



MINUTES

ORDINARY COUNCIL MEETING

HELD ON

THURSDAY, 19 October 2017

5.42^{PM}

SHIRE COUNCIL CHAMBERS



**WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY**

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1 Declaration of Opening

The Shire President declared the meeting open at 5:42pm.

1.1 Recording of Those Present

Cr K J Chappel	President
Cr D S Carslake	Deputy President
Cr D B Collins	
Cr J M Coaker	
Cr D S Agar	
Cr M J Thornton	
Cr K Stokes	
Mr S Fletcher	Acting Chief Executive Officer
Mr G Houston	Acting Executive Manager Development & Administration
Mrs W Gledhill	Executive Manager Corporate & Community Services
Ms E Cuthbert	Economic Development Manager
Mr P Buist	Principal Works Manager
Mrs S Adams	Executive Assistant to CEO

1.2 Apologies

Nil

1.3 Approved Leave of Absence

Nil

1.4 Welcoming of Visitors to the Meeting

Linda Fletcher was welcomed to the meeting.

1.5 Announcements by the Presiding Member without Discussion

Nil

2 Public Question Time

2.1 Response to previous public questions taken on notice

Nil

2.2 Public question time

Nil

3 Declaration of Interest

Nil

4 Confirmation of Minutes of Previous Meetings

COUNCIL RESOLUTION

1710001 **Moved: Cr Agar**
 Seconded: Cr Carslake

That Council:

Confirm the minutes of:

4.1 Ordinary Council Meeting – 20 September 2017

CARRIED 7/0

5 Public Statements, Petitions, Presentations and Approved Deputations

Nil

6 Method of Dealing with Agenda Business

Nil

7 Reports

7.1 Reports from Committees

Nil

7.2 Reports from the Chief Executive Officer

7.2.2 Executive Manager Corporate & Community Services

7.2.3 Executive Manager Development & Administration

7.2.4 Economic Development Manager

Nil

7.2.5 Principal Works Manager

Nil

7.2.1 Chief Executive Officer

<i>Item No/ Subject:</i>	7.2.1.1 ACEO Close Out Report - May to October 2017
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	13 October 2017 – Sean Fletcher - Acting CEO
<i>Responsible Officer:</i>	Sean Fletcher - Acting CEO
<i>Applicant/Proponent:</i>	Sean Fletcher - Acting CEO
<i>File Number:</i>	
<i>Previous minute/s & Reference:</i>	

SUMMARY

The purpose of this report is to present a close out report from the Acting CEO Mr Sean Fletcher.

DECLARATION OF INTEREST

Impartial

ATTACHMENTS

7.2.1.1a Confidential - Close Out Report – ACEO. This report contains a number of items that are sensitive in nature.

BACKGROUND INFORMATION

The author was appointed to act as the CEO for the Shire of Morawa for approximately six months commencing with his tenure on 10 May 2017. With the commencement of the new CEO, Mr Chris Linnell on 6 November 2017, Mr Fletcher's tenure will cease on Friday 3 November 2017.

Accordingly, Mr Fletcher has provided an overview of the matters he has undertaken during his tenure.

OFFICER'S COMMENT

Firstly, I would like to thank the Council for once more entrusting me with the operations of the Shire for the last six months. I have enjoyed my time and valued very highly the work with both the elected members and the Shire's staff. Secondly, I would like to thank the Council for listening to the advice that I have provided along with that of the staff and embracing a team based approach that has seen us develop a range of policies and responses to a number of key matters and issues during my time here.

That being said, during my time, I have been able to undertake and progress a range of matters. This has included:

- Updating and improving the Shire's recovery plan and matters of governance and compliance and systems in general;
- Improvement of the Council briefing session and Council meeting process;
- Reviewing the duties and activities undertaken by staff and providing mentoring and guidance as appropriate. I have also implemented a team based approach to a range of activities;
- Overhauling the Shire's record keeping practices including the complete review of the Shire's archives;
- Employment of the Economic Development Manager that has included the alignment with key economic development initiatives regarding the Wildflower Way, Regeneration Morawa, support for the Morawa Business Community, developing a framework for community events going forward including Tom O'Toole and the Mid West Cutout;
- Undertaking the recruitment of the new Executive Manager Corporate and Community Services in preparation of Mrs Gledhill's retirement;
- Working more closely with the Morawa Business Community, the Visitor Information Centre, MEITA and MEEDAC;
- Inclusion of the Shire and the Morawa District into the Central Wheatbelt Biosecurity Association;
- Facilitating and progressing a range of key projects including Regeneration Morawa, the Regional Landfill Project, change in management at the Jones Street Landfill, the Mobile Tower – Black Spot Project and the Local Laws Review,
- A thorough review of the Shire's Integrated Planning and Reporting Requirements;
- The development of a number of policies including those regarding community engagement, community based funding and procurement;
- Overseeing of the 17/18 Budget process and the 16/17 Annual Financial Statements;
- Progression of the Shire's Local Laws review;
- Progression of the closing out of the remaining SuperTowns projects and the Country Local Government Fund projects;
- Participating in the setting up the joint arrangements for the new CESM program regarding Morawa, Perenjori, Yalgoo and Murchison;
- Performance as the Shire's Returning Officer for the 2017 ordinary elections;
- Submitting an appeal and appearing before the Appeals Convenor regarding the SMC Expansion project;
- A range of meetings and negotiations with key stakeholders including Arc Infrastructure, Main Roads, the Water Corporation, the Mid West Development Commission (and DPIRD) Karara and SMC;
- Addressing a range of matters raised by the community members.

In all I have dealt with in excess of 300 matters (of which some of these had multiple matters within them). The close out report attached to this agenda item contains information on the 60 key matters I have focussed on. As such, I have compiled a report regarding all matters I have been involved in and this is the basis of the hand over document for the new CEO, Mr Linnell. This document is 90 plus pages in length and addresses:

Cr Thornton thanked the Acting Chief Executive Officer for a fantastic job over the last six months.

Cr Agar advised the Acting Chief Executive Officer that it had been a great experience working with him.

<i>Item No/ Subject:</i>	7.2.1.2 Adoption of Policy 1.8 – Elected Member Correspondence
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	13 October 2017 – Sean Fletcher - ACEO
<i>Responsible Officer:</i>	Sean Fletcher - ACEO
<i>Applicant/Proponent:</i>	Council
<i>File Number:</i>	
<i>Previous minute/s & Reference:</i>	OCM June 2006

SUMMARY

Nil

DECLARATION OF INTEREST

Nil

ATTACHMENTS

- 7.2.1.2a Draft Policy 1.8 Elected Member Correspondence
- 7.2.1.2b State Record Office – Information Sheet Elected Members

BACKGROUND INFORMATION

At the briefing session on 10 October 2017, the elected members discussed with the author the possibility of developing a policy regarding the management of correspondence addressed to them directly. Some of the members indicated a level of concern that perhaps they are not receiving key correspondence including that from the community members.

OFFICER'S COMMENT

The author has taken on board the comments by the elected members at the briefing session and has accordingly reviewed the requirements regarding correspondence received and sent by elected members. This includes relevant legislation, State guidelines and Shire policies.

The proposed policy addresses a number of key principles based on a range of legislation and State policy regarding the keeping of records that have continuing value. These principles are explained as follows:

Continuing Value	Is a record that is created or received that contains information that is of: <ul style="list-style-type: none"> • Administrative value to the Shire; • Legal value to the Shire; • Fiscal value to the Shire; • Evidential value to the Shire; • Historical value to the Shire.
Correspondence	Includes documents in any format e.g. by post, fax, email, courier, hand delivered.
Local Government Record	Means a record created or received by, or for a local government organisation, or elected member, or employee of that organisation, or contractor in the course of work for that local government.

Accordingly, the proposed policy encapsulates the following protocol:

Shire Office

Correspondence that is addressed or marked to Elected Members at the Shire Office will be managed as follows:

Private and Confidential: The correspondence will not be opened. The elected member will be advised that the Shire has received such correspondence and that it can be retrieved from the office at the elected member's convenience.
If the correspondence is of continuing value, the elected member is required to submit this record to the Shire Office for inclusion in the Shire's record keeping system. This can be either in person, or electronically at ea@morawa.wa.gov.au

Personal/Directly Named: As per Private and Confidential.

Directly Named and CEO: Sometimes, correspondence is addressed jointly to the Shire President (or other elected member) and the CEO. The correspondence will be opened, recorded and issued electronically to the elected member concerned.

Note: Under the Electronic Transactions Act 2011, a document can only be issued to the receiver once they have given their permission for this type of transaction to occur.

Private Address

Correspondence addressed to Elected Members at their private address/post box/email inbox that is a local government record and is of continuing value, should be forwarded to the Shire Office for incorporation into the Shire's record keeping system. This includes any response that the Elected Member may have made.

COMMUNITY CONSULTATION

Nil

COUNCILLOR CONSULTATION

Council Briefing Session: 10 October 2017

STATUTORY ENVIRONMENT

Local Government Act 1995

s5.41(h) – The CEO is to ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law.

s6.5(a) – The CEO has a duty to ensure there are kept proper accounts and records of the transactions and affairs of the local government.

State Records Act 2000

Local government is a public authority and so the requirements of this Act including how records are managed and any policy issued as per this Act is binding on the Shire.

Electronic Transactions Act 2011

s9(2)(b) – *The person has given consent to receive the information electronically.*

POLICY IMPLICATIONS

Under the Shire's Record Keeping Plan, the following policy is in place regarding the management of records:

Policy Statement

Council will maintain a Records Office that manages the efficient capture, creation, distribution, storage, retrieval and disposition of its records in accordance with the *State Records Act 2000*. All Elected Members, staff and contractors will capture, create or provide full and accurate records, in the appropriate format, of the Council's business decisions and transactions to meet all legal, evidential, administrative, financial and historical requirements.

Creation, Capture and Control of Records

All records, regardless of format, and whether internal or external, are to be captured at the point of creation, with required metadata, into appropriate corporate systems that are managed in accordance with record keeping principles and the Australian Standard for Records Management AS ISO 15489. All records are to be categorised as to their level of sensitivity and adequately secured and protected from violation, unauthorised access and destruction in accordance with necessary preservation and storage requirements.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Be compliant with relevant legislation.

		Key Partners
4.5.1	Adhere to the Local Government Act 1995.	DLG, WALGA
4.5.2	Ensure compliance with local, town planning, building, health and all other legislation.	DLG, WALGA
4.5.3	Maintain, review and ensure relevance of Council policies and laws.	DLG, WALGA

RISK MANAGEMENT

The applicable risk consequences include reputation at a moderate level i.e. substantiated public embarrassment with moderate impact and perhaps a moderate news profile. The likelihood of this occurring is possible and so the overall risk is moderate in nature. By implementing the policy regarding the management of elected member correspondence, the risk will be reduced from moderate to low.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

Adopts draft policy 1.8 – Elected Member Correspondence as set out in attachment 7.2.1.2a

COUNCIL RESOLUTION

1710003 **Moved:** **Cr Stokes**
 Seconded: **Cr Carslake**

That Council:

Adopts draft policy 1.8 – Elected Member Correspondence as set out in attachment 7.2.1.2a

1.8 Elected Member Correspondence

Objective

To provide a clear protocol on the management of Elected Member correspondence.

Policy Statement

Some records created and received by elected members have continuing value to the Shire of Morawa. This includes correspondence (or mail) received and sent by Elected Members.

These records must be managed in accordance with the relevant legislation, the Shire's Record Keeping Plan and as per the following protocol:

Shire Office

Correspondence that is addressed or marked to Elected Members at the Shire Office will be managed as follows:

Private and Confidential: The correspondence will not be opened. The elected member will be advised that the Shire has received such correspondence and that it can be retrieved from the office at the elected member's convenience.

If the correspondence is of continuing value, the elected member is required to submit this record to the Shire Office for inclusion in the Shire's record keeping system. This can be either in person, or electronically at ea@morawa.wa.gov.au

Personal/Directly Named: As per Private and Confidential.

Directly Named and CEO: Sometimes, correspondence is addressed jointly to the Shire President (or other elected member) and the CEO. The correspondence will be opened, recorded and issued electronically to the elected member concerned.

Note: Under the Electronic Transactions Act 2011, a document can only be issued to the receiver once they have given their permission for this type of transaction to occur.

Private Address

Correspondence addressed to Elected Members at their private address/post box/email inbox that is a local government record and is of continuing value, should be forwarded to the Shire Office for incorporation into the Shire's record keeping system. This includes any response that the Elected Member may have made.

Scope

This policy applies to correspondence that is received, or sent by the Elected Members.

Definitions

Any definitions listed in the following table apply to this document:

Continuing Value	Is a record that is created or received that contains information that is of: <ul style="list-style-type: none">• Administrative value to the Shire;• Legal value to the Shire;• Fiscal value to the Shire;• Evidential value to the Shire;• Historical value to the Shire.
Correspondence	Includes documents in any format e.g. by post, fax, email, courier, hand delivered.
Local Government Record	Means a record created or received by, or for a local government organisation, or elected member, or employee of that organisation, or contractor in the course of work for that local government.

Legislative and Strategic Context

Act: *Local Government Act 1995*
S5.41(h) – The CEO is to ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law.
s6.5(a) – The CEO has a duty to ensure there are kept proper accounts and records of the transactions and affairs of the local government.

State Records Act 2000

Electronic Transactions Act 2011

State Policy/Guideline/Standard: Information Sheet (attached) Local Government Elected Members' Records. "...communications and transactions of elected members which constitute evidence affecting the accountability of the Council and the discharge of its business." This policy applies regardless of a record's format or where it was received.

Link to Strategic Community Plan: Outcome 4.5 – Be Compliant With Relevant Legislation

Associated Documents

Policy: 3.7 Purchasing Policy
Other Guidelines: Shire's Record Keeping Plan

Version Control

Revision Date

This policy is to be reviewed every two (2) years.

Responsible Officer

Executive Assistant

Revision History

Version	Author	Version Description	Date Completed
1.0	CEO	Council adoption reference: OCM: 19 October 2017 Resolution: 2017XXXX	19/10/17

Attachment

State Records Office of Western Australia Local Government Elected Members' Records: Which records to capture?



State Records Office of Western Australia

Local Government Elected Members' Records: Which records to capture?

The State Records Commission policy regarding the records of local government elected members requires the creation and retention of records of the:

"...communications and transactions of elected members which constitute evidence affecting the accountability of the Council and the discharge of its business."

This policy applies regardless of a record's format or where it was received.

Elected members **must** create and keep records of communications or transactions, which convey information relating to **local government business or functions**. These records should be forwarded to the local government administration for **capture into the official recordkeeping system**.

Which records should be captured?

YES – forward to your local government administration	NO – do not need to be forwarded to your local government
<p>Communications from ratepayers, such as:</p> <ul style="list-style-type: none"> • complaints & compliments; • correspondence concerning corporate matters; • submissions, petitions & lobbying; • information for Council's interest relating to local government business activity & functions. 	<p>Duplicate copies – of Council meeting agenda, minutes & papers.</p>
<p>Telephone, meetings & other verbal conversations – between an elected member and another party, regarding local government projects or business activities.</p>	<p>Draft documents or working papers – which are already captured at the local government.</p>
<p>Work diaries – containing information that may be significant to the conduct of the elected member on behalf of the local government.</p>	<p>Publications – such as newsletters, circulars and journals.</p>
<p>Presentations and speeches – delivered as part of an elected member's official duties.</p>	<p>Invitations – to community events where an elected member is not representing Council or the local government.</p>
	<p>Telephone, meetings & other verbal conversations which:</p> <ul style="list-style-type: none"> • convey routine information only; or • do not relate to local government business or functions.
	<p>Electioneering – or party political information.</p>
	<p>Personal records – not related to an elected member's official duties.</p>

Destruction of records: return all records to the local government for authorized and legal destruction.

More information: contact your local government administration or
State Records Office of Western Australia
Tel: 9427 3360 or Email: sro@sro.wa.gov.au

<i>Item No/ Subject:</i>	7.2.1.3 Feedback on WALGA Discussion Paper re Review of the Local Government Act
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	13 October 2017 – Sean Fletcher
<i>Responsible Officer:</i>	Sean Fletcher – A/CEO
<i>Applicant/Proponent:</i>	Sean Fletcher – A/CEO
<i>File Number:</i>	Nil
<i>Previous minute/s & Reference:</i>	OCM June 2017 Item 7.2.1.2

SUMMARY

This item considers the submission prepared by the Acting CEO in response to the WALGA discussion paper on the Review of the *Local Government Act 1995*.

Accordingly, it has been recommended that the Council endorses the submission and authorises the Acting CEO to submit the response to WALGA for its consideration.

DECLARATION OF INTEREST

The author has no interest to declare in this report.

ATTACHMENTS

- 7.2.1.3a WALGA Review of Local Government Act 1995 Discussion Paper
- 7.2.1.3b Shire of Morawa Response to WALGA Discussion Paper: Review of *Local Government Act 1995*

BACKGROUND INFORMATION

On 20 June 2017 the Minister for Local Government announced that the Department of Local Government and Communities would commence a review of the *Local Government Act 1995* (the Act). The Minister's vision for local government in Western Australia is that it is: Agile, Smart and Inclusive.

This is the first major review of the Act in its 21 years of enactment. The Act came into effect on 1 July 1996 and has had a number of minor reviews during its life. This also includes the regulations that underpin the Act, which have had minor reviews during their enactment as well.

So the review of the Act also encapsulates a review of the relevant regulations. The review process will take place over the next 18 months to two years.

The review is being conducted in two parts. Part One encapsulates the concept of modernising local government e.g. improving access to information through making it available electronically, reducing red tape, making sure the gift disclosure process meets public expectations and improving the level of accountability overall regarding behaviour and conduct.

Part Two of the review will deal with improving the level of delivery by local government to its communities. Such matters include increasing and improving public participation and confidence in the local government process, improving financial management and building capacity through reducing red tape.

The review process itself is flexible and matters may be considered further to how they are framed within phase one and two of the review.

The review is supported by a reference group that consists of representations from WALGA, the Local Government Professionals Association (WA) – formerly the LGMA, the Western Australian Electoral Commission, WACOSS, the Regional Chamber of Commerce and Industry and the WA Rangers Association.

At the June 2017 OCM, Council considered a request by the Northern Country Zone to review a report submitted by officers within the Zone regarding the legislative burden imposed by the Act. In particular, Council resolved that it would be more appropriate to for the Zone to form a working group to respond to the Minister's review, once announced. Council's response was subsequently submitted to the Zone at its meeting on 26 June 2017.

