



## **AGENDA**

### **ORDINARY COUNCIL MEETING**

**TO BE HELD ON**

**THURSDAY, 23 March 2017**

**5.30<sup>PM</sup>**

**SHIRE COUNCIL CHAMBERS**



**WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY**

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# **DISCLAIMER**

## **INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS**

**PLEASE NOTE:**

**THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.**

**THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.**

**MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING AN OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.**

**JOHN ROBERTS  
CHIEF EXECUTIVE OFFICER**



## COUNCIL MEETING INFORMATION NOTES

1. Your Council generally handles all business at Ordinary or Special Council Meetings.
2. From time to time Council may form a Committee to examine subjects and then report to Council.
3. Generally all meetings are open to the public, however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.
4. Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.

When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

5. **Councillors** may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter **trivial, insignificant** or **in common with a significant number of electors** or **ratepayers**. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

**Members of staff** who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of meeting will advise the Officer if he/she is to leave the meeting.

6. Agendas including an Information Bulletin are delivered to Councillors within the requirements of the Local Government Act 1995, ie seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item including a recommendation will then be submitted to Council for consideration. The Agenda closes the Monday week prior to the Council Meeting (ie ten (10) days prior to the meeting).

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

7. Agendas for Ordinary Meetings are available in the Morawa Shire offices seventy two (72) hours prior to the meeting and the public are invited to secure a copy.
8. Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda.
9. Public Question Time – Statutory Provisions – Local Government Act 1995.
  1. Time is to be allocated for questions to be raised by members of the public and responded to at:
    - (a) Every ordinary meeting of a council; and
    - (b) Such other meetings of councils or committees as may be prescribed

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meeting - s5.24 (1) (b)

Local Government (Administration) Regulations 1996

- Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:
- (a) every special meeting of a council; and
  - (b) every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

- Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.
- (2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

- Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:
- (a) by the person presiding at the meeting; or
  - (b) in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members,
- having regard to the requirements of sub regulations (2) and (3).
- (2) The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.
- (3) Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.
- (4) Nothing in sub regulation (3) requires:
- (a) A council to answer a question that does not relate to a matter affecting the local government;
  - (b) A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or
  - (c) A committee to answer a question that does not relate to a function of the committee.

10. Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection in the Morawa Shire Offices within ten (10) working days after the Meeting.

## **1     Declaration of Opening**

The Shire President to declare that the meeting open at 5:30pm

### **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 P Stokes	
Mr J Roberts	Chief Executive Officer
Ms S Appleton	Executive Manager Development & Administration
Mrs W Gledhill	Manager of Accounting and Finance
Mr P Buist	Principal Works Manager
Mrs S Adams	Executive Assistant to CEO

### **1.2     Apologies**

### **1.3     Approved Leave of Absence**

### **1.4     Welcoming of Visitors to the Meeting**

### **1.5     Announcements by the Presiding Member without Discussion**

## **2     Public Question Time**

### **2.1     Response to previous public questions taken on notice**

### **2.2     Public question time**

## **3     Declaration of Interest**

Members are to declare financial, proximity and indirect interests.

## **4     Confirmation of Minutes of Previous Meetings**

## **5     Public Statements, Petitions, Presentations and Approved Deputations**

## **6     Method of Dealing with Agenda Business**

## **7     Reports**

**7.1 Reports from Committees**

Nil

**7.2 Reports from the Chief Executive Officer**

**7.2.2 Manager Accounting and Finance**

**7.2.3 Community Youth Development Officer**

Nil

**7.2.4 Executive Manager**

**7.2.5 Chief Executive Officer - Other**

## **7.2 Reports from the Chief Executive Officer**

<i>Item No/ Subject:</i>	<b>7.2.1 Status Report</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>17 February 2017 - John Roberts</b>
<i>Responsible Officer:</i>	<b>Chief Executive Officer - John Roberts</b>
<i>Applicant/Proponent:</i>	<b>Chief Executive Officer - John Roberts</b>
<i>File Number:</i>	<b>Various</b>
<i>Previous minute/s &amp; Reference:</i>	<b>18 December 2016 (Last Update to Council)</b>

### **SUMMARY**

The Status Report provides an update on the progress of matters that have come before Council where a decision was made.

### **DECLARATION OF INTEREST**

The author has no interest to declare in this report.

### **ATTACHMENTS**

Shire of Morawa January 2017 Status Report.

### **BACKGROUND INFORMATION**

The Status Report provides an update on the progress of matters that have come before Council where a decision was made.

### **OFFICER'S COMMENT**

As per the Status Report

### **COMMUNITY CONSULTATION**

As per the Status Report

## **COUNCILLOR CONSULTATION**

As per the Status Report

## **STATUTORY ENVIRONMENT**

Shire of Morawa Meeting Procedures Local Law 2012 (Standing Orders).

## **POLICY IMPLICATIONS**

Not Applicable

## **FINANCIAL IMPLICATIONS**

Not Applicable

## **STRATEGIC IMPLICATIONS**

Not Applicable

## **RISK MANAGEMENT**

Not Applicable

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

Accepts the Shire of Morawa Status Report for February 2017 as tabled.



