear that the CEO did not proceed with the agreement. As such Council does not have an agreement with WA Treasury Corporation, which stated that at the time that Council should make contact with the Department of Local Government to formulate a financial rescue/consolidation package as it was uncomfortable with its level of debt.

Council agreed to Bendigo Bank holding security over \$1,000,000 of Council's reserve accounts which has effectively frozen the reserves and we are unable to access these funds while the existing loan is in place. I will seek to vary this condition through the renegotiation of the loan.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

The Council has no specific policy regarding this matter.

FINANCIAL IMPLICATIONS

Council will have an increase in loan repayments but will make regular principal reductions to this loan. Otherwise Council will need to retire the debt in full of \$945,000.

STRATEGIC IMPLICATIONS

This matter is not dealt with in the Shire of Goomalling Community Strategic Plan.

COMMENT

Without the master lending agreement in place, the WA Treasury Corporation will not fund Council loans, and given that the level of Council's borrowings has not changed significantly, I see no reason why the



Corporation would change its position now given that our debt reliance is currently still well above the accepted norm. It may well be a positive move that this loan converts to principal and interest with Bendigo Bank which shows a move to reduce the debt in an orderly fashion rather than by the dribs and drabs of asset sales.

The term for the loan was 5 years and this term expires in early January. Council must either repay the amount or refinance the loan as a Principal and Interest loan so the amount owed reduces with each repayment. Council has reduced the amount owed to \$945,000 but this has been done through asset sales. The last few years has not been the ideal time to be selling real estate to fund such borrowings as prices have been falling for residential properties in country locations.

I have contacted Shaun Rigby at Bendigo Bank and obtained a quote to refinance the loan as principal and interest and I have attached a loan schedule comparing WA Treasury Corp rates to Bendigo Bank.

Over the course of a 15 year term the interest difference between Bendigo Bank and WA Treasury Corporation will be in the vicinity of \$45,000 however this may be a premium we will have to pay to refinance this loan. The Bendigo rate is more competitive than has historically been the case and I am recommending that Council move to refinance Loan 112 as a principal and interest loan with Bendigo.

ATTACHMENTS

Loan Schedules

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION

That the Council:

Delegate authority to the CEO to complete the refinancing of Loan 112 with Bendigo Bank as a principal and interest loan for a term of 15 years as per the indicative quote received from the bank.

| |
|---|
| 288. RESOLUTION (Officer Recommendation) |
|---|

Moved Cr Van Gelderen, seconded Cr Barratt

That Council:

Delegate authority to the CEO to complete the refinancing of Loan 112 with Bendigo Bank as a principal and interest loan for a term of 15 years as per the indicative quote received from the bank.

**CARRIED 6/0
By Absolute Majority**

1 September 2020

SHIRE OF GOOMALLING
PO BOX 118
GOOMALLING WA 6460

Dear Treasurer

End of Loan Term Advice

Loan Account Number: 698859634

Bendigo Bank is committed to working with you to ensure the long term success of your business.

As per our previous letter your loan is due to expire on 4 January 2021, so we would welcome the opportunity to discuss what you are trying to achieve and to assist with making a plan to strengthen your business.

Please refer to your loan documentation including the Terms and Conditions and note that as a condition of your loan, you are required to repay loan in full at termination of facility.

Should you be unable to repay the loan on or before the termination date, it would be appreciated if the above requested information could be made available at your earliest convenience so that a suitable outcome can be achieved. Please note should your facility remain unpaid at the termination date, you will be in breach of the loan and additional fees and charges may apply.

Please call me to arrange a suitable time to meet with you. We look forward to continue working with you to help you achieve greater business success.

Yours sincerely



SHAUN RIGBY
BUSINESS BANKING MANAGER
CONTACT: 08 9400 2503

REF:ALS:BB09:002:RFS03
0007490626/CS12

| | | | |
|-----------------------------|------------|------------------------------|------------|
| Loan amount | 945,000.00 | Scheduled payment | 39,516.58 |
| Annual interest rate | 0.03 | Scheduled number of payments | 30.00 |
| Loan period in years | 15.00 | Actual number of payments | 30.00 |
| Number of payments per year | 2.00 | Total early payments | - |
| Start date of loan | 44,145.00 | Total interest | 240,497.28 |