At the July 2017 Council briefing session, the author advised that the Shire should respond to the review of the Act.

As part of the reference group process, WALGA State Council at its July meeting adopted a consultation process with member local governments. Accordingly, WALGA issued a discussion paper for consideration by local governments and/or their respective Zones. Briefing sessions by WALGA regarding the discussion paper have since been held with the Zones. Local governments are requested to submit their responses to the discussion paper by 20 October 2017. This will then allow WALGA time to prepare an item for consideration by WALGA State Council on 6 December 2017.

Further information regarding the review can be found on the Department's website including a number of fact sheets:
<https://www.dlgc.wa.gov.au/LegislationCompliance/Pages/LGARReview.aspx>

OFFICER'S COMMENT

The response to WALGA's Discussion Paper is the perfect avenue for the Shire to respond to the changes proposed to the Local Government Act. In particular the discussion paper identifies those matters that have been brought to the attention of WALGA previously and are considered the priorities as set out as follows:

- a) Gifts
 - Exempt gifts received in a genuinely personal capacity
 - Gift declarations threshold to commence at \$500.00 with no upper limit
 - Gift provisions to apply to Elected Members and CEO only

- b) Regional Subsidiaries
 - Amend Regulations to permit borrowings
 - Amend Regulations to permit dealing in land transactions
 - Amend Regulations to permit trading undertakings

- c) Rating Exemptions:
 - Charitable Purposes provisions
 - Rate Equivalency Payments of Government Trading entities

- d) Financial Management Issues:
 - Borrowings
 - Investments*
 - Fees and Charges
 - Financial ratios

(* Regulation 19C(2)(b) of the Financial Management Regulations was amended on 12 May 2017 to permit fixed term deposits to be invested for up to 3 years,)

- e) Administration:
 - Electors' General Meetings to be optional
 - Designated Senior Officer section to be reviewed
 - Public Notices (modernisation of the Act to acknowledge electronic means)

- f) Functions of Local Governments:
 - Tender Thresholds
 - Establish Council Controlled Organisations (Local Government Enterprises)
 - Regional Council provisions (review of compliance requirements)

- g) Poll Provisions relating to amalgamations and boundary adjustments.
 - The poll provisions contained in Schedule 2.1 of the Local Government Act should be extended to provide any community whose Local Government is undergoing a boundary change or amalgamation with the opportunity to demand a binding poll of electors.

The Discussion Paper itself draws upon three main sources: WALGA advocacy positions resulting from the resolutions of State Council, WALGA Zone proposals and the Local Government Reform Steering Committee Report 201.

The author's comments and advice to Council are encapsulated within the proposed response to the WALGA Discussion Paper as provided in Attachment 7.2.1.3b. The Response Paper sets out not just WALGA's position but other information that the author is aware of, or has had experience with, that provides further background information for the elected members regarding many of the matters raised e.g. elected member development training, rating matters, boundary adjustments and the poll provisions and the key issues regarding regional subsidiaries. The Response Paper supports all but one of WALGA's positions and in the main provides further comment on how a matter should be treated or considered.

The only matter not supported is WALGA's position on mandatory training for elected members. Training and development is important for any person responsible for the governance of an organisation. The level of training proposed is the completion of three modules regarding the key functions of council and as an elected member. This amounts to a total of three days training which can be accessed over a 12 month period.

Training and development is the cornerstone of reducing risk through the ability to make good decisions, act without conflicts of interest and recognise the separation of powers. The only other matter is whether elected members should have their fees reduced should they not undertake training. The author's view is neutral on this matter as much more thought should be given to this issue.

COMMUNITY CONSULTATION

Nil. The community is welcome to participate in the review process as set out on the Department's website.

COUNCILLOR CONSULTATION

Briefing Session July 2017 and subsequent briefing sessions and follow-up emails.

STATUTORY ENVIRONMENT

The Local Government Act 1995 and its regulations

POLICY IMPLICATIONS

Not Applicable

FINANCIAL IMPLICATIONS

Not Applicable

STRATEGIC IMPLICATIONS

Outcome 4.5 Be compliant with relevant legislation.

**Key
Partners**

Adhere to the Local Government Act 1995.

DLG, WALGA

RISK MANAGEMENT

Not Applicable

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

1. Endorses the submission titled: Shire of Morawa Response to WALGA Discussion Paper: Review of the *Local Government Act 1995* dated 19 October 2017 as presented in Attachment 7.2.1.3b.
2. Authorises the Acting CEO to submit to WALGA the submission titled: Shire of Morawa Response to WALGA Discussion Paper: Review of the *Local Government Act 1995* dated 19 October 2017 as presented in Attachment 7.2.1.3b.

COUNCIL RESOLUTION

1710004

Moved:

Cr Coaker

Seconded:

Cr Carslake

That Council:

1. Endorses the submission titled: Shire of Morawa Response to WALGA Discussion Paper: Review of the *Local Government Act 1995* dated 19 October 2017 as presented in Attachment 7.2.1.3b.
2. Authorises the Acting CEO to submit to WALGA the submission titled: Shire of Morawa Response to WALGA Discussion Paper: Review of the *Local Government Act 1995* dated 19 October 2017 as presented in Attachment 7.2.1.3b.

CARRIED 7/0

REVIEW OF LOCAL GOVERNMENT ACT 1995

DISCUSSION PAPER

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Executive Summary

The Minister for Local Government, Hon David Templeman wrote to the Association on 14 June 2017 to announce the commencement of the review of the *Local Government Act 1995*. The correspondence is outlined below:

Due to the scope of the likely amendments and my desire to see early progress, I have decided that the work will be undertaken in two phases:

The first will focus on modernising Local Government, with the policy work and consultation to be completed in 2017 with a Bill in 2018. Key topics in this phase will be increasing elector participation, electronic disclosure (making information more readily available), simplifying the disclosure of gifts and some reducing red tape provisions.

The theme for the second phase is delivering for the community, with the policy work and consultation to be completed in 2018 with a Bill in 2019. Key themes for this phase will be improving behaviour and relationships, increasing community participation, enabling local government enterprises, improving financial management and reducing red tape.

The following are the issues that the Minister's office has put forward:

Phase 1: 'Modernising local government' - 2017

- Increasing participation in local government elections
- Strengthening public confidence in local government elections
- Making information available online
- Restoring public confidence (includes the gift provisions)
- Reducing red tape
- Regional Subsidiaries

Phase 2: 'Services for the community' - 2018

- Increasing community participation
- Improving financial management
- Improving behaviour and relationships
- Reducing red tape

The Minister also expressed the Review's Principles and Vision thus:

Vision

The vision for local government in Western Australia is: Agile, Smart, Inclusive.

Principles

The review will deliver on this through application of the following principles:

- *Transparent – providing easy access to meaningful, timely and accurate information about local governments (S, I);*
- *Participatory – strengthening local democracy through increased community engagement (I);*
- *Accountable – holding local governments accountable by strengthening integrity and good governance (S, I);*

- *Efficient – providing a framework for local governments to be more efficient by removing impediments to good practice (A, S); and*
- *Modern – embracing contemporary models for governance and public sector management (A, S, I).*

The Minister has invited WALGA and Local Government Professionals WA to participate in a reference group on the review. The Minister's office has advised that there may be some flexibility as to what issues are to be considered in Phase 1 or Phase 2.

In July 2017, State Council considered and adopted the following Consultation Process:

- An Infopage will be distributed to Local Governments including a Discussion Paper on issues that have been identified over the last 8 years including advocacy positions resolved by the sector. This will include a request for Local Governments to submit additional items for consideration in the Act review process. Councils can submit individually or collectively through their Zone.
- WALGA to hold Zone/regional group forums on the Act/Regulatory amendment suggestions. Can be held in-conjunction with a Zone meeting or separately.
- Finalise feedback and provide recommendations on legislative and regulatory change through a State Council agenda item that would go through the Zones.

It is expected that this process will be carried out between July and November 2017 with the State Council item being considered at the 6 December meeting.

Local Government Priorities

The following key issues have previously been brought to the attention of WALGA and identified as priorities, and will form part of the consultation process with the sector on Act amendments:

- a) Gifts
 - Exempt gifts received in a genuinely personal capacity
 - Gift declarations threshold to commence at \$500.00 with no upper limit
 - Gift provisions to apply to Elected Members and CEO only
- b) Regional Subsidiaries
 - Amend Regulations to permit borrowings
 - Amend Regulations to permit dealing in land transactions
 - Amend Regulations to permit trading undertakings
- c) Rating Exemptions:
 - Charitable Purposes provisions
 - Rate Equivalency Payments of Government Trading entities
- d) Financial Management Issues:
 - Borrowings
 - Investments*
 - Fees and Charges
 - Financial ratios

(* Regulation 19C(2)(b) of the Financial Management Regulations was amended on 12 May 2017 to permit fixed term deposits to be invested for up to 3 years,)

e) Administration:

- Electors' General Meetings to be optional
- Designated Senior Officer section to be reviewed
- Public Notices (modernisation of the Act to acknowledge electronic means)

f) Functions of Local Governments:

- Tender Thresholds
- Establish Council Controlled Organisations (Local Government Enterprises)
- Regional Council provisions (review of compliance requirements)

g) Poll Provisions relating to amalgamations and boundary adjustments.

- The poll provisions contained in Schedule 2.1 of the Local Government Act should be extended to provide any community whose Local Government is undergoing a boundary change or amalgamation with the opportunity to demand a binding poll of electors.

Sector Principles

Key foundations of the Act, which the sector would like considered, relate to the retention of the 'general competence' principle and consideration of a size and scale compliance regime. The Act review will incorporate regulatory amendments.

Previous Amendments to the Local Government Act

The current *Local Government Act 1995* commenced on 1 July 1996, and has provided communities with an effective system of Local Government where locally governing Councils have general competence powers to determine the general functions and scope of services provided for the good government of people in their districts. Since 1996, the following major amendments have been promulgated:

- Local Government Amendment Act 1998	Assented to 26 March 1998
- Local Government Amendment Act (No 2) 1998	Assented to 12 January 1999
- Local Government Amendment Act 2004	Assented to 12 November 2004
- Local Government Amendment Act 2006	Assented to 8 December 2006
- Local Government Amendment Act 2007	Assented to 25 June 2007
- Local Government (Official Conduct) Amendment Act 2007	Assented to 28 March 2008
- Local Government Amendment (Elections) Act 2009	Assented to 17 August 2009
- Local Government Amendment Act 2009	Assented to 16 September 2009
- Local Government Amendment Act 2012	Assented to 4 April 2012
- City of Perth Act 2016	Assented to 3 March 2016
- Local Government Legislation Amendment Act 2016	Assented to 21 September 2016

About this Discussion Paper

This Discussion Paper draws on a number of resources upon which WALGA's proposals for Act amendment are based. These resources represent long-standing positions on Act amendments that were developed by the Sector and Sector representatives.

It is acknowledged that only formally adopted State Council advocacy positions can be truly regarded, for the purpose of this Discussion Paper, as representing the collective views of Local Government. Ultimately, this Discussion Paper aspires to honour all views on Local Government Act reform identified through research of the following resources:

- **WALGA Advocacy Positions:** A document representing a collation of WALGA's advocacy positions determined by formal State Council resolutions, inclusive of motions passed at the Association's Annual General Meeting.
- **WALGA Zone Proposals:** This Discussion Paper attempts to capture WALGA Zone resolutions requesting WALGA seek amendment to the Local Government Act.
- **Local Government Reform Steering Committee Report May 2010:** Proposals developed by the Legislative Reform Working Group. Some proposals have already been implemented through Local Government Act amendments since 2010, with the remaining recommendations presented in this Paper for consideration.

This Paper gathers the information from these sources and presents in order of the relevant Part of the Act and associated Regulation. The relationship between Parts of the Act and Regulations is shown in this Table:

LG Act	Regulation
Part 2 →	Constitution Regulations 1998
Part 3 →	Functions and General Regulations 1996 / Regional Subsidiaries Regulations 2017
Part 4 →	Elections Regulations 1996
Part 5 →	Administration Regulations 1996 / Rules of Conduct Regulations 2007
Part 6 →	Financial Management Regulations 1996
Part 7 →	Audit Regulations 1996
Part 8 →	No Regulations
Part 9 →	Uniform Local Provisions Regulations 1996
Schedules	Uniform Local Provisions Regulations 1996

LOCAL GOVERNMENT ACT AMENDMENT PROPOSALS

Part 1 – Introductory Matters

Local and Statewide Public Notice: Sections 1.7 and 1.8

The Association welcomes the opportunity to modernise the requirements of giving public notice of particular matters, as prescribed in the Local Government Act. The Minister for Local Government has indicated an intention to deal with this in Phase 1 of the Review process, by making information available online. It is already common practice within the Local Government sector to place statutory public notices on official websites, despite there being no legislated requirement to do so.

Part 2 – Constitution of Local Government

Method of Election of Mayor/President: Section 2.11

Position Statement	Local Governments should determine whether their Mayor or President will be elected by the Council or elected by the community.
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State Council Resolution	March 2012 – 24.2/2012
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Elected Member Training: New Proposal

Position Statement	<p>WALGA opposes legislative change that would:</p> <ol style="list-style-type: none">1. Require candidates to undertake training prior to nominating for election;2. Incentivise Elected Member training through the fees and allowances framework; or3. Mandate Elected Member training.
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Further, if mandatory training becomes inevitable, WALGA will seek to ensure that it:

- a) Only applies to first time Elected Members;
- b) Utilises the Elected Member Skill Set as the appropriate content for mandatory training;
- c) Applies appropriate Recognition of Prior Learning (RPL);
- d) Requires training to be completed within the first 12 months of office; and
- e) Applies a penalty for non-completion of a reduction in fees and allowances payable.

State Council Resolution	December 2015 – 119.7/2015 October 2008 – 399.4/2008
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Stand Down when Contesting State or Federal Election: New Proposal

Amend the Act to require an Elected Member to stand down when contesting a State or Federal election, applying from the issue of Writs. The options to consider include:

- (a) that an Elected Member stand down from any decision making role and not attend Council and Committee meetings; or
- (b) that an Elected Member stand down from all aspects of their role as a Councillor and not be able to perform the role as specified in Section 2.10 of the Local Government Act.

Background

The East Metropolitan Zone has identified that, under the *Local Government Act 1995*, there is no requirement for an Elected Member to either stand down or take leave of absence if they are a candidate for a State or Federal election. If elected to Parliament the Elected Member is immediately ineligible to continue as an Elected Member. Currently it is up to an individual Elected Member to determine if they wish to take a leave of absence. In some cases Elected Members have voluntarily resigned.

Part 3 – Functions of Local Government

Notification of Affected Owners: Section 3.51

Position Statement

Section 3.51 of the *Local Government Act 1995* concerning “Affected owners to be notified of certain proposals” should be amended to achieve the following effects:

1. to limit definition of “person having an interest” to those persons immediately adjoining the proposed road works (i.e. similar principle to town planning consultation); and
2. to specify that only significant, defined categories of proposed road works require local public notice under Section 3.51 (3) (a).

State Council Resolution February 2009 – 480.1/2009

Control of Certain Unvested Facilities: Section 3.53

The Local Government Act 1995 includes a provisions, under Section 3.53, that is carried forward from Section 300 of the former Local Government Act 1960. Former Section 300 stated:

300. A council has the care, control, and management of public places, streets, ways, bridges, culverts, fords, ferries, jetties, and drains, which are within the district, or, which although not within the district, are by this Act placed under the care, control, and management, of the council, or are to be regarded as being within the district, except where and to the extent that under an Act, another authority has that care, control, and management.

Section 3.53 refers to infrastructure as an 'otherwise unvested facility', and is defined to mean: "a thoroughfare, bridge, jetty, drain, or watercourse belonging to the Crown, the responsibility for controlling or managing which is not vested in any person other than under this section."

Section 3.53 places responsibility for an otherwise unvested facility on the Local Government in whose district the facility is located. Lack of ongoing maintenance and accreting age has resulted in much infrastructure falling into a dilapidated state. This, together with the uncertain provenance of many of these facilities, particularly bridges, is reported as placing an unwarranted and unfunded burden on a number of Local Governments.

It is recommended Section 3.53 of the Act be deleted and that responsibility for facilities located on Crown Land return to the State as the appropriate land manager.

Regional Local Governments: Part 3, Division 4

Position Statement	The compliance obligations of Regional Local Governments should be reviewed.
Background	<p>Currently, Regional Local Governments are treated by the <i>Local Government Act 1995</i> for the purposes of compliance, as if they were a Local Government.</p> <p>The Association believes that this places an overly large compliance burden on Regional Local Governments. The large compliance burden reduces potential cost savings that aggregated service delivery may achieve through increased efficiency and acts as a disincentive for Local Governments to establish Regional Local Governments.</p>
State Council Resolution	January 2012 – 9.1/2012

Council Controlled Organisations: Part 3, Division 4

Position Statement	The <i>Local Government Act 1995</i> should be amended to enable Local Governments to establish Council Controlled Organisations (CCO) - also referred to as 'Local Government Enterprises' i.e WALGA's Systemic Sustainability Study 2008.
Background	The CCO model is available to Local Governments in New Zealand where they are used for a variety of purposes. The model allows one or more Local Governments to establish a wholly Local Government owned commercial organisation. The Association has developed the amendments required for the CCO model to be implemented in Western Australia.
State Council Resolution	October 2010 – 107.5/2010 October 2010 – 114.5/2010

Local Government (Functions and General) Regulations 1996

Tender Threshold: Regulation 11(1)

Position Statement	WALGA supports an increase in the tender threshold to align with the State Government tender threshold (\$250 000).
Background	The tender threshold should be increased to allow Local Governments responsiveness when procuring relatively low value good and services.
State Council Resolution	July 2015 – 74.4/2015 September 2014 – 88.4/2014

Dispositions of Property: Regulation 30(3)

That Regulation 30(3) be amended to delete any financial threshold limitation (currently \$75,000) on a disposition where it is used exclusively to purchase other property in the course of acquiring goods and services, commonly applied to a trade-in activity.

Local Government (Regional Subsidiaries) Regulations 2017

Regional Subsidiaries

Position Statement	That WALGA advocate for legislative and regulatory amendments to enable Regional Subsidiaries to: <ol style="list-style-type: none">1. Borrow in their own right;2. Enter into land transactions; and,3. Undertake commercial activities.
Background	<p>The <i>Local Government Act 1995</i> was amended in late 2016 to enable Local Governments to establish regional subsidiaries, and this represents a significant advocacy achievement for the Local Government sector;</p> <p>The <i>Local Government (Regional Subsidiaries) Regulations 2017</i>, which were enacted in early 2017, contain significant restrictions that limit the flexibility and will reduce the benefits of the regional subsidiary model;</p> <p>In particular, the regulations prevent regional subsidiaries from borrowing from any organisation other than a constituent Local Government, entering into a land transaction, and commencing a trading undertaking; and,</p> <p>This item recommends legislative and/or regulatory amendments to remove these restrictions that unnecessarily</p>

prevent regional subsidiaries from becoming an effective and efficient collaborative service delivery mechanism.

State Council Resolution March 2017 – 5.1/2017

Part 4 – Elections and Other Polls

Conduct of Postal Elections: Sections 4.20 and 4.61

Position Statement The *Local Government Act 1995* should be amended to allow the Australian Electoral Commission (AEC) and Local Governments to conduct postal elections.

Background Currently, the WAEC has a legislatively enshrined monopoly on the conduct of postal elections that has not been tested by the market.

State Council Resolution March 2012 – 24.2/2012

Voluntary Voting: Section 4.65

Position Statement Voting in Local Government elections should remain voluntary.

State Council Resolution 427.5/2008 – October 2008

On-Line Voting

WALGA has received requests from three (3) Zones to explore the possibility of introducing on-line voting in Local Government elections.

A State Council Item for Noting was prepared in May 2017 advising that WALGA staff will liaise with the WAEC regarding the use of the iVote system and also seek feedback from the Local Government sector on online voting and other opportunities to increase voter turnout. The Minister for Local Government has indicated that online voting is likely to be considered in the context of increasing elector participation.

Part 5 - Administration

Electors' General Meeting: Section 5.27

Position Statement Section 5.27 of the *Local Government Act 1995* should be amended so that Electors' General Meetings are not compulsory.

Background There is adequate provision in the Local Government Act for the public to participate in Local Government matters and access information by attending meetings, participating in public question time, lodging petitions, and requesting special electors' meetings.

NOTE: The current Local Government Amendment (Auditing) Bill 2017 proposes that a Local Government's Annual Report is to be placed on its official website within 10 days of being received.

State Council Resolution February 2011 – 09.1/2011

Special Electors' Meeting: Section 5.28

That Section 5.28(1)(a) be amended:

- (a) so that the prescribed number of electors required to request a meeting increase from 100 (or 5% of electors) to 500 (or 5% of electors), whichever is fewer; and
- (b) to preclude the calling of Electors' Special Meeting on the same issue within a 12 month period, unless Council determines otherwise.

Senior Employees: Section 5.37(2)

That Section 5.37(2) be deleted to remove any inference or ambiguity as to the role of Council in the performance of the Chief Executive Officer's function under Section 5.41(g) regarding the appointment of other employees (with consequential amendment to Section 5.41(g) accordingly).

Annual Review of Certain Employees Performance: Section 5.38

Section 5.41(g) of the Act prescribes the function of responsibility for all employees, including management supervision, to the Chief Executive Officer. Section 5.38 therefore creates unnecessary ambiguity; unnecessary in terms of the certainty that Section 5.41(g) already provides. It is recommended that Section 5.38 either be deleted, or amended so that there is only a specific statutory requirement for Council to conduct the Chief Executive Officer's annual performance review.

Gifts and Contributions to Travel: Sections 5.82 and 5.83

The current Gift Provisions in the Local Government Act are very confusing and overly prescriptive. The Department of Local Government and Communities have established a Gift Working Group to look at completely reviewing the gift provisions for changes following the March 2017 State Election. WALGA is a participant in this working group. WALGA representatives have been advocating for the following:

- There be one section for declaring gifts. Delete declarations for Travel.
- No requirement to declare gifts received in a genuinely personal capacity.
- Gift provisions only for Elected Members and CEO's. Other staff fall under Codes of Conduct from the CEO to the staff.
- Gifts only to be declared if above \$500.00.
- There will not be any category of notifiable gifts or prohibited gifts.
- Gifts only to be declared in respect to an Elected Member or CEO carrying out their role.
- Exemptions for ALGA, WALGA and LG Professionals (already achieved).
- Exemption for electoral gifts received that relate to the State and Commonwealth Electoral Acts. So Elected Members who are standing for State or Federal Parliament will only need to comply with the State or Federal electoral act and not declare it as a Local Government gift.

Vexatious and Frivolous Complainants: New Provision

It is recommended that a statutory provision be considered, permitting a Local Government to declare a person a vexatious or frivolous complainant. Section 5.110(3a) of the Act was recently introduced in relation to the Local Government Standards Panel ruling on vexatious and frivolous Rules of Conduct Regulations breach allegations:

“...a standards panel can at any stage of its proceedings refuse to deal with a complaint if the standards panel is satisfied that the complaint is frivolous, trivial, vexatious, misconceived or without substance.”

Given the extensive cost and diversion of administrative resources currently associated with vexatious and frivolous complainants across the Local Government sector, it is recommended that a more general mechanism, based on the principles associated with the introduction of Section 5.110(3A), be investigated.

Amendments to the legislation would need to cover the following points to implement the proposed arrangements:

- Create a head of power to determine whether a community member is vexatious (potentially establish a new body through legislation and give it this power of determination);
- Define vexatious behaviour broadly to include the extent and nature of communication between the alleged vexatious person and the Local Government (using words such as 'unreasonable', 'persistent', 'extensive', 'malicious' and 'abusive');
- Outline the restrictions to statutory rights which can be imposed on a person if he or she is declared by the independent body to be vexatious;
- Establish a process, if necessary, to enable a Local Government to present its case for the alleged vexatious person to defend himself/herself;
- Determine what appeal rights are necessary.

Local Government (Administration) Regulations 1996

Revoking or Changing Decisions: Regulation 10

Regulation 10 provides a mechanism for the revocation or change to a previous decision of Council. It does not however, contain any provision clarifying that the provisions do not apply to Council decisions that have already been implemented. This regulatory deficiency is currently managed administratively, but warrants an appropriate amendment to assist clarify the rights of a Councillor to seek a revocation or change.

Minutes, contents of: Regulation 11

Regulation 11 contains a potential anomaly in that the content requirements relating to Minutes of a Council or Committee meeting do not make reference to the reports and information that formed the basis of the Agenda to that meeting. Despite it being a common practice that Agenda reports and information are included in most Minutes, this is not universally the case, and it is recommended that an amendment be considered as an aid to community understanding of the decision-making process of the Council.

Repayment of Advance Annual Payments: New Regulation

The Local Government Legislation Amendment Act 2016 introduced Section 5.102AB, which provides that Regulations may be made relating to the recovery of advance payments of annual allowances or annual fees made to a person who subsequently ceases to hold office during the period to which the payment relates:

5.102AB. Repayment of advance annual payments if recipient ceases to hold office

(2) *Regulations may be made —*

(a) requiring the repayment to a local government, to the extent determined in accordance with the regulations, of an advance payment of an annual allowance or annual fee in the circumstances to which this section applies; and

(b) providing for a local government to recover any amount repayable if it is not repaid.

Regulations enabling the recovery of advance annual payments have yet to be made and it is recommended this matter be prioritised.

Local Government (Rules of Conduct) Regulations 2007

Position Statement

WALGA supports:

1. Official Conduct legislation to govern the behaviour of Elected Members;
2. An efficient and effective independent Standards Panel process;
3. An ability for the Standards Panel to dismiss vexatious and frivolous complaints; and,
4. Confidentiality for all parties being a key component of the entire process.

NOTE: Point 3 achieved under the Local Government Legislation Amendment Act 2016

State Council Resolution

March 2016 – 10.1/2016

July 2012 – 55.3/2012

December 2008 – 454.6/2008

Part 6 – Financial Management

Imposition of Fees and Charges: Section 6.16

Position Statement

That a review be undertaken to remove fees and charges from legislation and Councils be empowered to set fees and charges for Local Government services

Background

Local Governments are able to impose fees and charges on users of specific, often incidental, services. Examples include dog registration fees, fees for building approvals and swimming pool entrance fees.

In some cases, Local Governments will recoup the entire cost of providing a service. In other cases, user charges may be set below cost recovery to encourage a particular activity with identified community benefit, such as sporting ground user fees or swimming pool entry fees.

Currently, fees and charges are determined according to three methods:

- By legislation
- With an upper limit set by legislation
- By the Local Government.

Fees determined by State Government legislation are of particular concern to Local Governments and represent significant revenue leakage because of:

- Lack of indexation
- Lack of regular review (fees may remain at the same nominal levels for decades)
- Lack of transparent methodology in setting the fees (fees do not appear to be set with regard to appropriate costs recovery levels).

Examples of fees and charges of this nature include dog registrations fees, town planning fees and building permits. Since Local Governments do not have direct control over the determination of fees set by legislation, this revenue leakage is recovered from rate revenue. This means all ratepayers end up subsidising the activities of some ratepayers.

When fees and charges are restricted by legislation, rather than being set at cost recovery levels, this sends inappropriate signals to users of Local Government services, particularly when the consumption of those services is discretionary. When legislative limits allow consumers to pay below 'true cost' levels for a discretionary service, this will lead to overprovision and a misallocation of resources.

Under the principle of 'general competence' there is no reason why Local Governments should not be empowered to make decisions regarding the setting of fees and charges for specific services.

Additionally, it is recommended that Section 6.16 be amended so that it only relates to statutory application fees and charges and not consumer items, facility entrance fees, ad hoc minor fees and charges etc. The exhaustive listing of relatively minor fee and charge items, together with the technical requirement to give public notice of any change after the adoption of the annual budget, is both inefficient and costly.

Power to Borrow: Section 6.20

Section 6.20(2) requires, where a power to borrow is proposed to be exercised and details of the proposal are not included in the annual budget, that the Local Government must give one month's public notice of the proposal (unless an exemption applies). There is no associated requirement to request or consider written submission prior to exercising the power to borrow, as is usually associated with giving public notice. Section 6.20(2) simply stops the exercise of power to borrow for one month, and it is recommended it be deleted.

Restrictions on Borrowings: Section 6.21

Position Statement Section 6.21 of the *Local Government Act 1995* should be amended to allow Local Governments to use freehold land, in addition to its general fund, as security when borrowing.

Background Borrowing restrictions in the *Local Government Act 1995* act as a disincentive for investment in community infrastructure. Section 6.21(2) states that a Local Government can only use its 'general funds' as security for borrowings to upgrade community infrastructure, and is restricted from using its assets to secure its borrowings. This provision severely restricts the borrowing capacity of Local Governments and reduces the scale of borrowing that can be undertaken to the detriment of the community.

This is particularly relevant since the Global Financial Crisis. Treasury now requires member Local Governments to show as contingent liabilities in their balance sheet their proportion of contingent liabilities of the Regional Local Government of which they are a member. Given that the cost of provision of an Alternative Waste Disposal System is anything up to \$100 million, the share of contingent liabilities for any Local Government is significant. Even under a 'Build-Own-Operate' financing method, the unpaid (future) payments to a contractor must be recognised in the balance sheet of the Regional Local Government as a contingent liability.

This alone is likely to prevent some Local Governments from borrowing funds to finance its own work as the value of contingent liabilities are taken into account by Treasury for borrowing purposes.

State Council Resolution January 2012 – 8.1/2012

Rating Exemptions – Charitable Purposes: Section 6.26(2)(g)

Position Statement WALGA's policy position regarding charitable purposes is as follows:

1. Amend the Local Government Act to clarify that Independent Living Units should only be exempt from rates where they qualify under the Commonwealth Aged Care Act 1997;
2. Either
 - a) amend the charitable organisations section of the Local Government Act 1995 to eliminate exemptions for commercial (non-charitable) business activities of charitable organisations; or

- b) establish a compensatory fund for Local Governments, similar to the pensioner discount provisions, if the State Government believes charitable organisations remain exempt from payment of Local Government rates.

Background

Exemptions under this section of the Act have extended beyond the original intention and now provide rating exemptions for non-charitable purposes, which increase the rate burden to other ratepayers. There may be an argument for exemptions to be granted by State or Federal legislation. Examples include exemptions granted by the Commonwealth *Aged Care Act 1997* and group housing for the physically and intellectually disabled which is supported under a government scheme such as a Commonwealth-State Housing Agreement or Commonwealth-State Disability Agreement.

State Council Resolution December 2015 – 118.7/2015
January 2012 – 5.1/2012

Basis of Rates: Section 6.28

1. That Section 6.28 be reviewed to examine the limitations of the current methods of valuation of land, Gross Rental Value or Unimproved Value, and explore other alternatives.

The method of valuation of land to be used as the basis of rating in Western Australia is either: Gross Rental Value for predominantly non-rural purpose; or unimproved value of land for rural purposes. These are the only two methods available under the Section 6.28 of the Local Government Act in Western Australia.

Eastern State Local Governments can elect to rate on one of the following options:

- Site Value - levy on the unimproved value of land only and disregards the value of buildings, personal property and other improvements;
- Capital Value - value of the land including improvements;
- Annual Value - rental value of a property (same as GRV).

Alternative land valuation methods came under the scope of the WALGA Systemic Sustainability Study, particularly Capital Improved Valuations which is in operation in Victoria and South Australia.

2. Advocate for amendment to Section 6.28 to enable Differential Rating based on the time land remains undeveloped.

Concern at the amount of vacant land remaining in an undeveloped state for an extensive period of time and holding up development opportunities.

North Metropolitan Zone advocates an amendment to the current legislative provisions in relation to differential rating to enable a differential rate to be applied on the basis of the length of time a property has remained in an undeveloped state.

Differential General Rates: Section 6.33

This section outlines the characteristics that Local Governments may take into account when imposing differential general rates. It is recommended the issue of time-based differential rating should be examined, to address some Local Governments view that vacant land should be developed in a timely manner.

Service of Rates Notice: Section 6.41

That Section 6.41 be amended to:

- (a) permit the rates notice to be issued to electronically; and
- (b) introduce flexibility to offer regular rate payments (i.e. fortnightly, monthly etc) without requirement to issue individual instalment notice.

Rates or Service Charges Recoverable in Court: Section 6.56

That Section 6.56 be amended to clarify that all debt recovery action costs incurred by a Local Government in pursuing recovery of unpaid rates and services charges be recoverable and not be limited by reference to the 'cost of proceedings'.

Rating Exemptions – Rate Equivalency Payments

Position Statement	Legislation should be amended so rate equivalency payments made by LandCorp and other Government Trading Entities are made to the relevant Local Governments instead of the State Government.
Background	<p>A particular example is the exemption granted to LandCorp by the <i>Land Authority Act 1992</i>. In 1998, the Act was amended to include provisions for LandCorp to pay the Treasurer an amount equal to that which would have otherwise been payable in Local Government rates, based on the principle of 'competitive neutrality'.</p> <p>This matter is of concern to Local Governments with significant LandCorp holdings in their district. The shortfall in rates is effectively paid by other ratepayers, which means ratepayers have to pay increased rates because LandCorp has a presence in the district.</p>
State Council Resolution	January 2012 – 6.1/2012

Rating Restrictions – State Agreement Acts

Position Statement	Resource projects covered by State Agreement Acts should be liable for Local Government rates.
Background	<p>In 2011, the State Government introduced a new policy on ‘the application of Gross Rental Valuation to mining, petroleum and resource interests’ (the GRV mining policy). The Policy was extended in 2015 and remains in place. The primary objectives of the policy were to clarify the circumstances where Local Governments could apply GRV rating to mining land and enable the use of GRV rating on new (i.e., initiated after June 2012) mining, petroleum and resource interests. This included the application of GRV rating to new State Agreement Acts.</p> <p>However, existing State Agreement Acts continue to restrict Local Government rating. Rating exemptions on State Agreement Acts mean that Local Governments are denied an efficient source of revenue. There are also equity issues associated with the existing exemptions since they only apply to a select group of mining companies whose projects are subject to older State Agreement Acts. Removing the rates exemption clauses from the pre-July 2012 State Agreement Acts would provide a fairer outcome for all other ratepayers, including the proponents of new resources projects.</p>
State Council Resolution	September 2014 – 89.4/2014 March 2014 – 10.1/2014 October 2011 – 116.5/2011

Local Government (Financial Management) Regulations 1996

Exemption from AASB 124: Regulation 4

Regulation 4 of the Financial Management Regulations provides a mechanism for an exemption from the Australian Accounting Standards (AAS). Regulation 16 is an example of the use of this mechanism, relieving Local Governments from the requirement to value land under roads.

A Zone has requested that an exemption be allowed from the implementation of AASB 124 ‘Related Party Transactions’ due to the current provisions in the Act on declarations of interest at meetings and in Primary and Annual returns. This is regarded as providing appropriate material declaration and disclosure of interests associated with function of Local Government.

Part 7 – Audit

The Local Government Amendment (Auditing) Bill 2017, before Parliament at the time of writing, will substantially replace much of Part 7 to provide for the auditing of Local Governments by the Auditor General. New legislation will allow the Auditor General to contract out some or all of the financial audits but all audits will be done under the supervision of the Auditor General and Office of the Auditor General. State Government will pay the cost for the conduct of performance audits.

Part 8 – Scrutiny of the Affairs of Local Government

Stand Down Provision: New Proposal

Position Statement

WALGA supports, in principle, a proposal for an individual elected member to be 'stood down' from their role when they are under investigation; have been charged; or when their continued presence prevents Council from properly discharging its functions or affects the Council's reputation, subject to further policy development work being undertaken.

Further policy development of the Stand Down Provisions must involve specific consideration of the following issues of concern to the Sector:

1. That ... the established principles of natural justice and procedural fairness are embodied in all aspects of the proposed Stand Down Provisions; and
2. That activities associated with the term 'disruptive behaviour', presented as reason to stand down a defined Elected Member on the basis their continued presence may make a Council unworkable, are thoroughly examined and clearly identified to ensure there is awareness, consistency and opportunity for avoidance.

Background

In 2008 a Discussion Paper was circulated seeking feedback regarding legislative amendments to suspend an individual Elected Member, as follows:

- An elected member to have the ability to stand down where they are being investigated or have been charged;
- An elected member to be forcibly stood down where they are being investigated or have been charged and whose continued presence prevents Council from properly discharging its functions and affects its reputation and integrity or where it is in the public interest;
- The Standards Panel to make the stand down decision;

- Such matters to be referred to the Standards Panel only by a Council (absolute majority), a statutory agency or the Department;
- Three to six months stand down periods with six month extensions;
- The elected member to remain entitled to meeting fees and allowances; and
- Inclusion of an offence for providing false information leading to a stand down.