BENDIGO BANK

| Payment Number | Payment Date | Beginning Balance | Scheduled Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|----------------|--------------|-------------------|-------------------|---------------|-----------|-----------|----------------|---------------------|
| 1 | 44,145.00 | 945,000.00 | 39,516.58 | 39,516.58 | 25,058.08 | 14,458.50 | 919,941.92 | 14,458.50 |
| 2 | 44,175.00 | 919,941.92 | 39,516.58 | 39,516.58 | 25,441.46 | 14,075.11 | 894,500.46 | 28,533.61 |
| 3 | 44,206.00 | 894,500.46 | 39,516.58 | 39,516.58 | 25,830.72 | 13,685.86 | 868,669.74 | 42,219.47 |
| 4 | 44,237.00 | 868,669.74 | 39,516.58 | 39,516.58 | 26,225.93 | 13,290.65 | 842,443.81 | 55,510.12 |
| 5 | 44,265.00 | 842,443.81 | 39,516.58 | 39,516.58 | 26,627.19 | 12,889.39 | 815,816.63 | 68,399.51 |
| 6 | 44,296.00 | 815,816.63 | 39,516.58 | 39,516.58 | 27,034.58 | 12,481.99 | 788,782.04 | 80,881.50 |
| 7 | 44,326.00 | 788,782.04 | 39,516.58 | 39,516.58 | 27,448.21 | 12,068.37 | 761,333.83 | 92,949.87 |
| 8 | 44,357.00 | 761,333.83 | 39,516.58 | 39,516.58 | 27,868.17 | 11,648.41 | 733,465.67 | 104,598.27 |
| 9 | 44,387.00 | 733,465.67 | 39,516.58 | 39,516.58 | 28,294.55 | 11,222.02 | 705,171.11 | 115,820.30 |
| 10 | 44,418.00 | 705,171.11 | 39,516.58 | 39,516.58 | 28,727.46 | 10,789.12 | 676,443.66 | 126,609.42 |
| 11 | 44,449.00 | 676,443.66 | 39,516.58 | 39,516.58 | 29,166.99 | 10,349.59 | 647,276.67 | 136,959.00 |
| 12 | 44,479.00 | 647,276.67 | 39,516.58 | 39,516.58 | 29,613.24 | 9,903.33 | 617,663.43 | 146,862.34 |
| 13 | 44,510.00 | 617,663.43 | 39,516.58 | 39,516.58 | 30,066.33 | 9,450.25 | 587,597.10 | 156,312.59 |
| 14 | 44,540.00 | 587,597.10 | 39,516.58 | 39,516.58 | 30,526.34 | 8,990.24 | 557,070.76 | 165,302.82 |
| 15 | 44,571.00 | 557,070.76 | 39,516.58 | 39,516.58 | 30,993.39 | 8,523.18 | 526,077.37 | 173,826.01 |
| 16 | 44,602.00 | 526,077.37 | 39,516.58 | 39,516.58 | 31,467.59 | 8,048.98 | 494,609.77 | 181,874.99 |
| 17 | 44,630.00 | 494,609.77 | 39,516.58 | 39,516.58 | 31,949.05 | 7,567.53 | 462,660.73 | 189,442.52 |
| 18 | 44,661.00 | 462,660.73 | 39,516.58 | 39,516.58 | 32,437.87 | 7,078.71 | 430,222.86 | 196,521.23 |
| 19 | 44,691.00 | 430,222.86 | 39,516.58 | 39,516.58 | 32,934.17 | 6,582.41 | 397,288.70 | 203,103.64 |
| 20 | 44,722.00 | 397,288.70 | 39,516.58 | 39,516.58 | 33,438.06 | 6,078.52 | 363,850.64 | 209,182.15 |
| 21 | 44,752.00 | 363,850.64 | 39,516.58 | 39,516.58 | 33,949.66 | 5,566.91 | 329,900.98 | 214,749.07 |
| 22 | 44,783.00 | 329,900.98 | 39,516.58 | 39,516.58 | 34,469.09 | 5,047.48 | 295,431.88 | 219,796.55 |
| 23 | 44,814.00 | 295,431.88 | 39,516.58 | 39,516.58 | 34,996.47 | 4,520.11 | 260,435.42 | 224,316.66 |
| 24 | 44,844.00 | 260,435.42 | 39,516.58 | 39,516.58 | 35,531.91 | 3,984.66 | 224,903.50 | 228,301.32 |
| 25 | 44,875.00 | 224,903.50 | 39,516.58 | 39,516.58 | 36,075.55 | 3,441.02 | 188,827.95 | 231,742.35 |
| 26 | 44,905.00 | 188,827.95 | 39,516.58 | 39,516.58 | 36,627.51 | 2,889.07 | 152,200.44 | 234,631.42 |
| 27 | 44,936.00 | 152,200.44 | 39,516.58 | 39,516.58 | 37,187.91 | 2,328.67 | 115,012.53 | 236,960.08 |
| 28 | 44,967.00 | 115,012.53 | 39,516.58 | 39,516.58 | 37,756.88 | 1,759.69 | 77,255.65 | 238,719.77 |
| 29 | 44,995.00 | 77,255.65 | 39,516.58 | 39,516.58 | 38,334.56 | 1,182.01 | 38,921.08 | 239,901.79 |
| 30 | 45,026.00 | 38,921.08 | 39,516.58 | 38,921.08 | 38,325.59 | 595.49 | - | 240,497.28 |

| | | | |
|-----------------------------|--------|----------------------------|-----------|
| Loan amount | 945000 | Scheduled payment | 38848.85 |
| Annual interest rate | 0.0282 | Scheduled number of paymer | 30 |
| Loan period in years | 15 | Actual number of payments | 30 |
| Number of payments per year | 2 | Total early payments | 0 |
| Start date of loan | 44145 | Total interest | 220465.47 |