State Council Resolution August 2008 – 400.4/2008

Part 9 – Miscellaneous Provisions

Onus of Proof in Vehicle Offences may be Shifted: Section 9.13(6)

Amend Section 9.13 by introducing the definition of ‘responsible person’ and enable Local Governments to administer and apply effective provisions associated with vehicle related offences

Background:

This proposal from the North Metropolitan Zone emerged due to an increase in cases when progressing the prosecution of vehicle related offences in court (at the request of the vehicle owner) resulted in dismissal of charges by the Magistrate when the owner of the vehicle states that he does not recall who was driving his vehicle at the time of the offence.

The *Litter Act 1979* was amended in 2012 to introduce the definition of ‘responsible person’ (as defined in *Road Traffic Act 1974*) so that a ‘responsible person’ is taken to have committed an offence where it cannot be established who the driver of the vehicle was at the time of the alleged offence. This also removes the ability for the responsible person to be absolved of any responsibility for the offence if they fail to identify the driver. It is suggested that a similar amendment be made to Section 9.13 of the Act in order to ensure that there is consistent enforcement in regards to vehicle related offences.

Schedule 2.1 – Creating, Changing Boundaries and Abolishing Districts

Poll Provisions: New Proposal

Position Statement	Schedule 2.1 of the <i>Local Government Act 1995</i> should be amended so that the electors of a Local Government affected by any boundary change or amalgamation proposal are entitled to petition the Minister for a binding poll.
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State Council Resolution December 2014 – 108.5/2014

Number of Electors: Clause 2.1(1)(d)

That Schedule 2.1 Clause 2(1)(d) be amended so that the prescribed number of electors required to put forward a proposal for change increase from 250 (or 5% of electors) to 500 (or 5% of electors) whichever is fewer.

Schedule 2.2 – Provisions about Names, Wards and Representation

Who may make Submission: Clause 3(1)

That Schedule 2.2 Clause 3(1) be amended so that the prescribed number of electors required to put forward a submission increase from 250 (or 5% of electors) to 500 (or 5% of electors) whichever is fewer.

Schedule 4.1 – How to Count Votes and Ascertain Result of Election

Method of Voting

Position Statement	Elections should be conducted utilising the first-past-the-post (FPTP) method of voting.
Background	The FPTP method is simple, allows an expression of the electorate's wishes and does not encourage tickets and alliances to be formed to allocate preferences.
State Council Resolution	427.5/2008 – October 2008

This State Council resolution influenced amendment to Schedule 4.1 in 2009 that returned Local Government elections to a first past the post system from the preferential proportional Representation. The resolution is reiterated here as an indication of the sector's ongoing preference for this vote counting system.

Submission of Feedback

How to get involved

WALGA will conduct a comprehensive consultation process to provide Member Local Governments with as much opportunity as possible to contribute. This process will also assist WALGA determine its advocacy position on whether proposed changes should be dealt with in Phase 1 or Phase 2 (see Executive Summary).

During August and September 2017, WALGA will hold Zone and Regional Group forums on the Local Government Act Review. Local Governments can choose to contribute in conjunction with a Zone/Regional Group meeting, separately by lodging a Council endorsed submission, or both.

The final collated feedback will be prepared as a State Council Agenda Item for Zone consideration during the November/December 2017 round of Zone meetings. State Council will ultimately determine its position at its meeting of 6 December 2017.

Council endorsed submission on the issues raised in this Discussion Paper, as well as any other relevant matters, can be forwarded by Friday 20th October 2017 to:

James McGovern, Manager Governance - jmcgovern@walga.asn.au
or 9213 2093

Should you have any questions or queries about any aspect of the Discussion Paper or review process, please contact James McGovern at the above contacts, or Tony Brown on 9213 2051 or tbrown@walga.asn.au



Shire of Morawa

Response to WALGA Discussion Paper: Review of *Local Government Act 1995*

Date: 19 October 2017

Author: Sean K Fletcher

Acting Chief Executive Officer

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The Shire of Morawa's response to the WALGA Discussion Paper was resolved by Council at its meeting on Thursday 19 October 2017 as follows:

WALGA Discussion Paper Reference	Issue/WALGA Position	Comment/Explanation	Support WALGA Position
Part 1 Introductory Matters			
Local and Statewide Public Notice: Sections 1.7 and 1.8	<p>Phase 1 Matter – Making Information Available On -line</p> <p>Already common practice within the LG Sector to place statutory public notices on official websites</p>	<p>Local Public Notice consists of a notice placed:</p> <ul style="list-style-type: none"> • Local government public noticeboard; • Local government library public noticeboard; • In a newspaper that circulates generally throughout the district; • If no time prescribed, it must be published at least once and for a minimum of 7 days. <p>Statewide notice consists of the same for local public notice, except the notice in the newspaper is required to generally circulate throughout the State.</p>	<p>Yes.</p> <p>Publishing a matter on-line is more efficient and effective in terms of resources and in terms of a wider and immediate distribution. On-line should be the preferred method of notice and so removes the need for statewide notification in its current forms.</p> <p>However, hardcopy distribution would be still appropriate in terms of local public notice and the timeframe as well.</p>
Part 2 – Constitution of Local Government			
Method of Election of Mayor/President: Section 2.11	<p>WALGA Position Statement is that local governments should determine whether the Mayor/President is elected by the community</p>	<p>A council can resolve by 75% majority for the Mayor/President to either be elected from within council or by popular election (from the community).</p>	<p>Yes.</p> <p>Either method of filling the Mayor/President works well</p>
Elected Member Training: New Proposal	<p>WALGA opposes legislation that would require candidates to undertake training (i.e. mandatory) or prior to nominating</p>	<p>The elected member skill set is in-capsulated within the nationally recognised local government training framework.</p>	<p>No – Training should be mandatory. The precedent exists where training and development is often recognised by Australian</p>

	<p>for election or through incentives through fees and charges.</p> <p>However, if training becomes mandatory, WALGA will seek to ensure that it is only for first time elected members using the Elected Member Skill Set, applying RPL, with it completed within 12 months and applies a penalty for non-completion through a reduction in fees and charges</p>	<p>A diploma is available for completion consisting of 10 modules out of the recognised framework.</p>	<p>courts as part of fiduciary responsibility (to act in good faith, to act without conflict when accepting responsibility for something) when being a member (director) of corporate board, trustee etc.</p> <p>Elected members should undergo some level of training and even undertake a level of on-going training and development as applied in other professions.</p> <p>An acceptable level of training would be completion of three modules e.g. Serving on Council, Meeting Procedures and Debating and Financial Management. A total of three days training.</p> <p>Ongoing training could consist of refresher training that is provided on-line or as some zones already do re a training day every two years.</p> <p>Yes – Elected Member Skill Set Yes – First time members, but there should be some form of on-going training as part of professional development Yes – RPL</p>
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<p>Stand Down When Contesting State of Federal Election: New Proposal</p>	<p>Amend the Act to require an Elected Member to stand down when contesting a State or Federal Election</p>	<p>Currently, it is up to the Elected Member to determine if they wish to take a leave of absence. In some cases, elected members have resigned.</p>	<p>Yes</p> <p>Local government is a public office. As with public servants, the consistent principal is for provisions introduced where the elected member takes a leave of absence and then resigns once elected to higher office.</p>
<p>Part 3 – Functions of Local Government</p>			
<p>Notification of Affected Owners: Section 3.51</p>	<p>WALGA’s current position is that affected owners requiring notification of certain proposals should be amended:</p> <ul style="list-style-type: none"> • “person having an interest” to those person immediately adjoining the proposed road works; • To include significant, defined categories of road works 	<p>Specifically, this section applies:</p> <ul style="list-style-type: none"> • To fixing or altering the level of, alignment of, a public thoroughfare (e.g. road, footpath etc.); • Or draining water from a public thoroughfare or other public space adjoining land <p>Currently Section 3.51(3)(a) invites anyone who wishes to make a submission regarding a proposal though writing to each person who has an interest and by public notice if the land is to adversely affected by such activity.</p>	<p>Yes</p> <p>This is consistent with the principles regarding what is a “proximity interest”.</p> <p>Furthermore, this means that before commencing any such works, regardless of how minor the works are, public notice must be given and submissions must be invited. It is doubtful whether many local governments currently undertake such notice for minor activities.</p>

<p>Control of Certain Invested Facilities: Section 3.53</p>	<p>Currently there is a requirement for Local Government to take responsibility for an unvested facility (thoroughfare, bridge, jetty, drain or watercourse) belonging to the Crown (State)</p>	<p>This requirement places an unwarranted and unfunded burden on a number of local governments regarding Crown Land.</p> <p>WALGA recommends that Section 3.53 is deleted and that facilities located on Crown Land return to the State as the appropriate land manager.</p>	<p>Yes</p>
<p>Regional Local Governments: Part 3, Division 4</p>	<p>WALGA's position is the compliance obligations of Regional Local Governments should be reviewed</p>	<p>Currently, a formal regional local government (as opposed to voluntary regional local government or VROC) has the same compliance burden placed upon that as for a local government.</p> <p>A CEO (and hence staff) is required to administer the regional local government</p>	<p>Yes</p> <p>The administrative burden has seen a number of regional local governments fold over time due to the compliance burden and thus cost associated with such a burden</p>
<p>Council Controlled Organisations: Part 3, Division 4</p>	<p>WALGA's position is that the Act should be amended to allow local governments to establish Council Controlled Organisations or Local Government Enterprises as defined in WALGA's 2008 SSS Report</p>	<p>This model allows one or more local governments to establish a wholly owned commercial organisation.</p> <p>New Zealand uses such a model effectively. An example is the Wellington City Council:</p> <ul style="list-style-type: none"> • Basin Reserve Trust; • Wellington Zoo Trust; • Wellington Regional Economic Development Agency 	<p>Yes</p> <p>Is more effective than the restrictions placed on regional subsidiaries and is open to all local governments</p>
<p>Local Government (Functions and General Regulations) 1996 – Tender Threshold: Regulation 11(1)</p>	<p>WALGA's position is to increase the tender threshold to align with the State Government threshold of \$250,000</p>	<p>The current threshold is \$150,000. It is considered a hindrance to local governments procuring low end goods or services.</p> <p>The Department's position is that the tender threshold is applicable over a three year period. So, a good or service procured will</p>	<p>Yes</p> <p>This new threshold will help local governments respond even more quickly regarding procurement matters</p>

<p>Local Government (Functions and General Regulations) 1996 – Disposition of Property: Regulation 30(3)</p>	<p>WALGA is recommending that the “changeover” provisions re the threshold limit is deleted</p>	<p>need to go to tender if it is likely to exceed the spread of \$50,000 per year over the three year period</p> <p>The current limit is \$75,000.</p> <p>This can effectively impact on key land and property transactions and plant and equipment transactions</p>	<p>Yes</p>
<p>Local Government (Regional Subsidiaries) Regulations 2017</p>	<p>WALGA’s position is that Regional Subsidiaries be allowed to:</p> <ul style="list-style-type: none"> • Borrow in their own right; • Enter into land transactions; • Undertake commercial activities 	<p>The regulations have ended up restricting the benefits or purpose of the regional subsidiaries.</p> <p>The original premise was that a regional subsidiary would allow a better funding stream through establishing corporate entities that regional local governments (remote, country) could set up and have control of (i.e. more than 50% ownership).</p> <p>However, regional subsidiaries are currently restricted to joint service provision – thus formalising VROC arrangements rather than acting as a true separate entity</p>	<p>Yes</p> <p>Regional local governments should have the opportunity to establish formal corporate entities that will enhance income streams and/or provide an enhanced service e.g. regional landfills and transfer stations rather than a formal regional council.</p>
<p>Part 4 – Elections and Other Polls</p>			
<p>Conduct of Postal Elections: Sections 4.20 and 4.61</p>	<p>WALGA’s position is that the Act should be amended to allow others to conduct postal elections i.e. the Commonwealth Electoral Commission and Local Government</p>	<p>Currently the Western Australian Electoral commission has a legislated enshrined monopoly to conduct postal voting.</p> <p>Approximately 65% of all local governments in WA use postal voting</p>	<p>Yes</p>

<p>Voluntary Voting: Section 4.65</p>	<p>WALGA's position is that voting in Local Government elections should remain voluntary</p>		<p>Yes</p> <p>The reality is that it will be extremely difficult for local governments to enforce a regulatory regime regarding those who did not vote (other than through the issue of an infringement). This would not be the most effective use of a local government's resources</p>
<p>On-Line Voting</p>	<p>WALGA has received from three Zones to explore the possibility of on-line voting</p>	<p>On-line voting is clearly seen as a key method to increase elector participation at local government elections</p> <p>iVote (electronic voting) is now used by the WAEC for those who have insufficient literacy skills, are sight impaired, or incapacitated in some way</p>	<p>Yes</p> <p>The use of the iVote system and the electronic roll at the last State Election at some venues greatly improved the experience for voters</p>
<p>Part 5 – Administration</p>			
<p>Electors General Meeting: Section 5.27</p>	<p>WALGA's position is that what is effectively known as the Annual General Elector meeting are not made compulsory</p>	<p>There is adequate provisions in the Act regarding the public to participate in local government matters.</p> <p>Also the current <i>Local Government Amendment (Auditing) Bill 2017</i> proposes that a local government's annual report is place on its official website within 10 days of being received</p>	<p>Yes</p> <p>Many local governments would appear to have minimal or no turn out to the Annual General Electors meeting. The Shire of Morawa has experienced the same with one person at most attending such a meeting from year to year.</p> <p>Special meetings can still be called by the electors if required</p>

<p>Special Electors' Meeting: Section 5.28</p>	<p>That section 5.28(1)(a) be amended re the number of prescribed persons to call a meeting from 100 (or 5% of electors) to 500 (or 5%) of electors.</p> <p>A special meeting cannot be called for the same issue if within a 12 month period, unless Council determines otherwise</p>	<p>Allows for the recognition of the population increases experienced by many local governments.</p> <p>Multiple meetings on the same issue can severely undermine a useful and democratic process</p>	<p>Yes to both requirements</p>
<p>Senior Employees: Section 5:37(2)</p>	<p>WALGA is suggesting that this clause is deleted and thus reduce the ambiguity it creates as the CEO is responsible for appointment of employees</p>	<p>The CEO is currently required to inform the Council of each proposal to employ or dismiss a senior employee. The Council may accept or reject the CEO's recommendations and advise the CEO of its reasons. However, it does not stop the CEO from proceeding with either action</p>	<p>Yes</p> <p>The role of the CEO and Council should always be clear</p>
<p>Annual Review of Certain Employees Performance: S 5.38</p>	<p>Section 5.38 should be deleted or amended so that there is only the specific statutory requirement by Council to conduct the CEO's performance review.</p>	<p>This section creates ambiguity regarding the performance review process as it states that each employee employed for a term of one year or more (including the CEO and senior employees) is to be reviewed at least once in relation to every year of employment</p> <p>Section 5.41(g) of the Act makes it clear that the CEO is responsible of all staff matters.</p>	<p>Yes</p> <p>The role of the CEO and Council should always be clear</p>
<p>Gifts and Contribution to Travel: Sections 5.82 and 5.83</p>	<p>The current gift provisions within the Act are very confusing and overly prescriptive.</p> <p>The provisions need a thorough review</p>	<p>The Department has a gift working group in place to look at completely reviewing the gift provisions. WALGA representatives have been advocating the following:</p> <ul style="list-style-type: none"> • There is one section for declaring gifts. Delete declarations for travel; 	<p>Yes</p> <p>The Departmental advice issued from time to time on how the gift and travel provisions should be applied have created confusion for</p>

		<ul style="list-style-type: none"> • No requirement to declare gifts received in a genuinely personal capacity; • Gift provisions only for Elected Members and CEO's. Other staff fall under Codes of Conduct from the CEO to the staff; • Gifts only to be declared if above \$500.00; • There will not be any category of notifiable gifts or prohibited gifts; • Gifts only to be declared in respect to an Elected Member or CEO carrying out their role; • Exemptions for ALGA, WALGA and LG Professionals (already achieved); • Exemption for electoral gifts received that relate to the State and Commonwealth Electoral Acts. So Elected Members who are standing for State or Federal Parliament will only need to comply with the State or Federal electoral act and not declare it as a Local Government gift. <p>The Department's Fact Sheet – Gift Disclosures makes the comment that it is time to ensure the gift laws match public expectations of accountability.</p>	<p>both officers and elected members.</p> <p>Many local governments will need to review their codes of conduct and possibly separate their current code into two codes of conduct re the elected member and staff provisions. This is so that the proposed position that the Gift Provisions apply only to the elected members and the CEO.</p>
<p>Vexatious and Frivolous Complainants: New Provision</p>	<p>WALGA recommends that a statutory provision be considered, permitting a local government to declare a person a vexatious or frivolous complainant</p>	<p>Vexatious and frivolous complainants are an extensive cost and diversion of resources across the local government sector</p>	<p>Yes</p> <p>Vexatious persons are known to dominate not just the administration's time, but council</p>