WA TREASURY CORPORATION

| Payment Number | Payment Date | Beginning Balance | Scheduled Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|----------------|--------------|-------------------|-------------------|---------------|-----------|-----------|----------------|---------------------|
| 1 | 44,145.00 | 945,000.00 | 38,023.39 | 38,023.39 | 26,116.39 | 11,907.00 | 918,883.61 | 11,907.00 |
| 2 | 44,175.00 | 918,883.61 | 38,023.39 | 38,023.39 | 26,445.46 | 11,577.93 | 892,438.15 | 23,484.93 |
| 3 | 44,206.00 | 892,438.15 | 38,023.39 | 38,023.39 | 26,778.67 | 11,244.72 | 865,659.49 | 34,729.65 |
| 4 | 44,237.00 | 865,659.49 | 38,023.39 | 38,023.39 | 27,116.08 | 10,907.31 | 838,543.41 | 45,636.96 |
| 5 | 44,265.00 | 838,543.41 | 38,023.39 | 38,023.39 | 27,457.74 | 10,565.65 | 811,085.66 | 56,202.61 |
| 6 | 44,296.00 | 811,085.66 | 38,023.39 | 38,023.39 | 27,803.71 | 10,219.68 | 783,281.95 | 66,422.29 |
| 7 | 44,326.00 | 783,281.95 | 38,023.39 | 38,023.39 | 28,154.04 | 9,869.35 | 755,127.92 | 76,291.64 |
| 8 | 44,357.00 | 755,127.92 | 38,023.39 | 38,023.39 | 28,508.78 | 9,514.61 | 726,619.14 | 85,806.25 |
| 9 | 44,387.00 | 726,619.14 | 38,023.39 | 38,023.39 | 28,867.99 | 9,155.40 | 697,751.15 | 94,961.66 |
| 10 | 44,418.00 | 697,751.15 | 38,023.39 | 38,023.39 | 29,231.72 | 8,791.66 | 668,519.43 | 103,753.32 |
| 11 | 44,449.00 | 668,519.43 | 38,023.39 | 38,023.39 | 29,600.04 | 8,423.34 | 638,919.38 | 112,176.66 |
| 12 | 44,479.00 | 638,919.38 | 38,023.39 | 38,023.39 | 29,973.01 | 8,050.38 | 608,946.38 | 120,227.05 |
| 13 | 44,510.00 | 608,946.38 | 38,023.39 | 38,023.39 | 30,350.67 | 7,672.72 | 578,595.71 | 127,899.77 |
| 14 | 44,540.00 | 578,595.71 | 38,023.39 | 38,023.39 | 30,733.08 | 7,290.31 | 547,862.63 | 135,190.08 |
| 15 | 44,571.00 | 547,862.63 | 38,023.39 | 38,023.39 | 31,120.32 | 6,903.07 | 516,742.31 | 142,093.15 |
| 16 | 44,602.00 | 516,742.31 | 38,023.39 | 38,023.39 | 31,512.44 | 6,510.95 | 485,229.87 | 148,604.10 |
| 17 | 44,630.00 | 485,229.87 | 38,023.39 | 38,023.39 | 31,909.49 | 6,113.90 | 453,320.38 | 154,718.00 |
| 18 | 44,661.00 | 453,320.38 | 38,023.39 | 38,023.39 | 32,311.55 | 5,711.84 | 421,008.82 | 160,429.83 |
| 19 | 44,691.00 | 421,008.82 | 38,023.39 | 38,023.39 | 32,718.68 | 5,304.71 | 388,290.15 | 165,734.55 |
| 20 | 44,722.00 | 388,290.15 | 38,023.39 | 38,023.39 | 33,130.93 | 4,892.46 | 355,159.21 | 170,627.00 |
| 21 | 44,752.00 | 355,159.21 | 38,023.39 | 38,023.39 | 33,548.38 | 4,475.01 | 321,610.83 | 175,102.01 |
| 22 | 44,783.00 | 321,610.83 | 38,023.39 | 38,023.39 | 33,971.09 | 4,052.30 | 287,639.74 | 179,154.30 |
| 23 | 44,814.00 | 287,639.74 | 38,023.39 | 38,023.39 | 34,399.13 | 3,624.26 | 253,240.61 | 182,778.56 |
| 24 | 44,844.00 | 253,240.61 | 38,023.39 | 38,023.39 | 34,832.56 | 3,190.83 | 218,408.05 | 185,969.40 |
| 25 | 44,875.00 | 218,408.05 | 38,023.39 | 38,023.39 | 35,271.45 | 2,751.94 | 183,136.60 | 188,721.34 |
| 26 | 44,905.00 | 183,136.60 | 38,023.39 | 38,023.39 | 35,715.87 | 2,307.52 | 147,420.73 | 191,028.86 |
| 27 | 44,936.00 | 147,420.73 | 38,023.39 | 38,023.39 | 36,165.89 | 1,857.50 | 111,254.84 | 192,886.36 |
| 28 | 44,967.00 | 111,254.84 | 38,023.39 | 38,023.39 | 36,621.58 | 1,401.81 | 74,633.27 | 194,288.17 |
| 29 | 44,995.00 | 74,633.27 | 38,023.39 | 38,023.39 | 37,083.01 | 940.38 | 37,550.26 | 195,228.55 |
| 30 | 45,026.00 | 37,550.26 | 38,023.39 | 37,550.26 | 37,077.12 | 473.13 | - | 195,701.68 |



9.10 COUNCIL MEETING DATES 2021

| | |
|---------------------------|---|
| DATE: | 10 November 2020 |
| PROPONENT: | WALGA |
| LOCATION: | Whole of Shire |
| SUBJECT: | 2021 Meeting Dates |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | N/A |
| ASSESSMENT NO: | N/A |

PURPOSE

Council to consider the proposed meeting dates for the 2021 calendar year.

BACKGROUND

Council is required by the Local Government Act (1995) to set the proposed meeting dates and times for each calendar year. The Council has historically held its Council meetings on the 3rd Wednesday of each month with no meeting in January and an early meeting in February.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

The Council's current policy is to hold the meetings as per the schedule within the comment section of this item

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter is not dealt with in the Shire of Goomalling Community Strategic Plan.

COMMENT

Under the current methodology the meetings for 2021 would be held as follows;

| | | | |
|------------|---------|--------------|-------------|
| February 3 | May 19 | August 18 | November 17 |
| March 17 | June 16 | September 15 | December 15 |
| April 21 | July 21 | October 20 | |

Council Meetings have been commencing at 3.00pm with a briefing session followed by the proper Council Meeting at 4.00pm. Council may wish to alter these dates and times to reflect changing circumstances or continue with the current conventions.

ATTACHMENTS

Nil

VOTING REQUIREMENT

Simple Majority



RECOMMENDATION

That Council:

Set the following meeting dates for the 2021 calendar year with the briefing sessions commencing at 3.00pm and the meetings to commence at 4.00pm.

| | | | |
|------------|---------|--------------|-------------|
| February 3 | May 19 | August 18 | November 17 |
| March 17 | June 16 | September 15 | December 15 |
| April 21 | July 21 | October 20 | |

289. RESOLUTION (Officer Recommendation)

Moved Cr Chester, seconded Cr Barratt

That Council:

Set the following meeting dates for the 2021 calendar year with the briefing sessions commencing at 3.00pm and the meetings to commence at 4.00pm.

| | | | |
|-------------------|----------------|---------------------|--------------------|
| February 3 | May 19 | August 18 | November 17 |
| March 17 | June 16 | September 15 | December 15 |
| April 21 | July 21 | October 20 | |

**CARRIED 6/0
By Simple Majority**



9.11 CONCESSIONAL USE – TOWN HALL - GUMNUTS

| | |
|---------------------------|---|
| DATE: | 10 November 2020 |
| PROPONENT: | Goomalling Gumnuts |
| LOCATION: | 34 Quinlan Street Goomalling |
| SUBJECT: | Concessional use – Town Hall |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 77 |
| ASSESSMENT NO: | N/A |

PURPOSE

To consider request for concessional use of the Town Hall from Gumnuts Child Care

BACKGROUND

Due to the current restrictions still in place in WA to prevent the spread of COVID-19, Goomalling Gumnuts is not able to accommodate all parents and children in the centre for their annual Christmas Party.

The group has tentatively booked the Town Hall for Thursday 17th December from 9.00am to 11.30am in the hope that all children can bring a guest or two along to the event where Father Christmas makes a special appearance and has requested Council’s consideration of a fee reduction or waiver for this event due to the nature of the event.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

Council has no specific policy relating to this matter.

FINANCIAL IMPLICATIONS

There is no significant financial impact as the Council does not have a fee for such hirings and can determine the cost, if any, to applicants.

STRATEGIC IMPLICATIONS

The Community Strategic Plan does not deal with this matter specifically.