<p>Local (Administration) Regulations 1996 – Revoking or Changing Decisions: Regulation 10</p>	<p>Regulation 10 provides the mechanism to revoke or change a previous decision</p>	<p>The CEO under section 5.41(c) of the Act is to cause council decisions to be implemented</p> <p>The provisions of the regulations do not apply to Council decisions that have already been implemented.</p>	<p>meetings as well regarding public question time or when making a deputation</p> <p>Yes</p> <p>However, the clarity should be around whether a revocation is applicable once the decision has been implemented or is underway</p>
<p>Local (Administration) Regulations 1996 – Minutes, Content of: Regulation 11</p>	<p>This regulation does not make a reference to the reports and information that form the basis of the Agenda to that meeting.</p> <p>An amendment should be made to the regulations that clarify the need for reports etc. and thus be considered an aid to community understanding regarding the decision making process</p>	<p>The Department issued in the early 2000s a Guide to Agenda and Minutes which serves as the template used by the majority of local governments to provide minutes and agendas. In this guide, it points out that the agenda report is the main form of advice to a Council.</p> <p>The Department has updated this guide, but has yet to re-issue it</p>	<p>Yes</p> <p>Perhaps the regulations need to reference a guideline that the Department may issue from time to time regarding this matter</p>
<p>Local (Administration) Regulations 1996 – Repayment of Advance Annual Payments: New Regulation</p>	<p>The latest changes to the Act introduced Section 5.102B, which provides that regulations may be made to recover the advance payments made to those holding office who subsequently ceases to hold office</p>	<p>Regulations have yet to be made for the recovery of advance payments and it is recommended that this matter be prioritised</p>	<p>Yes</p>
<p>Local Government (Rules of Conduct) Regulations 2007</p>	<p>WALGA's position is that it supports official conduct legislation to govern the behaviour of Elected Members and that there is an efficient and</p>		<p>Yes</p> <p>However, explore other state jurisdictions (e.g. Victoria) that has statutory provisions in place that allow a Council through its code of</p>

	effective and confidential process in place to deal with such matters		conduct to deal with matters regarding an elected member's behaviour through conducting a clear and fair process before the Council
Part 6 – Financial Management			
Imposition of Fees and Charges: Section 6.16	<p>That a review be undertaken to remove fees and charges from legislation and Council be empowered to set fees and charges for local government services.</p> <p>WALGA also recommends that Section 16.6 is amended so that it only relates to statutory application fees and charges and not consumer items etc.</p> <p>Under the principle of “general competence”, which the Act is modelled on, local governments should be empowered to set fees and charges for specific services.</p>	<p>Fees and charges are currently set according to three methods:</p> <ul style="list-style-type: none"> • By legislation (statutory fees) e.g. dog registration fees, town planning fees, building permits; • With an upper limit set by legislation; • By the Local Government. <p>Fees set by the State Government (statutory fees) are of a particular concern because a local government cannot undertake cost recovery (recoup the cost, or even a reasonable portion of the cost), for providing the service that the State requires to be provided. This creates a key source of revenue leakage and this type of fee setting also lacks transparency.</p> <p>An example of the cost recovery principle and how it can be applied can be found set out in the Australian Government Cost Recovery Guidelines.</p>	<p>Yes.</p> <p>However, the Shire would question whether statutory application fees and charges should be excluded.</p> <p>Another issue is the length of time it takes for new or revised statutory fees to come through that could impact on the local government budget process.</p>
Power to Borrow: Section 6.20	Section 6.20(2) requires that if the power to borrow is exercised and the details are not included in the		Yes

	<p>budget, the local government must give one month's public notice. There is no requirement to consider submission received through this process. This holds up the process to borrow and should be deleted</p>		<p>Any new loans drawn down can be identified through the Budget Review process and the annual financial statements.</p> <p>Funds can only be borrowed in accordance with a local government's debt servicing ratio</p>
<p>Restrictions on Borrowings: Section 6.21</p>	<p>WALGA's position is that Section 6.21 should be amended to allow freehold land in addition to its general fund, as security when borrowing</p>	<p>Section 6.21 acts as a disincentive for investment in community infrastructure. Only the general fund can be used and not the Shire's assets to secure its borrowings.</p> <p>Treasury also requires contingent liabilities, or the local government's portion of a contingent liability to be taken into account for the purposes of borrowing.</p> <p>A contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded in the accounting records if the contingency is probable and the amount of the liability can be reasonably estimated. An example is unpaid future funds to a contractor, or a portion of a proposed joint facility</p>	<p>Yes</p>
<p>Rating Exemptions – Charitable Purposes: Section 6.26(2)(g)</p>	<p>WALGA's policy position is that the Act is amended to clarify that Independent Living Units where they qualify under the <i>Commonwealth Aged Care Act 1997</i>.</p>	<p>Exemptions under this section of the Act have extended beyond the original intention.</p> <p>Over time, it has seen the rate burden increased to other rate payers.</p>	<p>Yes – in particular the compensatory fund</p> <p>This matter has long been an issue for many local governments.</p>

	<p>In addition, WALGA is seeking:</p> <ul style="list-style-type: none"> • Elimination of exemptions for commercial (non-charitable) business activities of charitable organisations; or • Establish a compensatory fund. Similar to the pensioner discount provisions 	<p>Under the <i>Rates and Charges (Rates and Deferments) Act 1992</i>, the rebate amount is applied as follows:</p> <p>The concession is available as either a rebate on, or the deferment of, this charge. Pensioners or seniors who own and occupy residential property as their ordinary place of residence and have one or more of the following cards may be entitled to a rebate:</p> <p>Pensioner Concession Card or State Concession Card are entitled to receive up to a 50% rebate on local government rates. The rebate will be limited to a cap of \$750 for the 2017-18 rating year.</p> <p>WA Seniors Card and Commonwealth Seniors Health Card are entitled to receive up to a 50% rebate local government rates. The rebate will be limited to a maximum cap of \$750 for the 2017-18 rating year.</p> <p>WA Seniors Card are entitled to receive up to a 25% rebate local government rates. The rebate will be limited to a maximum cap of \$100 for the 2017-18 rating year.</p> <p>Partial concessions are available to pensioners and seniors who own and occupy their property at 1 July and become eligible during that financial year.</p> <p>Note: Eligible family members who are providing independent accommodation for a disabled family member may be entitled to receive a rates rebate.</p>	<p>For the Shire of Morawa, the upper limit of the rebate applied is \$400 for 17/18.</p> <p>Organisations are now taking local governments to SAT to have rating decisions overturned where charitable land use has not been recognised by local governments.</p> <p>The Department's guidelines on this matter also need further clarification</p>
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<p>Basis of Rates: Section 6.28</p>	<p>1. It is suggested that other valuation methods of land are used other than GRV or UV. This could include: Capital Value – the value of the land including improvements;</p> <p>2. Amend Section 6.28 so that Differential Rating can be applied on the time land remains undeveloped</p>	<p>Capital Improved valuations occur in Victoria and South Australia. These are generally defined as:</p> <ul style="list-style-type: none"> • Buildings and structures; • Wells, dams and reservoirs; • Planting of trees for commercial purposes. <p>The justification for capital value in South Australia is as follows:</p> <ul style="list-style-type: none"> • Rates constitute a system of taxation and the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth; • Property value is a relatively good indicator of wealth, and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value. <p>Land that is undeveloped for long periods of time can get in the way of other developments</p>	<p>Yes to both proposals.</p> <p>Capital improvements on UV properties that are outside the existing categories would be appropriate i.e. recognises other activity apart from farming and mining</p> <p>In terms of undeveloped land the issue here is whether it leads to land fracturing and thus urban sprawl</p>
<p>Differential General Rates: Section 6.33</p> <p>Service of Rate Notices: Section 6.41</p>	<p>As per the previous section regarding Section 6.28 - Point 2</p> <p>Section 6.41 amended to allow rate notices to be issued electronically and flexibility to offer regular rate payments</p>	<p>Time base differential rating</p> <p>Any option to assist and make simpler for a person paying their rates is a key customer initiative/service</p>	<p>Yes</p> <p>Yes</p> <p>However, the <i>Electronic Transactions Act 2011</i> requires the recipient to give permission first to receive a document electronically.</p>

<p>Rates or Service Charges Recoverable in Court: Section 6.56</p>	<p>All costs associated with a debt recovery be recoverable and not limited to “cost of proceedings”</p>	<p>This is a tidy up provision</p>	<p>Local governments are already providing flexibility regarding payment arrangements (common sense)</p>
<p>Rating Exemptions – Rate Equivalency Payments</p>	<p>Legislation should be amended so rate equivalency payments made by Landcorp and other Government Trading Entities are made to local governments instead of the State Government</p>	<p>The clear example is where Landcorp has developed land in a local government district and pays the Treasurer an amount equal to that which would have otherwise been payable in local government rates</p>	<p>Yes</p> <p>The local rate payers should not have to pick up the rate burden in this instance</p>
<p>Rating Restrictions – State Agreement Acts</p>	<p>WALGA’s position is that resource projects covered by the State Agreements Act should be liable for local government rates</p>	<p>In 2011 and 2015, the State Government introduced and extended the use of GRV to mining, petroleum and resource interests.</p> <p>However, it is not applicable to those State Agreement Acts prior to July 2012:</p> <p>Before the 1980s, State Government conditions of consent for major resources projects in WA included the requirement for purpose-built towns in close proximity to project sites e.g. Tom Price, Parburdoo, Newman etc. .</p> <p>These conditions were detailed in State Agreement Acts, which are essentially contracts between the State Government and proponents of major resources projects that are ratified by the State Parliament.</p>	<p>Yes</p> <p>All mining project sites should have local government land rating applied to them. It is unfair that the current ratepayers continue to carry the burden for the exempt mining projects.</p>

<p>Local Government (Financial Management) Regulations 1996 – Exemption from AASB 124: Regulation 4</p>	<p>Regulation 4 of the Financial Management Regulations. allow a mechanism for exemption from the Australian Accounting Standards (AASB). A Zone has asked that the exemption be applied to Related Party Disclosures</p>	<p>The requirement to provide community services and infrastructure meant State Agreement Acts typically included a Local Government rating exemption clause. Many of these towns (handing over of closed mining towns) have since been 'normalised' due to Local Governments, the State Government and utility providers assuming responsibility for services and infrastructure.</p>	<p>Yes Declarations of interest at meetings and the completion of Primary and Annual Returns already deal with the matter of "related parties".</p>
<p>Part 7 – Audit</p>	<p>As per the Local Government Amendment (Auditing) Bill 2017, much of Part 7 of the LG Act is removed State Government will pay the cost for performance audits</p>	<p>By financial year 2020/2021, all local governments will be audited by the Auditor General, regardless of whether or not their contracts have expired. This also means the Auditor General will be responsible for setting the scope for the annual audit instead of the local government. The Bill also provides for a new category of audits known as "performance audits" which will examine the economy, efficiency and effectiveness of any aspect of a local government's operations.</p>	<p>Yes The State should pay for audits regarding a particular purpose as this is an additional burden that local governments have not anticipated</p>

Part 8 – Scrutiny of the Affairs of Local Government			
<p>Stand Down Provision – New Proposal</p>	<p>WALGA’s position is that it supports in principle a proposal for individual elected members to be stood down when under investigation, charged or their continued presence prevents Council from properly discharging its functions or affects its reputation.</p> <p>Further policy work is required re incorporating natural justice and procedural fairness and what is meant by disruptive behaviour</p>	<p>In 2008 a discussion paper was circulated that encapsulated the following principles:</p> <ul style="list-style-type: none"> • An elected member to have the ability to stand down; • An elected member to be forcibly stood down where they are being investigated or have been charged and whose continued presence prevents Council from properly discharging its functions and affects its reputation and integrity or where it is in the public interest; • The Standards Panel to make the stand down decision; • Such matters to be referred to the Standards Panel only by a Council (absolute majority), a statutory agency or the Department; • Three to six months stand down periods with six month extensions; • The elected member to remain entitled to meeting fees and allowances; and • Inclusion of an offence for providing false information leading to a stand down. 	<p>Yes</p> <p>The current system of suspending or dismissing a Council because of one individual or a number of individuals is unfair to the remaining members of that Council, the CEO and the administration and the community as a whole.</p>
Part 9 – Miscellaneous Provisions			
<p>Onus of Proof in Vehicle Offences may be Shifted: Section 9.13(6)</p>	<p>Amend Section 9.13 by introducing the definition of “responsible person” and enable local governments to apply provisions regarding vehicle related offences</p>	<p>A number of matters have been dismissed by the courts where the owner of the vehicle has requested that a matter proceed and then state they do not recall who was driving at the time of the offence.</p>	<p>Yes</p>

		<p>The definition of responsible person is a case in point under the Litter Act where it has used the same definition in the Road Traffic Act. The principle is that the responsible person is one who is taken to have committed the offence where it cannot be established who the driver of the vehicle was at the time (So the owner becomes the responsible person).</p> <p>The LG Act defines a vehicle offence as one against the Act of which the use, driving, parking, standing or leaving of a vehicle is an element. Typically this might be a vehicle used by the owner to obstruct local government works</p>	
Schedule 2.1 – Creating, Changing Boundaries and Abolishing Districts			
<p>Poll Provisions: New Proposal</p>	<p>WALGA’s position is:</p> <p>Schedule 2.1 of the <i>Local Government Act 1995</i> should be amended so that the electors of a Local Government affected by any boundary change or amalgamation proposal are entitled to petition the Minister for a binding poll.</p>	<p>Dr Chris Berry’s Paper “The Poll Provisions and Local Government Reform in Western Australia, 2016” explains the effect of Schedule 2.1:</p> <p>After a comprehensive review and consultation process, the new Local Government Act 1995 came into effect on 1 July 1996. A new process for local government boundary change was established, with a Local Government Advisory Board replacing the former Local Government Boundaries Commission. Any proposal for boundary change or amalgamation, which could come from the minister, the community or from a local government, must be referred to the board for review. Schedule 2.1 of the act sets out the</p>	<p>Yes</p> <p>However, this proposal should be thoroughly researched and tested against similar considerations that are underway in other country jurisdictions e.g. New Zealand</p>

		<p>inquiry process and relevant criteria. While the specifics of the poll provisions were altered, the spirit of the Dadour provisions was retained, but the key numbers were changed (50% of voters for a binding result rather than one third) to make the process 'more democratic'. Another important change saw the poll provision removed for boundary changes and retained only for amalgamations. This change would have major ramifications when metropolitan boundary changes were being progressed in 2015.</p> <p>There are also provisions in the legislation which allow for local governments to be subsumed by a continuing entity through a boundary adjustment, thus not triggering the poll provisions (this mechanism came to the fore during the Metro Review process).</p>	
Number of Electors: Clause 2.1(1)(d)	Prescribed number of electors is increased from 250 (or 10%) to 500 (or 5%)	The discussion paper mentions 250 (or 5%), but it is currently 250 (or 10%).	Yes – however, verify if the decrease to 5% is appropriate
Schedule 2.2 Provisions about Names, Wards and Representation			
Who May Make Submission: Clause 3(1)	Prescribed number of electors is increased from 250 (or 10%) to 500 (or 5%)	The discussion paper mentions 250 (or 5%), but it is currently 250 (or 10%).	Yes – however, verify if the decrease to 5% is appropriate
Schedule 4.1 How to Count Votes and Ascertain Result of Election			
Method of Voting	Electors should be conducted utilising the first-past-the-post (FPTP) method of voting.	The FPTP method is simple, allows an expression of the electorate's wishes and does not encourage tickets and alliances to be formed to allocate preferences.	Yes Electors should remain first-past-the-post. It is the most transparent

		<p>State Council influenced the amendment to Schedule 4.1 in 2009 that returned Local Government elections to a first past the post system from the preferential proportional Representation. The resolution is reiterated here as an indication of the sector's ongoing preference for this vote counting system.</p>	<p>form of voting that is easily followed when the counting of votes is carried out.</p>
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7.2.2 Executive Manager Corporate & Community Services

<i>Item No/Subject:</i>	7.2.2.1 Accounts Due For Payment – September 2017
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	12 October 2017 Candice Smith - Senior Finance Officer
<i>Responsible Officer:</i>	Fred Gledhill - Executive Manager Corporate & Community Services
<i>Applicant/Proponent:</i>	Fred Gledhill - Executive Manager Corporate & Community Services
<i>File Number:</i>	FM.CRD.1
<i>Previous minute/s & Reference:</i>	

SUMMARY

A list of accounts is attached for all payments made for the month of September 2017

DECLARATION OF INTEREST

Nil

ATTACHMENTS

7.2.2.1a List of accounts due for payment - September 2017

BACKGROUND INFORMATION

Local Government (Financial Management) Regulations 1996 – Reg 13

The local government has delegated to the CEO the exercise of power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to prepare each month showing for each account paid since the last such list was prepared.

OFFICER'S COMMENT

Nil

COMMUNITY CONSULTATION

Nil

COUNCILLOR CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 – Reg 13

POLICY IMPLICATIONS

Section 3 – Finance 3.6 Use of Corporate Credit Cards Policy

FINANCIAL IMPLICATIONS

As per list of accounts

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT

As per Policy Section 3 – Finance 3.11 Risk Management Controls

VOTING REQUIREMENT

Simple Majority

7.2.2.1A Accounts due for payment - September 2017

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Minutes Ordinary Council Meeting 9 October 2017

Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
23	15/09/2017	Shire of Morawa	Petty Cash recoup September 2017	1		545.05
EFT10015	01/09/2017	Bob Waddell & Associates Pty Ltd	Consulting services	1		3,476.00
EFT10016	01/09/2017	Snap Joondalup	Printing	1		1,877.50
EFT10017	01/09/2017	Leading Voice Pty Ltd	Community Evening	1		7,150.00
EFT10018	01/09/2017	Strategic Teams	Professional Services	1		4,400.00
EFT10019	04/09/2017	Morawa Medical Centre	consult	1		422.70
EFT10020	04/09/2017	J.R. & A. Hersey Pty Ltd	Purchases	1		942.94
EFT10021	04/09/2017	Kats Rural	Plants	1		3,747.92
EFT10022	04/09/2017	Metal Artwork Creations	Name badges	1		63.80
EFT10023	04/09/2017	Midwest Chemical & Paper Distributors	Purchases	1		635.67
EFT10024	04/09/2017	Landgate	Land Enquiry	1		75.90
EFT10025	04/09/2017	Purcher International Pty Ltd	Purchases	1		207.02
EFT10026	04/09/2017	S & K Electrical Contracting Pty Ltd	Smoke Alarm	1		318.12
EFT10027	04/09/2017	Canine Control	Ranger services	1		982.72
EFT10028	04/09/2017	WA Local Government Association	CEO recruitment services	1		10,584.78
EFT10029	04/09/2017	Geraldton Toyota	service to MO212	1		471.90
EFT10030	04/09/2017	Vidguard Security Systems	monitoring fees	1		115.50
EFT10031	04/09/2017	Bunnings Group Limited	Purchases	1		228.92

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10032	04/09/2017	Mitchell & Brown	upright oven	1		2,425.00
EFT10033	04/09/2017	Wallis Computer Solutions	Server corrections	1		1,302.75
EFT10034	04/09/2017	Esplanade Hotel Fremantle	Accommodation and meals Sandra Reardon	1		587.00
EFT10035	04/09/2017	Trisley's Hydraulic Services Pty. Ltd.	service work	1		754.60
EFT10036	04/09/2017	Abrolhos Steel	Galv Steel	1		92.21
EFT10037	04/09/2017	ASK Waste Management	Council Briefing	1		1,520.00
EFT10038	04/09/2017	Joyner Slot Consulting	Consultant	1		2,791.25
EFT10039	04/09/2017	Stratum Cutting Edges	Grader Blades	1		2,345.12
EFT10040	04/09/2017	Concept Media (WA) Pty Ltd	Have a go news	1		484.00
EFT10041	08/09/2017	Star Track Express	Freight	1		72.63
EFT10042	08/09/2017	Department of Fire and Emergency Services	2017/18 ESL Quarter 1	1		12,903.30
EFT10043	08/09/2017	Morawa Drapery Store	Purchases PO# 1439	1		129.95
EFT10044	08/09/2017	Choices Flooring Geraldton	Supply and Install	1		2,475.00
EFT10045	08/09/2017	Landgate	UV Valuations	1		80.90
EFT10046	08/09/2017	Think Water Geraldton	Parts purchase order #1476	1		400.15
EFT10047	08/09/2017	Bob Waddell & Associates Pty Ltd	onsite financial services	1		5,588.00
EFT10048	08/09/2017	Bunnings Group Limited	Purchases	1		690.10
EFT10049	08/09/2017	Leading Edge Computers Dongara & Geraldton	Purchases	1		59.00
EFT10050	08/09/2017	Hoist Hydraulics WA Pty Ltd	Hoist PO # 47	1		1,745.70

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10051	08/09/2017	Neverfail Springwater Limited	MONTHLY COOLER RENTAL	1		14.30
EFT10052	08/09/2017	Covs Parts Pty Ltd	Purchases	1		533.89
EFT10053	08/09/2017	HOST Catering Supplies	Tablecloths	1		342.98
EFT10054	08/09/2017	Herrings Coastal Plumbing & Gas	Repairs	1		183.61
EFT10055	08/09/2017	WINC Australia	Service contract	1		3,048.11
EFT10056	08/09/2017	Galvins Plumbing Supplies	Purchases PO # 1449	1		112.04
EFT10057	08/09/2017	Griffin Valuation Advisory	VALUATIONS	1		12,187.92
EFT10058	08/09/2017	Strategic Teams	Professional Services Sean Fletcher	1		4,400.00
EFT10059	08/09/2017	Colliers	Management Fees	1		425.85
EFT10060	08/09/2017	Delta Floor Sanding	sand and seal	1		17,000.00
EFT10061	08/09/2017	Australian Services Union	Payroll deductions	1		82.35
EFT10062	08/09/2017	Department of Human Services	Payroll deductions	1		558.96
EFT10063	11/09/2017	Prestige Pty Ltd	Cleaning 21/8 to 3/9 2017	1		5,067.50
EFT10064	11/09/2017	DALLYWATER CONSULTING	Contract EHO Work on site	1		3,212.00
EFT10065	19/09/2017	Bob Waddell & Associates Pty Ltd	Consultancy service. EOY, Fair Value and assets. Onsite financial services provided Bev Webb	1		9,416.00
EFT10066	19/09/2017	DALLYWATER CONSULTING	Contract EHO work - onsite plus travel and mileage	1		4,444.00
EFT10067	19/09/2017	Strategic Teams	Acting CEO Week Ending 15th September 2017	1		4,400.00
EFT10068	22/09/2017	Star Track Express	Freight	1		245.11

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10069	22/09/2017	WA College of Agriculture - Morawa	End of Year awards donation	1		500.00
EFT10070	22/09/2017	Landmark Operations Limited	Purchases	1		83.27
EFT10071	22/09/2017	Refuel Australia	Bulk Fuel and oil Purchases	1		14,573.90
EFT10072	22/09/2017	Hitachi Construction Machinery (Australia) Pty Ltd	Parts	1		113.48
EFT10073	22/09/2017	S & K Electrical Contracting Pty Ltd	Repairs	1		1,952.93
EFT10074	22/09/2017	GH Country Courier	Freight	1		170.74
EFT10075	22/09/2017	WA Local Government Association	Recruitment of CEO	1		11,272.79
EFT10076	22/09/2017	Courier Australia	Freight	1		264.43
EFT10077	22/09/2017	Frank Gilmour	Termite Treatment	1		910.00
EFT10078	22/09/2017	Jason Signmakers	Street Signs	1		5,918.55
EFT10079	22/09/2017	Geraldton Mower & Repairs Specialists	Parts	1		406.60
EFT10080	22/09/2017	WA Country Health Service - Midwest	Water consumption	1		254.36
EFT10081	22/09/2017	Alinta Sales Pty Ltd	Useage	1		439.00
EFT10082	22/09/2017	Shire of Three Springs	Shared Services	1		1,659.66
EFT10083	22/09/2017	CleverPatch	Materials	1		229.68
EFT10084	22/09/2017	Total Eden	Purchases	1		792.00
EFT10085	22/09/2017	Great Southern Fuel Supplies	Fuel Purchases	1		785.53
EFT10086	22/09/2017	WINC Australia	Purchases	1		11.13
EFT10087	22/09/2017	Incite Security	Monitoring Fee	1		116.99

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10088	22/09/2017	Morawa News & Gifts	Purchases	1		159.73
EFT10089	22/09/2017	Landmark Operations Limited	Gas	1		38.50
EFT10090	22/09/2017	BL & MJ Thornton Waste Removal Services	Waste Remoal Aug 2017	1		8,546.23
EFT10091	22/09/2017	Chadson Engineering Pty Ltd	Purchases	1		92.14
EFT10092	22/09/2017	Mid West Auto Group	Service	1		310.15
EFT10093	22/09/2017	S & K Electrical Contracting Pty Ltd	Repairs	1		429.00
EFT10094	22/09/2017	Marketforce	Advertising	1		504.16
EFT10095	22/09/2017	WA Local Government Association	Short Course	1		566.50
EFT10096	22/09/2017	Nothern Country Zone of WALGA	Subscription	1		1,700.00
EFT10097	22/09/2017	AGPAL	Accreditation	1		3,786.75
EFT10098	22/09/2017	Northstar Asset Pty Ltd	Paper planes Screening	1		418.00
EFT10099	22/09/2017	IGA Morawa	Monthly Purchases	1		286.43
EFT10100	22/09/2017	Safe Roads WA	Road Works	1		19,577.25
EFT10101	22/09/2017	Boya Equipment	Purchases	1		1,093.16
EFT10102	22/09/2017	Joyner Slot Consulting	Consultancy Services	1		26,840.00
EFT10103	22/09/2017	Leading Voice Pty Ltd	Community Evening	1		1,086.00
EFT10104	22/09/2017	WINC Australia	Purchases	1		105.51
EFT10105	28/09/2017	Bob Waddell & Associates Pty Ltd	Assistance with balancing assets and fair value for annual financial report	1		9,042.00

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10106	28/09/2017	Leading Edge Computers Dongara & Geraldton	Gigabit Poe Stackable Switches and Firewall Services - plus Labour and Travel	1		10,608.30
EFT10107	28/09/2017	Tarts & Co Catering	Catering for Tom O'Toole event	1		3,500.00
EFT10108	28/09/2017	DALLYWATER CONSULTING	Contract EHO work (Onsite) 26/09 - 29/09	1		4,136.00
EFT10109	28/09/2017	Strategic Teams	Acting CEO Week Ending 22nd September 2017	1		8,800.00
EFT10110	29/09/2017	Australian Services Union	Payroll deductions	1		82.35
EFT10111	29/09/2017	Department of Human Services	Payroll deductions	1		554.60
EFT10112	30/09/2017	Prestige Pty Ltd	Cleaning	1		6,230.00
EFT10113	30/09/2017	Arrow Bronze	Plaque	1		149.38
EFT10114	30/09/2017	Star Track Express	Freight	1		54.21
EFT10115	30/09/2017	Morawa Medical Centre	Consult	1		150.00
EFT10116	30/09/2017	BOC Limited	Oxygen	1		19.20
EFT10117	30/09/2017	Kats Rural	Purchases	1		676.13
EFT10118	30/09/2017	Purcher International Pty Ltd	Parts	1		561.85
EFT10119	30/09/2017	Hitachi Construction Machinery (Australia) Pty Ltd	Parts	1		778.34
EFT10120	30/09/2017	S & K Electrical Contracting Pty Ltd	Repairs	1		1,354.87
EFT10121	30/09/2017	Canine Control	Services	1		982.72
EFT10123	30/09/2017	Greenfield Technical Services	Consult	1		1,760.00
EFT10124	30/09/2017	Geraldton Mower & Repairs Specialists	Parts	1		250.00

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT10125	30/09/2017	Leading Edge Computers Dongara & Geraldton	Phone	1		1,208.00
EFT10126	30/09/2017	Morawa Rural Enterprises	Purchases	1		250.00
EFT10127	30/09/2017	Covs Parts Pty Ltd	Parts	1		165.62
EFT10128	30/09/2017	ARC Infrastructure	Rent	1		119.80
EFT10129	30/09/2017	Medelect Biomedical Services	Defib Battery	1		687.50
EFT10130	30/09/2017	Safeway Building & Renovations PTY LTD	Install shallow block mountings	1		5,368.00
EFT10131	30/09/2017	Incite Security	Maintenance	1		1,264.34
EFT10132	30/09/2017	Midwest Windscreens	Repairs	1		376.00
11738	01/09/2017	Building and Construction Industry Training Fund	BCITF 17/18	1		987.30
11739	01/09/2017	Building Commission	17/18 Levies BSL	1		677.60
11740	04/09/2017	Telstra Corporation Limited	Usage for August 17	1		2,822.87
11741	08/09/2017	Water Corporation	Usage	1		212.36
11742	08/09/2017	Synergy	Usage	1		87.00
11743	08/09/2017	Telstra Corporation Limited	Usage	1		66.43
11744	14/09/2017	Synergy	Useage period 19th June to 16th August 2017	1		10,571.95
11745	14/09/2017	Synergy	Power Usage 19/6/2017 to 16/8/2017 Business Units	1		539.25
11746	14/09/2017	Water Corporation	water charges April to June 2017	1		14,476.00
11747	22/09/2017	Patricia Catherine Wells	50% fencing costs	1		94.08
11748	22/09/2017	Synergy	Useage	1		3,671.05

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
1E149	22/09/2017	Telstra Corporation Limited	Usage August 17	1		1,485.48
1E150	22/09/2017	Morawa Licensed Post Office Emmlee's	Postage	1		94.80
DD5740.1	06/09/2017	WA Local Government Superannuation Plan	Payroll deductions	1		6,758.07
DD5740.2	06/09/2017	AMP LIFE LTD - SUPERANNUATION	Superannuation contributions	1		488.32
DD5740.3	06/09/2017	BT FINANCIAL GROUP	Superannuation contributions	1		300.94
DD5740.4	06/09/2017	MLC Super Fund	Superannuation contributions	1		222.87
DD5740.5	06/09/2017	Commonwealth Bank Group Super	Superannuation contributions	1		66.06
DD5740.6	06/09/2017	Concept One	Superannuation contributions	1		211.05
DD5740.7	06/09/2017	Australian Super	Superannuation contributions	1		214.53
DD5740.8	06/09/2017	BT Super for Life	Superannuation contributions	1		159.10
DD5740.9	06/09/2017	LGIA Super	Superannuation contributions	1		321.54
DD5777.1	13/09/2017	Synergy	Power Usage - Swimming Pool	1		6,479.85
DD5777.3	12/09/2017	Telstra Corporation Limited	Phone Usage September 2017	1		1,582.03
DD5792.1	20/09/2017	WA Local Government Superannuation Plan	Payroll deductions	1		7,379.97
DD5792.2	20/09/2017	AMP LIFE LTD - SUPERANNUATION	Superannuation contributions	1		488.32
DD5792.3	20/09/2017	BT FINANCIAL GROUP	Superannuation contributions	1		300.94
DD5792.4	20/09/2017	MLC Super Fund	Superannuation contributions	1		222.87
DD5792.5	20/09/2017	Commonwealth Bank Group Super	Superannuation contributions	1		35.78

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Bank Name

Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
DD5792.6	20/09/2017	Concept One	Superannuation contributions	1		211.05
DD5792.7	20/09/2017	Australian Super	Superannuation contributions	1		214.53
DD5792.8	20/09/2017	BT Super for Life	Superannuation contributions	1		151.07
DD5792.9	20/09/2017	LGIA Super	Superannuation contributions	1		321.54
DD5798.1	15/09/2017	Courier Australia	Freight	1		38.51
DD5817.1	01/09/2017	Westnet Pty Ltd	Westnet September 2017	1		279.75
DD5817.2	12/09/2017	BOC Finance	September 2017 - Photocopier Lease	1		301.16

REPORT TOTALS

EFT	\$ 302,946.43
Cheque	\$36,331.22
Direct Debits	\$ 26,749.85
Payroll	<u>\$ 93,513.95</u>
TOTAL	\$459,541.45

<i>Item No/Subject</i>	7.2.2.2 Reconciliations - September 2017
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	12 October 2017 – Candice Smith - Senior Finance Officer
<i>Responsible Officer:</i>	Fred Gledhill – Executive Manager Corporate & Community Services
<i>Applicant/Proponent:</i>	Fred Gledhill – Executive Manager Corporate & Community Services
<i>File Number:</i>	FM.ACC.1
<i>Previous minute/s & Reference:</i>	

SUMMARY

Local Government (Financial Management) Regulation 34 (1) (a) states that a Local Government must prepare financial statements monthly.

DECLARATION OF INTEREST

Nil

ATTACHMENTS

Nil

BACKGROUND INFORMATION

The information provided is obtained from the Bank Reconciliations carried out for Municipal Bank/Reserves Bank and the Trust Bank to ensure all transactions have been accounted for.

OFFICER'S COMMENT

The Shire of Morawa's financial position is as follows:-

BANK BALANCES AS AT 30 September 2017

Account	2017
Municipal Account #	\$658,471.51
Trust Account	\$15,980.75
Business Telenet Saver (Reserve) Account	\$3,351,641.64
WA Treasury O/night Facility (Super Towns) Account	\$738,884.70
Reserve Term Deposit (Community Development)	\$500,000.00
Reserve Term Deposit (Future Funds 1)	\$800,000.00
Reserve Term Deposit (Future Funds 2)	\$800,000.00
Municipal Funds to Term Deposit – 47 days	\$500,000.00

BANK RECONCILIATION BALANCES

The Bank Reconciliation Balances for 30 September 2017 with a comparison for 30 September 2016 is as follows:

Account	2016	2017
Municipal Account #	\$1,471,886.49	\$676,050.75
Trust Account	\$11,564.98	\$16,280.75
Reserve Account	\$6,290,128.38	\$6,190,526.34

RESERVE ACCOUNT

The Reserve Funds of \$6,190,526.34 as at 30 September 2017 were invested in:-

- Bank of Western Australia \$3,351,641.64 in the Business Telenet Saver Account and
- \$738,884.70 in the WA Treasury O/Night Facility
- Term Deposit (Future Funds 1) \$800,000.00
- Term Deposit (Future Funds 2) \$800,000.00
- Term Deposit (Community Development Fund) \$500,000.00

Breakdown for September 2017 with a comparison for September 2016 is as follows:

	2016	2017
Sports Complex Upgrade Reserve	\$0.00	\$0.00
Land & Building Reserve	\$79,218.93	\$100,254.38
Plant Reserve	\$943,410.63	\$908,034.05
Leave Reserve	\$287,281.82	\$281,918.75
Economic Development Reserve	\$108,272.11	\$109,611.36
Sewerage Reserve	\$144,919.36	\$216,906.37
Unspent Grants & Contributions Reserve	\$52,440.84	\$58,081.29
Community Development Reserve	\$1,379,615.66	\$1,189,469.0
Water Waste Management Reserve	\$0.00	\$0.00
Future Funds Reserve	\$2,145,299.96	\$2,122,575.23
Morawa Future Funds Interest Reserve	\$54,825.05	\$88,280.53
Aged Care Units Reserve Units 6-9	\$9,044.61	\$9,156.55
Aged Care Units Reserve Units 1-4	0	\$68,152.43
Aged Care Units Reserve Unit 5	0	\$54,709.37
Transfer Station Reserve	\$134,810.36	\$27.18
S/Towns Revitalisation Reserve	\$174,229.89	\$177,204.23
ST Solar Thermal Power Station Reserve	\$552,252.87	\$561,680.47
Business Units Reserve	\$61,374.79	\$82,189.50
Legal Reserve	\$15,032.94	\$20,232.78
Road Reserve	\$140,307.41	\$142,042.86
TOTAL	\$6,282,337.23	\$6,190,526.34

TRANSFER OF FUNDS

- *\$521,430.00 from Unspent Grants to Municipal Fund being for General FAGS paid in advance June 2017. 17 July 2017*
- *\$299,042.00 from Unspent Grants to Municipal Fund being for Roads FAGS paid in advance June 2017. 10 August 2017*

- **Investment Transfers**
- *\$500,000.00 from Community Development Fund to Term Deposit Community Development for 11 months and 30 days @ 3% interest*
- *\$800,000.00 from Future Funds to Term Deposit Future Funds1 for 11 months and 30 days @ 3% interest*
- *\$800,000.00 from Future Funds to Term Deposit Future Funds2 for 11 months and 30 days @ 3% interest*
- *\$500,000.00 from Municipal Funds to Term Deposit Municipal Account for 47 days @ 1.5% interest*

COMMUNITY CONSULTATION

NIL

COUNCILLOR CONSULTATION

NIL

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

Section 3 – Finance 3.11 Risk Management Controls
Section 3 – Finance 3.4.3 Investment Policy – Delegated Authority

FINANCIAL IMPLICATIONS

As presented

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT

As per Policy Section 3 – Finance 3.11 Risk Management Controls

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

Receive the bank reconciliation report for 30 September 2017.

COUNCIL RESOLUTION

1710006

Moved:

Cr Thornton

Seconded:

Cr Carslake

That Council:

Receive the bank reconciliation report for 30 September 2017.

CARRIED 7/0

Item No/Subject: **7.2.2.3 Monthly Financial Statements – September 2017**

Date of Meeting: **19 October 2017**

Date & Author: **12 October 2017
Candice Smith - Senior Finance Officer**

Responsible Officer: **Fred Gledhill –
Executive Manager Corporate & Community Services**

Applicant/Proponent: **Fred Gledhill –
Executive Manager Corporate & Community Services**

File Number:

*Previous minute/s
& Reference:*

SUMMARY

Local Government (Financial Management) Regulation 34(1) (a) states that a Local Government must prepare financial statements monthly.