COMMENT

As stated earlier the request has been prompted by the advent of COVID-19 and under normal circumstances the event would have been held at Gumnuts.

ATTACHMENTS

Nil.

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Council:

Advise Gumnuts that it is happy to provide the Town Hall as an alternative venue for its Christmas Function on the 17th December 2020, at no cost.



290. RESOLUTION (Officer Recommendation)

Moved Cr Van Gelderen, seconded Cr Butt

That the Council:

Advise Gumnuts that it is happy to provide the Town Hall as an alternative venue for its Christmas Function on the 17th December 2020, at no cost.

**CARRIED 6/0
By Simple Majority**

9.12 PLANNING CONSENT – FARM SHED – 220 SMITH ROAD KARRANADGIN

| | |
|---------------------------|---|
| DATE: | 28 October 2020 |
| SUBJECT: | Proposed Farm Shed |
| PROPONENT: | Shaun Glatz |
| LOCATION: | 220 Smith Road, Karranadgin |
| AUTHOR: | Hugo de Vos – Contract Planner |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 176 |
| ASSESSMENT NO: | A455 |

PURPOSE

To consider a proposal to construct a farm shed at Lot M1246, 220 Smith Road, Karranadgin.

BACKGROUND

The Shire of Goomalling has received an application for development approval for the construction of a farm shed at Lot M1246, 220 Smith Road, Karranadgin. The subject Lot is zoned Rural 3 – General Farming under the Shire of Goomalling Local Planning Scheme number 3.

The proposed farm shed is 24m X 19m X 6.6m. The area is 456m² with a proposed use for machinery storage. This matter is being brought to Council as there is no delegated authority to determine applications where the building footprint is 300m² or greater.

Development approval is required in this instance as all buildings in the Rural 3 – General Farming zone require approval from the Shire.

STATUTORY IMPLICATIONS

Planning and Development Act 2005

Planning and Development Regulations 2009

Planning and Development (Local Planning Schemes) Regulations 2015

Shire of Goomalling Local Planning Scheme No.3

POLICY IMPLICATIONS

State Planning Policy 2.5 – Rural Planning

FINANCIAL IMPLICATIONS

Planning fee of \$193.25 to be paid by applicant.



STRATEGIC IMPLICATIONS

NIL

ATTACHMENTS

A copy of the plans from the applicant is attached.

OFFICER COMMENT

The Shire of Goomalling Local Planning Scheme No. 3 defines the following land use 'Industry – Rural' as being:

***Industry Rural:** - means an industry handling, treating, processing or packing primary products grown, reared or produced in the locality, and a workshop servicing plant or equipment used for rural purposes in the locality.*

The proposed farm shed is consistent with this land use definition and is therefore acceptable. The siting of the structure is adjacent to existing farm infrastructure and comfortably meets the setback requirements for this zone. It is therefore recommended that this application be approved subject to conditions.

VOTING REQUIREMENT

Simple Majority.

RECOMMENDATION

That the Council:

Grant Planning Consent to Mr Shaun Glatz to conduct an Industry – Rural land use and construct a farm shed for the purpose of machinery storage at LotM1246, 220 Smith Road, Karranadgin subject to the following conditions:

1. The development hereby permitted must substantially commence within two years (or insert specified time) from the date of this decision letter.
2. The development hereby permitted taking place in accordance with the approved plans.

| |
|---|
| 291. RESOLUTION (Officer Recommendation) |
|---|

Moved Cr Butt, seconded Cr Van Gelderen

That the Council:

Grant Planning Consent to Mr Shaun Glatz to conduct an Industry – Rural land use and construct a farm shed for the purpose of machinery storage at Lot M1246, 220 Smith Road, Karranadgin subject to the following conditions:

- 1. The development hereby permitted must substantially commence within two years from the date of this decision letter.**
- 2. The development hereby permitted taking place in accordance with the approved plans.**

**CARRIED 6/0
By Simple Majority**

27/10/2020

Shire of Goomalling,
32 Quinlan St
GOOMALLING
goshire@goomalling.wa.gov.au

Dear Shire of Goomalling,

PLANNING APPLICATION - Job 2851, Sean Glatz, 220 Smith Rd, GOOMALLING

Please find attached documents to submit for a Planning Application for the above property.

Project - Structural Steel Shed (24m x 18m x 6.6m).

432m² - Class 10A

Final Value \$60,390 inc GST.

The shed will be used for machinery storage.

Our Client will be paying the Planning fees so please advise them of the amount and they will organise a Credit Card payment?

If you require any further information please do not hesitate to contact me on 0896226619.