DECLARATION OF INTEREST

Nil

ATTACHMENTS

7.2.2.3a September Monthly Financial Activity Report pertaining to Councils operations. A copy of the schedules is available if required.

BACKGROUND INFORMATION

Nil

OFFICER'S COMMENT

Nil

COMMUNITY CONSULTATION

Nil

COUNCILLOR CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995 and Local Government (Financial Management) Regulations.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As presented

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

Receive the Statement of Financial Activity and the Variance Report for the period ending the 30 September 2017.

COUNCIL RESOLUTION

1710007	Moved:	Cr Collins
	Seconded:	Cr Carslake

That Council:

Receive the Statement of Financial Activity and the Variance Report for the period ending the 30 September 2017.

CARRIED 7/0



SHIRE OF MORAWA
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

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SHIRE OF MORAWA

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

	NOTE	SEPTEMBER 2017 Actual \$	SEPTEMBER 2017 Y-T-D Budget \$	2017/18 Budget \$	Variations Actuals to Budget \$	Variations Actual Budget to Y-T-D %
Operating						
Revenues/Sources	1,2					
Governance		545	0	20,010	545	0.00%
General Purpose Funding		(22,617)	217,966	897,142	(240,583)	(110.38%) ▼
Law, Order, Public Safety		125	5,182	26,230	(5,057)	(97.59%) ▼
Health		0	0	5,350	0	0.00%
Education and Welfare		2,279	22,057	133,899	(19,778)	(89.67%) ▼
Housing		25,869	15,108	147,761	10,761	71.23% ▲
Community Amenities		437,213	466,062	554,091	(28,849)	(6.19%) ▼
Recreation and Culture		63,605	4,050	69,214	59,555	1470.49% ▲
Transport		79,496	163,189	1,092,694	(83,693)	(51.29%) ▼
Economic Services		47,652	36,444	223,319	11,208	30.75% ▲
Other Property and Services		19,650	21,297	139,184	(1,647)	(7.73%) ▼
		653,817	951,355	3,308,894	(297,538)	(31.28%) ▼
(Expenses)/(Applications)	1,2					
Governance		(105,845)	(120,553)	(491,640)	(105,845)	0.00%
General Purpose Funding		(50,521)	(40,743)	(174,282)	(9,778)	(24.00%) ▼
Law, Order, Public Safety		(15,968)	(19,560)	(84,223)	3,592	18.36% ▲
Health		(42,522)	(52,177)	(210,604)	9,655	18.50% ▼
Education and Welfare		(18,469)	(37,974)	(800,015)	19,505	51.36% ▼
Housing		(62,031)	(60,892)	(313,270)	(1,139)	(1.87%) ▼
Community Amenities		(108,917)	(190,428)	(741,202)	81,511	42.80% ▼
Recreation & Culture		(213,717)	(301,389)	(1,136,614)	87,672	29.09% ▼
Transport		(262,584)	(421,177)	(1,598,634)	158,593	37.65% ▼
Economic Services		(98,867)	(199,929)	(794,594)	101,062	50.55% ▼
Other Property and Services		(154,915)	(69,630)	(36,296)	(85,285)	(122.48%) ▲
		(1,134,356)	(1,514,452)	(6,381,374)	259,543	(25.10%) ▼
Net Result Excluding Rates		(480,539)	(563,097)	(3,072,480)	(37,995)	
Adjustments for Non-Cash (Revenue) and Expenditure						
(Profit)/Loss on Asset Disposals	4	0	(3,249)	(13,000)	3,249	100.00%
Movement in Leave Reserve (Added Back)		511	0	0	511	0.00%
Movement in Deferred Pensioner Rates/ESL (no)		0	0	0	0	0.00%
Movement in Employee Benefit Provisions (non- Rounding Adjustment)		0	0	0	0	0.00%
Depreciation on Assets		0	365,817	1,463,496	(365,817)	100.00% ▼
Capital Revenue and (Expenditure)						
Purchase Land Held for Resale	3	0	(4,998)	(20,000)	4,998	100.00%
Purchase Land and Buildings	3	(596)	(8,500)	(155,000)	7,904	92.99% ▼
Purchase Plant and Equipment	3	0	(20,000)	(155,000)	20,000	100.00% ▼
Purchase Furniture and Equipment	3	0	(2,870)	(22,870)	2,870	100.00%
Purchase Infrastructure Assets - Roads	3	(147,641)	(363,910)	(1,631,978)	216,269	59.43% ▼
Purchase Infrastructure Assets - Footpaths	3	0	0	(27,937)	0	0.00%
Purchase Infrastructure Assets - Drainage	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Parks & Ovals	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Airfields	3	0	0	(10,000)	0	0.00%
Purchase Infrastructure Assets - Play Equip	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Sewerage	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Dams	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Other	3	(58,357)	(13,751)	(137,500)	(44,606)	(324.38%) ▲
Proceeds from Disposal of Assets	4	0	0	15,000	0	0.00%
Repayment of Debentures	5	(24,158)	(24,157)	(70,815)	(1)	(0.00%) ▼
Proceeds from New Debentures	5	0	0	0	0	0.00%
Advances to Community Groups		0	0	0	0	0.00%
Self-Supporting Loan Principal Income	5	0	0	0	0	0.00%
Transfers to Restricted Assets (Reserves)	6	(8,894)	(41,898)	(278,751)	33,004	78.77% ▼
Transfers from Restricted Asset (Reserves)	6	820,472	952,767	1,892,170	(132,295)	(13.89%) ▼
ADD Net Current Assets July 1 B/Fwd	7	437,591	428,376	428,376	9,215	2.15%
LESS Net Current Assets Year to Date	7	2,353,514	2,503,175	564	(149,661)	5.98%
Amount Raised from Rates	8	(1,815,125)	(1,802,645)	(1,796,852)	(12,480)	0.69%

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

Material Variances Symbol

Above Budget Expectations

▲

Greater than 10,000 and greater than 10%

Below Budget Expectations

▼

Less than 10,000 and less than 10%

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The budget has also 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.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 9.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term 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 shown as short term borrowings in current liabilities on the statement of financial position.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Receivables

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

(i) Inventories

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 purchased for development and/or 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. Finance costs and holding charges incurred after development is complete are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(j) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Initial Recognition

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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, 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.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

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

Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets clearing and earthworks construction/road base original surfacing and major re-surfacing	not depreciated 50 years
- bituminous seals	20 years
Gravel roads clearing and earthworks construction/road base gravel sheet	not depreciated 50 years 12 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 50 years
Footpaths - slab	40 years

Depreciation of Non-Current Assets (Continued)

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Capitalisation Threshold

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset

- Land	Nil (All Land Capitalised)
- Buildings	2,000
- Plant & Equipment	2,000
- Furniture & Equipment	1,000
- Infrastructure	5,000

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (b) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into 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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period (classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(m) Impairment

In accordance with Australian Accounting Standards the Council's 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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2013.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees' services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(p) 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.

(q) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) 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.

Provisions are not recognised for future operating losses.

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(s) Comparative Figures

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

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

2. STATEMENT OF OBJECTIVE

The Shire of Morawa is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Includes members of Council, Civic Functions & Public Relations, Council Elections, Training/Education. Objective is to provide a management & administrative structure to service Council & the community.

GENERAL PURPOSE FUNDING

Includes Rates, Loans, Investments & Grants. Objective is to manage Council's finances.

LAW, ORDER, PUBLIC SAFETY

Includes Emergency Services & Animal Control. Objective is to provide, develop & manage services in response to community needs.

HEALTH

Includes Environmental Health, Medical & Health facilities. Objective is to provide, develop & manage services in response to community needs.

EDUCATION AND WELFARE

Includes Education, Welfare & Children's Services. Objective is to provide, develop & manage services in response to community needs.

HOUSING

Includes Staff & Other Housing. Objective is to ensure quality housing and appropriate infrastructure is maintained.

COMMUNITY AMENITIES

Includes Refuse Collection, Sewerage, Cemetery, Building Control, Town Planning & Townscape. Objective is to provide, develop & manage services in response to community needs.

RECREATION AND CULTURE

Includes Pools, Halls, Library, Oval, Parks & Gardens & Recreational Facilities. Objective is to ensure the recreational & cultural needs of the community are met.

TRANSPORT

Includes Roads, Footpaths, Private Works, Machine Operating Costs, Outside Wages & Airstrip. Objective is to effectively manage transport infrastructure.

ECONOMIC SERVICES

Includes Tourism, Rural Services, Economic Development & Caravan Park. Objective is to foster economic development, tourism & rural services in the district.

OTHER PROPERTY & SERVICES

Includes Private Works, Public Works Overheads, Plant Operating Costs, Administration Overheads and Unclassified Items. Objective is to provide control accounts and reporting facilities for all other operations.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

3. ACQUISITION OF ASSETS	2017/18 Budget \$	SEPTEMBER 2017 YTD Budget \$	SEPTEMBER 2017 Actual \$
The following assets have been acquired during the period under review:			
<u>By Program</u>			
Governance			
Upgrade to Old Council Chambers	50,000	0	396.56
Law, Order, Public Safety			
New fire truck	0	0	0.00
Housing			
Aged Person Units x 4 - water metres	60,000	6,000	0.00
Community Amenities			
Construction of Refuse Transfer Station	0	0	0.00
New Tip Site Construction	70,000	0	0.00
Closure/Rehabilitation Old Tip Site	0	0	940.10
Community Bus	135,000	0	0.00
Refuse Transfer Station - Storage Shed	0	0	0.00
Purchase Land For New Waste Site	0	0	0.00
Recreation and Culture			
Blowup Swing for Games	0	0	0.00
Diving Blocks	10,000	0	4,880.00
Swimming Pool Bowls (Adults/Childrens Pools) - Grant Expenses	0	0	0.00
Swimming Pool Bowls (Adults/Childrens Pools) - Shire Expenses	0	0	0.00
Sports Complex Water upgrade	0	0	0.00
Transport			
Road Construction			
- Rural Roads Construction	1,483,543	329,225	95,958.30
- Townsite Roads Construction	148,435	34,685	51,683.16
Plant & Equipment - Road Plant Purchases	0	0	0.00
Airfield Lighting Upgrade	10,000	0	0.00
Economic Services			
Caravan Park Camp Kitchen/Caretakers Cabin	25,000	2,500	0.00
Caravan Park Concept Plan	12,500	6,250	0.00
Morawa Gateway Project	25,000	2,500	0.00
Industrial Land Development	20,000	4,998	0.00
Phase 1 - Civic Square/Pedestrian Crossing	0	0	19,713.00
Construction of Footpath - Jubilee Park	0	0	32,824.28
Phase 2 - Road Freight Alignment	0	0	0.00
Other Property & Services			
Purchase of Lot 9000, White Ave	0	0	0.00

Administration Furniture & Equipment	2,870	2,870	0.00
CEO/DCEO/MAF Vehicles	20,000	20,000	0.00
	<u>2,160,285</u>	<u>414,029</u>	<u>206,595.20</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

3. ACQUISITION OF ASSETS (Continued)	2017/18 Budget \$	SEPTEMBER 2017 YTD Budget \$	SEPTEMBER 2017 Actual \$
The following assets have been acquired during the period under review:			
By Class			
Land Held for Resale	20,000	4,998	0.00
Investments	0	0	0.00
Land	0	0	0.00
Buildings	155,000	8,500	596.36
Plant and Equipment	155,000	20,000	0.00
Furniture and Equipment	22,870	2,870	0.00
Infrastructure Assets - Roads	1,631,978	363,910	147,641.46
Infrastructure Assets - Footpaths	27,937	0	0.00
Infrastructure Assets - Drainage/Dams	0	0	0.00
Infrastructure Assets - Parks & Ovals	0	0	0.00
Infrastructure Assets - Airfields	10,000	0	0.00
Infrastructure Assets - Playground Equipment	0	0	0.00
Infrastructure Assets - Sewerage	0	0	0.00
Infrastructure Assets - Dams	0	0	0.00
Infrastructure Assets - Other	137,500	13,751	58,357.38
	<u>2,160,285</u>	<u>414,029</u>	<u>206,595.20</u>

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

By Program	Written Down Value		Sale Proceeds		Profit(Loss)	
	2017/18 Budget \$	SEPTEMBER 2017 Actual \$	2017/18 Budget \$	SEPTEMBER 2017 Actual \$	2017/18 Budget \$	SEPTEMBER 2017 Actual \$
Law, Order & Public Safety						0.00
Transport						0.00
Other Property & Services						0.00
	2,000	0.00	15,000	0.00	13,000	0.00

By class of asset	Written Down Value		Sale Proceeds		Profit(Loss)	
	2017/18 Budget \$	SEPTEMBER 2017 Actual \$	2017/18 Budget \$	SEPTEMBER 2017 Actual \$	2017/18 Budget \$	SEPTEMBER 2017 Actual \$
Plant & Equipment	0	0	15,000	0	13,000	0
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	2,000	0.00	15,000	0.00	13,000	0.00

Summary
 Profit on Asset Disposals
 Loss on Asset Disposals

	Budget	Actual
	\$	\$
Profit on Asset Disposals	13,000	0.00
Loss on Asset Disposals	0	0.00
	13,000	0.00

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-16		New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$	2017/18 Budget \$	2017/18 Actual \$
Housing										
Loan 133 - GEHA House	70,621	0	0	0	34,156	0	36,465	70,621	4,076	0
Loan 134 - 2 Broad Street	49,838	0	0	0	24,158	24,158	25,680	25,680	3,090	0
Loan 135 - Staff Housing	0	0	0	0	0	0	0	0	0	0
Loan 136 - 24 Harley Street - Staff Housing	332,137	0	0	0	12,501	0	319,636	332,137	12,931	0
Transport										
Loan 138 - Plant Replacement	0	0	0	0	0	0	0	0	0	0
	452,596	0	0	0	70,814.62	24,158	381,781.38	428,438	20,097	0

All debenture repayments are to be financed by general purpose revenue.

(b) New Debentures - 2017/18

There are no new borrowings proposed for the 2016/17 financial year.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

	2017/18 Budget \$	SEPTEMBER 2017 Actual \$
6. RESERVES - CASH BACKED		
(a) Leave Reserve		
Opening Balance	281,137	281,138
Amount Set Aside / Transfer to Reserve	7,611	511
Amount Used / Transfer from Reserve	<u>(80,000)</u>	<u>0</u>
	<u>208,748</u>	<u>281,919</u>
(b) Sports and Recreation Facilities Reserve		
Opening Balance	0	0
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
(c) Plant Reserve		
Opening Balance	905,518	905,518
Amount Set Aside / Transfer to Reserve	108,411	1,646
Amount Used / Transfer from Reserve	<u>(60,000)</u>	<u>0</u>
	<u>953,929</u>	<u>908,034</u>
(d) Building Reserve		
Opening Balance	99,976	99,977
Amount Set Aside / Transfer to Reserve	20,929	182
Amount Used / Transfer from Reserve	<u>(50,000)</u>	<u>0</u>
	<u>70,905</u>	<u>100,254</u>
(e) Economic Development Reserve		
Opening Balance	109,308	109,308
Amount Set Aside / Transfer to Reserve	1,015	199
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>0</u>
	<u>85,323</u>	<u>109,611</u>
(f) Community Development Reserve		
Opening Balance	1,187,559	1,187,559
Amount Set Aside / Transfer to Reserve	11,030	1,250
Amount Used / Transfer from Reserve	<u>(10,000)</u>	<u>0</u>
	<u>1,188,589</u>	<u>1,189,469</u>
(g) Sewerage Reserve		
Opening Balance	216,306	216,305
Amount Set Aside / Transfer to Reserve	34,528	393
Amount Used / Transfer from Reserve	<u>(70,000)</u>	<u>0</u>
	<u>180,834</u>	<u>216,906</u>
(h) Unspent Grants and Contributions Reserve		
Opening Balance	877,391	877,390
Amount Set Aside / Transfer to Reserve	8,149	1,108
Amount Used / Transfer from Reserve	<u>(832,972)</u>	<u>(820,472)</u>
	<u>52,568</u>	<u>58,081</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

	2017/18 Budget \$	SEPTEMBER 2017 Actual \$
6. RESERVES (Continued)		
(i) Business Units Reserve		
Opening Balance	81,961	81,962
Amount Set Aside / Transfer to Reserve	20,761	149
Amount Used / Transfer from Reserve	0	0
	<u>102,722</u>	<u>82,190</u>
(j) Morawa Future Funds Interest		
Opening Balance	88,036	88,036
Amount Set Aside / Transfer to Reserve	12,050	160
Amount Used / Transfer from Reserve	0	0
	<u>100,086</u>	<u>88,281</u>
(k) Morawa Community Future Funds Reserve		
Opening Balance	2,121,127	2,121,127
Amount Set Aside / Transfer to Reserve	19,703	948
Amount Used / Transfer from Reserve	(36,000)	0
	<u>2,104,830</u>	<u>2,122,575</u>
(l) Refuse Transfer Station Reserve		
Opening Balance	27	27
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	0	0
	<u>27</u>	<u>27</u>
(m) Aged Care Units Reserve - Units 6-9		
Opening Balance	9,131	9,131
Amount Set Aside / Transfer to Reserve	85	17
Amount Used / Transfer from Reserve	0	0
	<u>9,216</u>	<u>9,157</u>
(n) ST-N/Midlands Solar Thermal Power		
Opening Balance	559,632	558,966
Amount Set Aside / Transfer to Reserve	5,198	1,379
Amount Used / Transfer from Reserve	(550,000)	0
	<u>14,830</u>	<u>561,680</u>
(o) ST-Morawa Revitalisation Reserve		
Opening Balance	176,558	176,348
Amount Set Aside / Transfer to Reserve	1,640	435
Amount Used / Transfer from Reserve	(178,198)	0
	<u>0</u>	<u>177,204</u>
(p) Legal Fees Reserve		
Opening Balance	20,177	20,177
Amount Set Aside / Transfer to Reserve	5,187	37
Amount Used / Transfer from Reserve	0	0
	<u>25,364</u>	<u>20,233</u>

SHIRE OF MORAWA
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

	2017/18 Budget \$	SEPTEMBER 2017 Actual \$
6. RESERVES (Continued)		
(q) Road Reserve		
Opening Balance	141,649	141,649
Amount Set Aside / Transfer to Reserve	1,316	258
Amount Used / Transfer from Reserve	0	0
	<u>142,965</u>	<u>142,043</u>
(r) Aged Care Units 1-4		
Opening Balance	67,964	67,964
Amount Set Aside / Transfer to Reserve	631	124
Amount Used / Transfer from Reserve	0	0
	<u>68,595</u>	<u>68,152</u>
(s) Aged Care Unit 5		
Opening Balance	54,558	54,558
Amount Set Aside / Transfer to Reserve	507	99
Amount Used / Transfer from Reserve	0	0
	<u>55,065</u>	<u>54,709</u>
(t) Swimming Pool Reserve		
Opening Balance	0	0
Amount Set Aside / Transfer to Reserve	20,000	0
Amount Used / Transfer from Reserve	0	0
	<u>20,000</u>	<u>0</u>
Total Cash Backed Reserves	5,384,596	6,190,526
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Leave Reserve	7,611	511
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	108,411	1,646
Building Reserve	20,929	182
Economic Development Reserve	1,015	199
Community Development Reserve	11,030	1,250
Sewerage Reserve	34,528	393
Unspent Grants and Contributions Reserve	8,149	1,108
Business Units Reserve	20,761	149
Morawa Community Future Funds Interest	12,050	160
Morawa Community Future Fund Reserve	19,703	948
Refuse Transfer Station Reserve	0	0
Aged Care Units Reserve - Units 6-9	85	17
ST-N/Midlands Solar Thermal Power	5,198	1,379
ST-Morawa Revitalisation Reserve	1,640	435
Legal Fees Reserve	5,187	37
Road Reserve	1,316	258
Aged Care Units 1-4	631	124
Aged Care Unit 5	507	99
Swimming Pool Reserve	20,000	0
	<u>278,751</u>	<u>8,894</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

6. RESERVES (Continued)

Transfers from Reserves

Leave Reserve	(80,000)	0
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	(60,000)	0
Building Reserve	(50,000)	0
Economic Development Reserve	(25,000)	0
Community Development Reserve	(10,000)	0
Sewerage Reserve	(70,000)	0
Unspent Grants and Contributions Reserve	(832,972)	(820,472)
Business Units Reserve	0	0
Morawa Community Future Funds Interest	0	0
Morawa Community Future Fund Reserve	(36,000)	0
Refuse Transfer Station Reserve	0	0
Aged Care Units Reserve - Units 6-9	0	0
ST-N/Midlands Solar Thermal Power	(550,000)	0
ST-Morawa Revitalisation Reserve	(178,198)	0
Legal Fees Reserve	0	0
Road Reserve	0	0
Aged Care Units 1-4	0	0
Aged Care Unit 5	0	0
Swimming Pool Reserve	0	0
	<u>(1,892,170)</u>	<u>(820,472)</u>
Total Transfer to/(from) Reserves	<u>(1,613,419)</u>	<u>(811,578)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Leave Reserve

To be used to fund leave requirements.