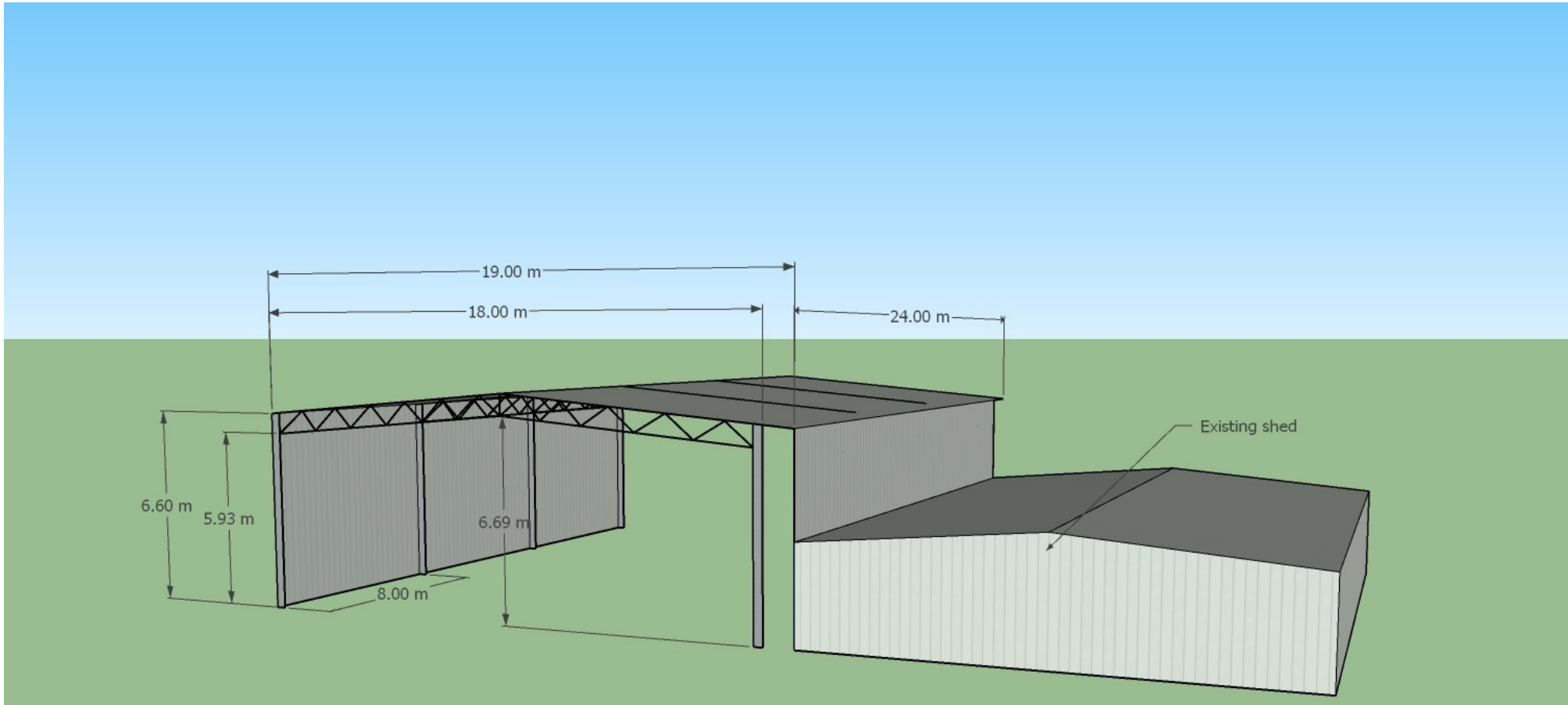
Kind Regards,

Jacqueline Lear

Contracts Administrator



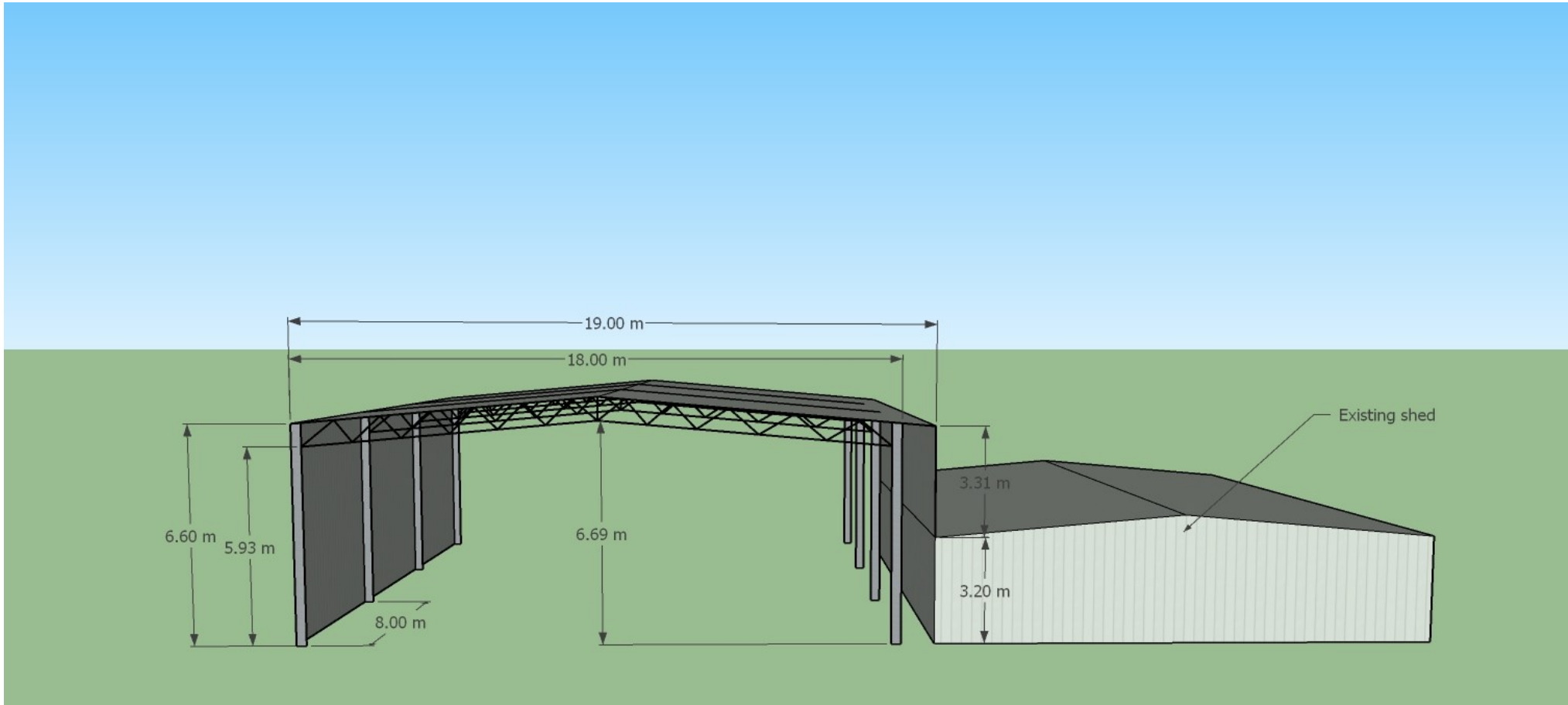
PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|--------------------|------------------|----------------|------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Overview | Drawn: 23/9/2020 |
|--------------------|------------------|----------------|------------------|