Sportsground Complex Upgrade Reserve

To be used to upgrade the Sporting Complex Facilities.

Plant Reserve

To be used to upgrade, replace or purchase new plant and equipment.

Building Reserve

To be used to refurbish, replace, extend or establish Council owned buildings.

Economic Development Reserve

To be used to create economic development initiatives in the local community.

Community Development Reserve

To be used for Community Projects within the Shire of Morawa

Sewerage Reserve

To be used to repair, replace or extend the sewerage facility.

Unspent Grants and Contributions Reserve

To be used as a quarantine for unspent committed funds.

Business Units Reserve

To be used to upgrade, refurbish or purchase new Business Units

Morawa Community Future Funds Interest

To be used for Morawa Community Projects

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

6. RESERVES (Continued)

Morawa Community Future Fund Reserve

To be used to provide an ongoing conduit for benefits to the people and environment of the Morawa Shire through the Sinosteel Midwest Corporation Morawa Future Fund Foundation Memorandum

Refuse Transfer Station Reserve

To be used for Morawa Landfill closure and Refuse Transfer Station implementation project - R4R

Aged Persons Units Reserve

To be used for the maintenance of 4 Aged Care Units at the Morawa Perenjori Health Centre

ST - N/Midlands Solar Thermal Power Reserves

Super Town funds to be used for the N/Midlands Solar Thermal Power feasibility Study Project

ST-Morawa Revitalisation Reserve

Super Town funds to be used for the Morawa Town Revitalisation Project

Legal Fees Reserve

to be utilised for unforeseen Legal Fees

Road Reserve

to be utilised for future Road Construction and Maintenance

Except for the Unspent Grants and Contributions Reserve, the Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

	2016/17 B/Fwd Per 2017/18 Budget \$	2016/17 B/Fwd Per Financial Report \$	2017/18 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	48,420	(176,517)	176,601
Cash - Restricted Unspent Grants	0	317,600	0
Cash - Restricted Unspent Loans	0	0	0
Cash - Restricted Reserves	6,998,015	6,997,139	6,185,561
Rates - Current	0	487,406	2,252,598
Sundry Debtors	542,642	48,351	79,703
GST Receivable	0	52,746	38,076
Accrued Income/Prepayments	0	877	0
Provision for Doubtful Debts	0	(722)	(722)
Other Current Debtors	0	0	0
Inventories	1,335	1,119	1,119
	<u>7,590,412</u>	<u>7,727,999</u>	<u>8,732,936</u>
LESS: CURRENT LIABILITIES			
Sundry Creditors	(60,497)	(92,665)	0
Income Received in Advance	0	0	(8,605)
GST Payable	0	(33,348)	(19,996)
Payroll Creditors	0	0	0
Accrued Expenditure	0	(1,634)	0
Other Payables	0	(5,953)	(35,376)
Withholding Tax Payable	0	0	0
Payg Payable	0	(43,671)	(29,358)
Accrued Interest on Debentures	0	(3,509)	0
Accrued Salaries and Wages	0	(8,965)	0
Current Employee Benefits Provision	(384,662)	(384,662)	(384,662)
Current Loan Liability	6,938	(70,815)	(46,657)
	<u>(438,221)</u>	<u>(645,222)</u>	<u>(524,654)</u>
NET CURRENT ASSET POSITION	7,152,191	7,082,777	8,208,282
Less: Cash - Reserves - Restricted	(6,998,015)	(6,997,139)	(6,185,561)
Less: Cash - Unspent Grants - Restricted	0	0	0
Less: Land Held for Resale	0	0	2,217
Add Back : Component of Leave Liability not Required to be Funded	281,138	281,138	281,919
Add Back : Current Loan Liability	(6,938)	70,815	46,657
SURPLUS/(DEFICIENCY) C/FWD	<u>428,376</u>	<u>437,591</u>	<u>2,353,514</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2017/18 Rate Revenue \$	2017/18 Interim Rates \$	2017/18 Back Rates \$	2017/18 Total Revenue \$	2017/18 Budget \$
General Rate								
GRV Residential/Commercial	0.07571	269	2,912,592	212,543	0	0	212,543	214,220
UV Rural	0.02304	205	63,004,000	1,451,801	0	0	1,451,801	1,451,801
UV Mining	0.28968	15	472,333	136,826	0	0	136,826	136,826
Sub-Totals		489	66,388,925	1,801,170	0	0	1,801,170	1,802,847
Minimum Rates	Minimum \$							
GRV Residential/Commercial	290	45	26,778	13,340	0	0	13,340	13,050
UV Rural	290	6	53,200	1,740	0	0	1,740	1,740
UV Mining	656	11	11,311	7,216	0	0	7,216	7,216
Sub-Totals		62	91,289	22,296	0	0	22,296	22,006
Discounts							1,823,466	
Total amount raised from general rates							(8,611)	(28,000)
Ex-Gratia Rates							1,814,855	1,796,853
Rates Written Off							0	5,792
Specified Area Rates							(61)	(2,000)
Movement in Excess Rates							0	0
Total Rates							(36,284)	0
							1,778,510	1,800,645

All land except exempt land in the Shire of Morawa is rated according to its Gross Rental Value (GRV) in townships or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2017/18 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

9. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in this statement are as follows:

Detail	Balance 01-Jul-17 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Housing Bonds	2,000	0	0	2,000
Dreghorn Unit Bonds	1,164	0	0	1,164
Bonds Hall/Rec Centre Hire	100	300	0	400
Aged Care - Bond Karl Strudwick Number 5	1,266	0	0	1,266
Youth Centre	865	0	0	865
Council Nominations	0	320	0	320
Bill Johnson Unit 1 Bond	0	0	0	0
Haulmore Trailers Land Dep	4,641	0	0	4,641
Social Club Payments	0	0	0	0
Local Drug Action Group	660	0	0	660
BCITF/BRB Training Levy	1,818	0	(2,217)	(399)
Daphne Little - Excess Rent	1,704	0	0	1,704
Morawa Oval Function Centre	1,763	0	0	1,763
	<u>15,981</u>	<u>620</u>	<u>(2,217)</u>	<u>14,384</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

10. OPERATING STATEMENT

	SEPTEMBER 2017 Actual \$	2017/18 Budget \$	2016/17 Actual \$
OPERATING REVENUES			
Governance	545	20,010	40
General Purpose Funding	1,792,238	2,693,995	4,156,663
Law, Order, Public Safety	125	26,230	396,038
Health	0	5,350	3,328
Education and Welfare	2,279	133,899	33,333
Housing	25,869	147,761	195,171
Community Amenities	437,213	554,091	439,329
Recreation and Culture	63,605	69,214	266,587
Transport	79,496	1,092,694	4,971,279
Economic Services	47,652	223,319	156,934
Other Property and Services	19,650	139,184	137,479
TOTAL OPERATING REVENUE	2,468,672	5,105,747	10,756,181
OPERATING EXPENSES			
Governance	105,845	491,640	449,851
General Purpose Funding	50,521	174,282	196,911
Law, Order, Public Safety	15,968	84,223	146,986
Health	42,522	210,604	155,117
Education and Welfare	18,469	800,015	176,028
Housing	62,031	313,270	152,845
Community Amenities	108,917	741,202	585,147
Recreation & Culture	213,717	1,136,614	1,164,884
Transport	262,584	1,598,634	5,175,238
Economic Services	98,867	794,594	415,210
Other Property and Services	154,915	36,296	62,476
TOTAL OPERATING EXPENSE	1,134,356	6,381,374	8,680,694
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>1,334,316</u>	<u>(1,275,627)</u>	<u>2,075,487</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

11. BALANCE SHEET

	SEPTEMBER 2017 Actual \$	2016/17 Actual \$
CURRENT ASSETS		
Cash Assets	6,362,162	7,138,222
Receivables	2,369,655	588,657
Inventories	1,119	1,119
TOTAL CURRENT ASSETS	<u>8,732,936</u>	<u>7,727,998</u>
NON-CURRENT ASSETS		
Receivables	16,559	16,559
Inventories	0	0
Property, Plant and Equipment	23,105,702	23,105,106
Infrastructure	44,279,503	44,073,505
TOTAL NON-CURRENT ASSETS	<u>67,401,764</u>	<u>67,195,170</u>
TOTAL ASSETS	<u>76,134,700</u>	<u>74,923,168</u>
CURRENT LIABILITIES		
Payables	93,335	189,746
Interest-bearing Liabilities	46,657	70,815
Provisions	384,662	384,662
Trust Imbalance	(2,217)	239,867
TOTAL CURRENT LIABILITIES	<u>522,437</u>	<u>645,223</u>
NON-CURRENT LIABILITIES		
Interest-bearing Liabilities	381,781	381,782
Provisions	26,386	26,386
TOTAL NON-CURRENT LIABILITIES	<u>408,167</u>	<u>408,168</u>
TOTAL LIABILITIES	<u>930,604</u>	<u>1,053,391</u>
NET ASSETS	<u>75,204,096</u>	<u>73,869,777</u>
EQUITY		
Retained Surplus	35,814,777	33,668,883
Reserves - Cash Backed	6,185,561	6,997,139
Reserves - Asset Revaluation	33,203,757	33,203,757
TOTAL EQUITY	<u>75,204,095</u>	<u>73,869,779</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017

12. FINANCIAL RATIO

	2017 YTD	2016	2015	2014
Current Ratio	10.590	4.220	3.530	7.880

The above rates are calculated as follows:

Current Ratio equals

$$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$$

SHIRE OF MORAWA
FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017
Report on Significant variances Greater than 10% and \$10,000

Purpose

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (eg a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

The Materiality variances adopted by Council are:

Actual Variance to YTD Budget up to 5%:	Don't Report
Actual Variance exceeding 10% of YTD Budget	Use Management Discretion
Actual Variance exceeding 10% of YTD Budget and a value greater than \$10,000:	Must Report

REPORTABLE OPERATING REVENUE VARIATIONS

General Purpose Funding - Variance below budget expectations

Timing - Variance on Grant income

Education and Welfare - Variance below budget expectations

Youth Centre income decreased due to changes to operations of the Youth Centre -
Timing on grant income

Housing - Variance above budget expectations

18B Evans insurance claim received - unbudgeted for. Offset by expense. Aged Care
income above YTD budget expectations - timing

Recreation & Culture - Variance above budget expectations.

Payment for 20% remaining on Swimming Pool out of round funding received in this financial year

Transport - Variance below expectations.

Timing - Variance on Grant Income

Economic Services - Variance above budget expectations.

Tom O'Toole event non budget item - offset by expenditure

REPORTABLE OPERATING EXPENSE VARIATIONS

Note: Depreciation is not raised until after the audit is completed.
This affects variations across all programs

Education and Welfare - Variance below budget expectations

Tom O'Toole event non budget item - Offset by income
Youth Centre projects - timing on projects

Community Amenities - Variance below budget expectations.

Timing Variance on maintenance

Recreation and Culture - Variance below budget expectations.

Timing Variance on maintenance

Transport - Variance below budget expectations.

Timing Variance on Rural Road Maintenance

Economic Services - Variance below budget expectations

Timing Variance on Caravan Park operation expenses

SHIRE OF MORAWA
FOR THE PERIOD 1 SEPTEMBER 2017 TO 30 SEPTEMBER 2017
Report on Significant variances Greater than 10% and \$10,000

Other Property & Services - Variance above budget expectations.

Envisio Programme to be adjusted at the Budget Review
Consultancy Fees higher than anticipated budget due to leave - arrangements for Senior Officers will be adjusted and reallocated to correct accounts

REPORTABLE NON-CASH VARIATIONS

(Profit)/Loss on Asset Disposals - Variance above budget expectations.

REPORTABLE CAPITAL EXPENSE VARIATIONS

Purchase of Plant & Equipment - Variance above budget expectations.

Purchases overall under budget expectations

Purchase of Infrastructure Assets Roads - Variance below budget expectations.

Capital Road Works for roads under budget - timing

Transfer to Reserves - Variance below budget expectations.

Transfers to Reserves - timing

REPORTABLE CAPITAL INCOME VARIATIONS

Proceeds from Disposal of Assets - Variance within budget expectations.

Transfer from Reserves - Variance below budget expectations.

Transfers to Municipal Fund - timing on completion of projects

7.2.3 Executive Manager Development & Administration

<i>Item No/ Subject:</i>	7.2.3.1 Delegation Under Health (Asbestos) Regulations 1992
<i>Date of Meeting:</i>	19 October 2017
<i>Date & Author:</i>	4 October 2017 – Gordon Houston – Acting Executive Manager Development & Administration
<i>Responsible Officer:</i>	Gordon Houston – Acting Executive Manager Development & Administration
<i>Applicant/Proponent:</i>	
<i>File Number:</i>	PH.LEG.1
<i>Previous minute/s & Reference:</i>	

SUMMARY

Council's consideration is requested for delegation of responsibility to the CEO in relation to a recent amendment of the Health (Asbestos) Regulations 1992, pertaining in particular to 15D(5) of those Regulations.

DECLARATION OF INTEREST

The author has no interest to declare in this report.

ATTACHMENTS

Nil

BACKGROUND INFORMATION

The Department of Health has flagged a revision which occurred on 20 September 2017 to an amendment to the *Health (Asbestos) Regulations 1992*. The revision (another Amendment) was prepared to address a couple of anomalies raised after the previous review and amendment of the principal Regulation on 24 January 2017.

In particular, and the issue of relevance to this Item, Regulation 15D(5) states that, "A local government may, in writing, appoint persons or classes of persons to be authorised officers for the purposes of the Criminal Procedure Act 2004 Part 2". As part of that appointment, an officer is authorised to either issue or extend or cancel an infringement notice.

An infringement notice is a notice that a person has committed an alleged specified offence under a regulation, and requires monetary payment of a specified monetary amount for the offence within a specified time.

The State Solicitor's Office advised that there were no powers under the overriding legislation or the amended Regulations to delegate this power and thus, all appointments (and thus any alterations to infringements) had to be made by Council.

To remedy this, the following Clause has now been inserted into Section 15D of the Regulations:

“(7) A local government may delegate a power or duty conferred or imposed on it by this regulation to the chief executive officer of the local government”.

This Item seeks to advise Council of the amendment and to recommend that the delegation duly occurs.

OFFICER'S COMMENT

The delegation allows the CEO to appoint persons or classes of persons as authorised officers for the purposes of the *Health (Asbestos) Regulations 1992*, on behalf of Council. Amongst other responsibilities, these appointments authorise officers to issue or extend or cancel an infringement notice and the delegation removes any requirement for this administrative function to be undertaken by Council.

COMMUNITY CONSULTATION

Nil

COUNCILLOR CONSULTATION

Nil

STATUTORY ENVIRONMENT

Health (Asbestos) Regulations 1992

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

It is recommended that, under the provisions of Section 15D(7) of the *Health (Asbestos) Regulations 1992*, Council delegates authority to the CEO for the purposes of appointing persons or classes of persons to be authorised officers for the purposes of those Regulations.

COUNCIL RESOLUTION

1710008 **Moved: Cr Stokes**
 Seconded: Cr Collins

Under the provisions of Section 15D(7) of the *Health (Asbestos) Regulations 1992*, Council delegates authority to the CEO for the purposes of appointing persons or classes of persons to be authorised officers for the purposes of those Regulations.

CARRIED 7/0

8. New Business of an Urgent Nature

Nil

9. Applications for Leave of Absence

Nil

10. Motions of Which Previous Notice Has Been Given

Nil

11. Questions from Members without Notice

Nil

12. Meeting Closed

12.1 Matters for which the meeting may be closed

Nil

12.2 Public reading of resolutions that may be made public

Nil

13. Closure

The President declared the meeting closed at 5.50pm.

.....**Presiding Person**

14. Next Meeting - Special Meeting 23 October 2017