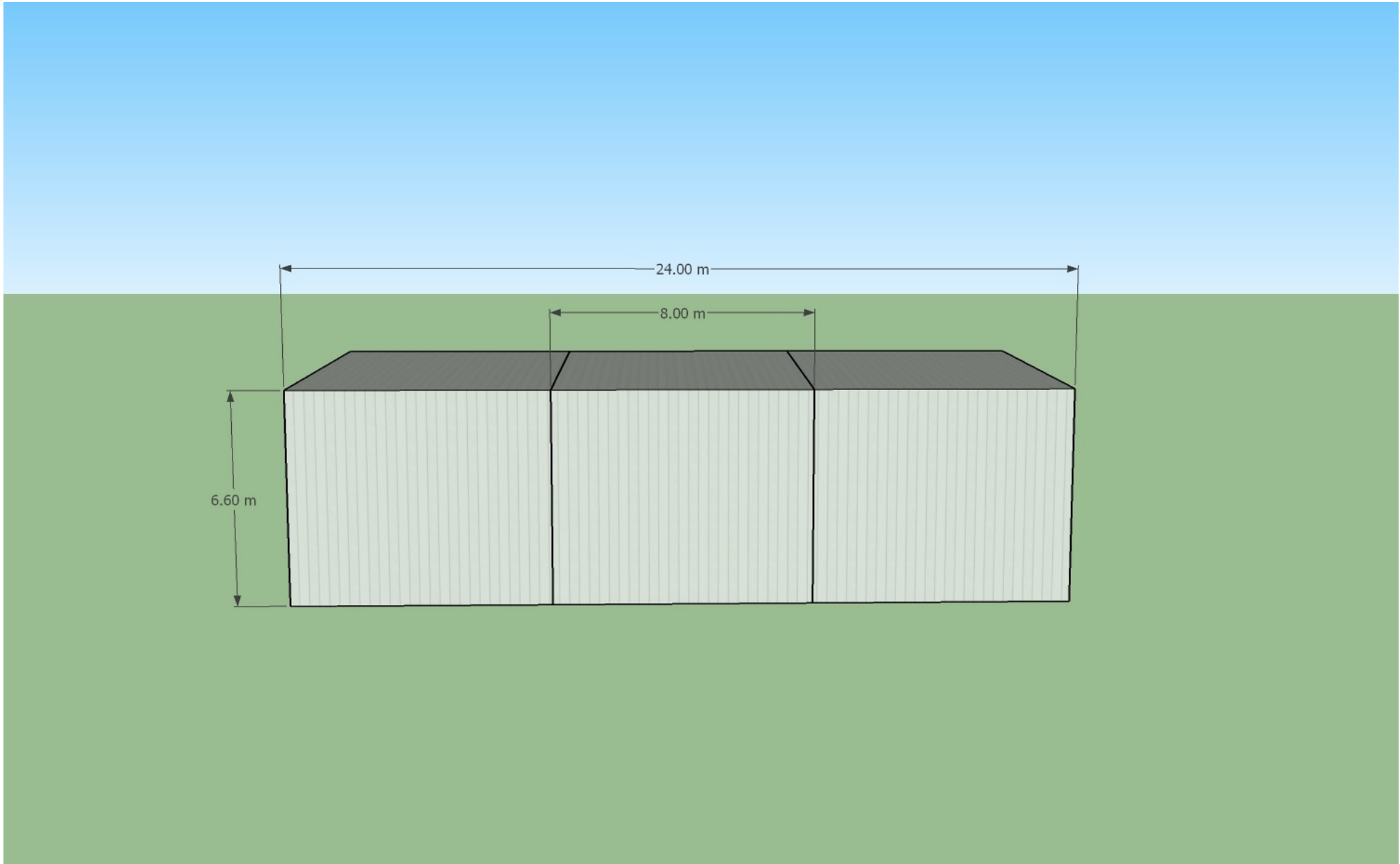
PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|--------------------|------------------|--------------------|------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Southern End | Drawn: 23/9/2020 |
|--------------------|------------------|--------------------|------------------|

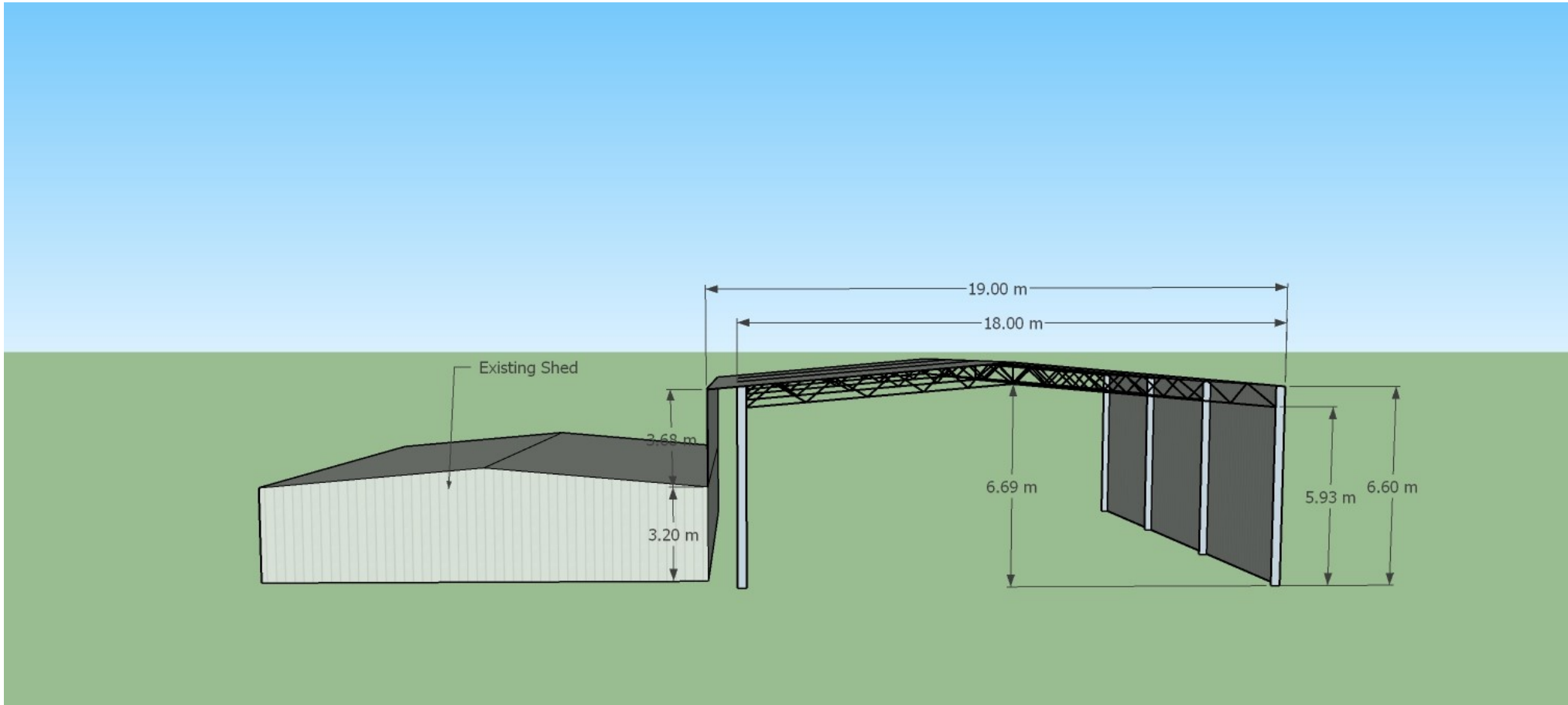
PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|---------------------------|-------------------------|---------------------------|-------------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Western Side | Drawn: 23/9/2020 |
|---------------------------|-------------------------|---------------------------|-------------------------|

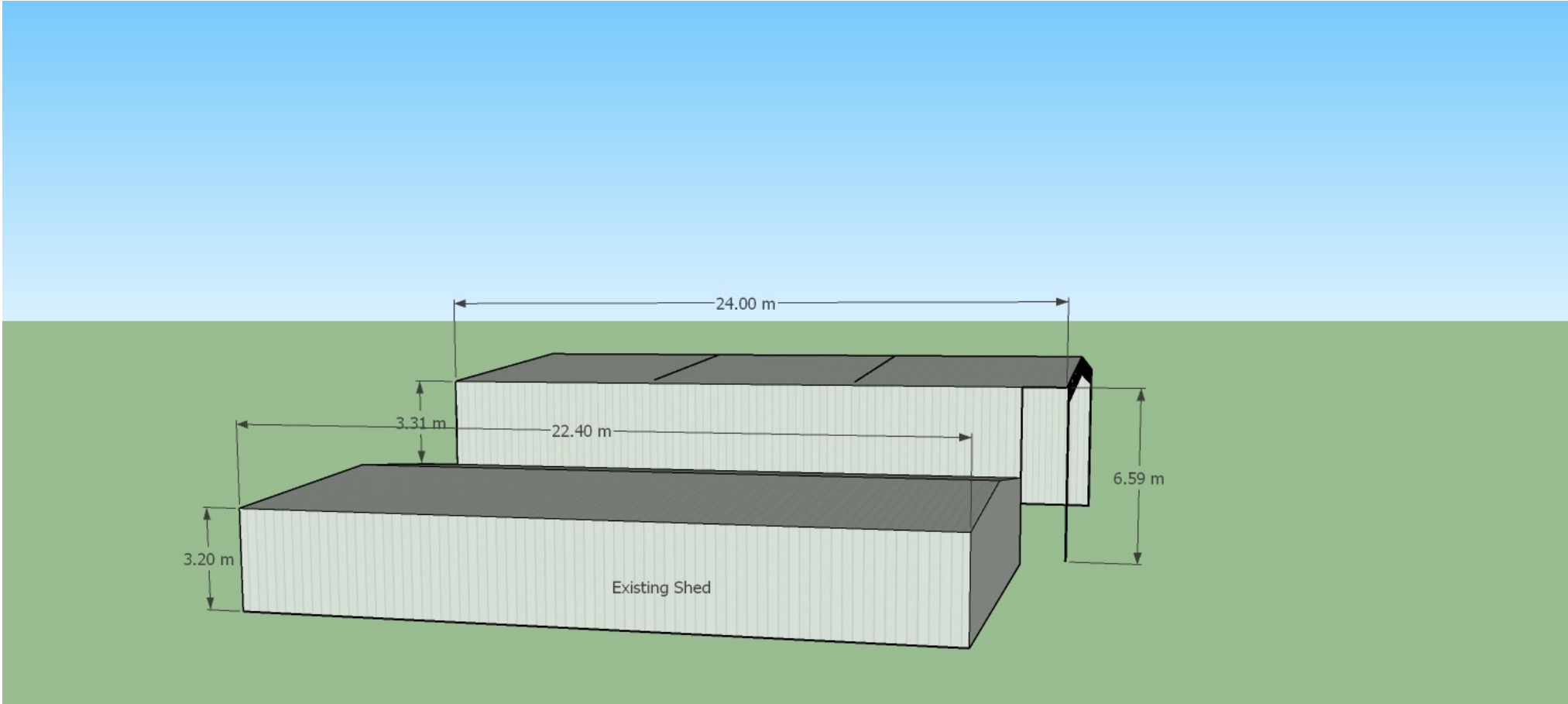
PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|--------------------|------------------|--------------------|------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Northern End | Drawn: 23/9/2020 |
|--------------------|------------------|--------------------|------------------|

PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|--------------------|------------------|--------------------|------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Eastern Side | Drawn: 23/9/2020 |
|--------------------|------------------|--------------------|------------------|

PB & SC Glatz—Drive Through Shed



BENCHMARKING QUALITY

| | | | |
|--------------------|------------------|------------|------------------|
| Client: Sean Glatz | Quote No: 7462.1 | View: Plan | Drawn: 23/9/2020 |
|--------------------|------------------|------------|------------------|



220 Smith Road—Karranadgin
(Goomalling)

New Shed Position



9.13 MARK WARMDEAN – WATER ACCOUNT

| | |
|---------------------------|---|
| DATE: | 12 November 2020 |
| PROPONENT: | M Warmdean - Tenant |
| LOCATION: | 45 Throssell St |
| SUBJECT: | Water Account – M Warmdean - Tenant |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 78-1 |
| ASSESSMENT NO: | N/A |

PURPOSE

To consider request for a reduction in water account for Mark Warmdean.

BACKGROUND

Following an inspection of 45 Throssell Street in August 2019, staff identified that a toilet was leaking. Our property officer arranged for the plumber to rectify the problem. In June 2020 a further inspection was carried out and again Council’s plumber was instructed to undertake the necessary repairs.

The plumber contacted the tenant on several occasions (at least 2 or 3 times) to undertake the work but the tenant either cancelled or postponed the work without any specific reason. This went on for some time.

Council received a water bill for the property of around \$1,400 for the period 5 June 2020 to 5 August 2020 and this bill was paid and the costs invoiced to the tenant. The tenant called in to the office to question the bill and finally agreed for the plumber to undertake the work required, which was completed.

Following the work, the plumber confirmed that the leak would have accounted for the size of the water account received.

STATUTORY IMPLICATIONS

Local Government Act (1995)

POLICY IMPLICATIONS

Council has no specific policy relating to this matter.

FINANCIAL IMPLICATIONS

Council has had to pay the water account and as such any assistance provided will be unbudgeted expenditure.

STRATEGIC IMPLICATIONS

The Community Strategic Plan does not deal with this matter specifically.

COMMENT

Council staff had, on a number of occasions, tried to undertake the repairs. That the tenant did not make the property available is not the fault of the officer concerned or the administrative process. Mr Warmdean is seeking a reduction in the account as it is excessive, but it is through his own actions as the tenant, that the amount was excessive.



Council must decide as to whether it will offer some relief from the account or enforce the total as invoiced. To provide the relief could set a precedent for any tenant who queries a high usage charge. If Council does not provide any support, it would likely create some financial stress for Mr Warmdean.

ATTACHMENTS

Nil

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION

That the Council:

Advise Mr Warmdean that the account for water stands as is, as Council staff on several occasions had tried to make appointment to fix the problem but were refused entry to do so.

| |
|------------------------|
| 292. RESOLUTION |
|------------------------|

Moved Cr Van Gelderen, seconded Cr Chester

That the Council:

Advise Mr Warmdean that the account for water stands as is, as Council staff on several occasions had tried to make appointment to fix the problem but were refused entry to do so. The Council would offer that a payment plan be arranged to pay off the account.

**CARRIED 6/0
By Absolute Majority**



10. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
11. NEW BUSINESS OF AN URGENT NATURE AGREED TO BY RESOLUTION OF COUNCIL
12. MATTERS BEHIND CLOSED DOORS

293. RESOLUTION

Moved Cr Barratt, seconded Cr Van Gelderen

That the meeting be closed to the public in accordance with section 5.23 Local Government Act 1995, 5.5.23(2) for

- Matters affecting employee(s)
- Personal affairs of any person(s), including financial and/or commercial contracts
- Commercial Confidentiality
- Legal advice/matters
- Public safety/security matters where public knowledge may be prejudicial.

CARRIED 6/0
By Simple Majority

12.1 CONFIDENTIAL – CEO CONTRACT RENEWAL

| | |
|---------------------------|--|
| DATE: | 9 September 2020 |
| PROPONENT: | Barry Haywood – Shire President |
| LOCATION: | Whole of Shire |
| SUBJECT: | Contract renewal – Chief Executive Officer |
| AUTHOR: | Peter Bentley – Chief Executive Officer |
| REPORTING OFFICER: | Peter Bentley – Chief Executive Officer |
| FILE NO: | 160-4a |
| ASSESSMENT NO: | N/A |

The CEO declares a financial interest in this matter but is only reporting the outcomes of negotiations.

294. RESOLUTION (Officer Recommendation)

Moved Cr Barratt, seconded Cr Sheen

That the Council:

Authorise the Shire President to sign a contract renewal with the CEO based upon the conditions set out in this item.

CARRIED 6/0
By Simple Majority



295. RESOLUTION

Moved Cr Barratt, seconded Cr Van Gelderen

That the meeting be opened to the public in accordance with section 5.23 Local Government Act 1995, 5.5.23(2)

**CARRIED 6/0
By Simple Majority**

13. INFORMATION BULLETIN

296. RESOLUTION

Moved Cr Chester, seconded Cr Barratt

That the Information Bulletin for November 2020 be received.

**CARRIED 6/0
By Simple Majority**

13.9.1 GRANT OF RIGHT OF BURIAL No 127

Application was received from Margaret & Robert Rowles for the Grant of Right of Burial for Grave No. 233 in the Anglican Section of the Goomalling Cemetery. The applicable fee of \$330 for a double site, was received on 23/10/2020.

The Common Seal is to be affixed to validate the Grant No 127 for Mr & Mrs Rowles.

OFFICER RECOMMENDATION

That Council:

endorse the affixing of the Common Seal to the Schedule "B" Goomalling Public Cemetery Form of Grant of Right of Burial, Grant No. 127 for Margaret & Robert Rowles.

297. RESOLUTION (Officer Recommendation)

Moved Cr Van Gelderen, seconded Cr Butt

That Council:

**endorse the affixing of the Common Seal to the Schedule "B"
Goomalling Public Cemetery Form of Grant of Right of Burial, Grant No.
127 for Margaret & Robert Rowles.**

**CARRIED 6/0
By Simple Majority**



13.9.2 STAFF MILESTONE CERTIFICATES

In 2017 we inaugurated the presentation of Milestone Certificates to employees as recognition of loyal service to Local Government and the Shire of Goomalling. These certificates are awarded in 5 year increments and are to be presented to the employee/s at our annual Christmas Party.

Certificates have been prepared for Russell Beck who has reached 40 years' service to the Shire of Goomalling, Trudi Manera (10 years), Rodney Taylor (5 years) and Elaine O'Hehir (5 years).

The Council is hereby requested to endorse the affixing of the Common Seal of the Goomalling Shire Council to the Staff Recognition Certificates for the four abovementioned employees.

OFFICER RECOMMENDATION

That Council:

endorse the affixing of the Common Seal to the Staff Recognition Certificates for Russell Beck, Trudi Manera, Rodney Taylor and Elaine O'Hehir.

| |
|---|
| 298. RESOLUTION (Officer Recommendation) |
|---|

Moved Cr Van Gelderen, seconded Cr Butt

That Council endorse the affixing of the Common Seal to the Staff Recognition Certificates for Russell Beck, Trudi Manera, Rodney Taylor and Elaine O'Hehir.

**CARRIED 6/0
By Simple Majority**

13.9.3 CEO CONTRACT RENEWAL

The Council is requested to authorise the affixing of the Common Seal to execute the CEO's contract renewal agreement as per Council's resolution on Agenda Item 12.1

OFFICER RECOMMENDATION

That Council:

authorise the affixing of the Common Seal to the contract renewal agreement between the Council and the CEO.

| |
|---|
| 299. RESOLUTION (Officer Recommendation) |
|---|

Moved Cr Van Gelderen, seconded Cr Butt

That Council authorise the affixing of the Common Seal to the contract renewal agreement between the Council and the CEO.

**CARRIED 6/0
By Simple Majority**

14. MEETING CLOSURE

The Shire President declared the meeting closed at 6.00 pm