## Council Resolutions for Actioning or Attention Completed

MEETING	ITEM	ACTION REQUIRED	RESPONSE	OFFICER	TIME FRAME
Mar-08	8.1.2	Sinosteel Midwest Corporation Ltd – Entry Statement Project (Gateway Project)	<ul style="list-style-type: none"> <li>DPI has offered assistance to ensure that Ministerial Directions in relation to the Rail Siding development are met. Council has agreed to undertake an internal design review to establish suitable on ground structures going forward. CYDO has been commissioned to manage this project with initial community meeting held. Review process will incorporate the main town entry statements and a new northern entry statement along the realigned Mingenew – Morawa Road. Preliminary designs were rejected by Council at September 2010 Meeting. Public tender process initiated to seek alternate design proposals has been suspended. Shire is seeking preliminary design proposals on an array of various concepts for further Council consideration. Visiting artists from Geraldton toured site on 15<sup>th</sup> March 2011. Preliminary concept designs rejected by Council. Council Working Group established and met to identify a way forward to further the concept design process. Landscape adviser identified and visitation to site occurred on 29<sup>th</sup> November 2011 with a following submission. TPG have provided a proposal to provide a scoping design role under the Morawa Super Town Project.</li> <li>Council sub-committee and SMC representative met with principal consultants in Perth on 27<sup>th</sup> February 2012. Initial design proposal received and on site meeting held on 7<sup>th</sup> May 2012. Further design received for Council consideration.</li> <li>Informal discussion held between ACEO and Scott Whitehead (SMC) – June 2013? Topics included: <ul style="list-style-type: none"> <li>Gateway project;</li> <li>Future fund;</li> <li>Radio tower</li> </ul> </li> <li>Options now required to address status of this project: <ul style="list-style-type: none"> <li>CEO (Sean Fletcher) met with Scott Whitehead on 20 December 2013 and had a further meeting with SMC Legal Advisor Stuart Griffiths on 22 January 2014;</li> <li>Discussions highlighted that SMC is willing to allocate \$100,000 to the project or this level of funding to another town based project;</li> <li>Council informed of status at the Briefing Forum on 11</li> </ul> </li> </ul>	CEO	Dec-13

			<p>February 2014.</p> <ul style="list-style-type: none"> <li>The former CEO suggested to Council at the February Council meeting that perhaps it was time to revisit the Gateway Project. Council suggested that this should be done at the Briefing Forum regarding the Old Morawa Hospital. Some preliminary discussion was had on 20 March 2014.</li> <li>SP, CEO &amp; Stuart Griffiths (SMC) met on 17 July 2014 to discuss the Gateway Project and the Future Fund.. SMC stated that the \$100,000 allocation was not tied to the Gateway Project. It was suggested it could be used for community benefit infrastructure such as a childrens' playground.</li> <li>CEO met with Stuart Griffiths on 19 May 2015. CEO was advised that \$40,000 is available for allocation. Discussions took place about purpose. The possibility of using the funding for adventure equipment in the Town Square was received favourably.</li> <li>Sinosteel are reviewing the Minister's Order to see if the obligation is still valid. The CEO discussed the opportunity to use the funds for the Bush Trail.</li> <li>The Shire CEO has invoiced Sinosteel for \$30,000.</li> </ul>		
Jun-11	8.2.1	Climate Change Risk Assessment & Adaptation Action Plan	<ul style="list-style-type: none"> <li>Implement adaptation action plan strategies rated 'extreme' and 'high' as budgetary and human resources permit.</li> <li>Consideration required to start funding actions in 2015/16</li> <li>No further action at this time.</li> </ul>	CEO	Jun-13
Mar 2014	12.1.1	Proposal to Reallocate Solar Thermal Feasibility Funding (\$500,000)	<ul style="list-style-type: none"> <li>The CEO has requested a further extension of this funding until 30 March 2017.</li> </ul>	CEO	In Progress
			<ul style="list-style-type: none"> <li></li> </ul>		

### Council Resolutions for Actioning or Attention Completed

	<b>Chief Executive Officer</b>				
June 2016	<b>1606016</b>	Shire President and CEO to enter into discussions with State Government representatives in relation to the Shire of Morawa's current and future interests in the	Appropriate representatives identified. Need to arrange suitable times for Shire President and CEO to attend. Shire President and CEO to meet with the Dept of Health CEO on Tuesday 20 December 2016.		

		Old Morawa Hospital			
June 2016	<b>1606019</b>	Designs plans and cost estimates to be obtained for a relocated Evaside/Stephens Road intersection including constructed width and height of the road and intersection	Design received. To be presented at the October 2016 Briefing Session for discussion on options.		

### Legend

1. Text in red indicates current action.
2. Table items shaded in yellow refer to long outstanding items (generally six months or more).
3. Table items in green refer to matters within the last six months.

- 7.2.2 Correspondence
- 7.2.3 Information Bulletin

#### **7.2.4 Reports from the Manager Accounting & Finance**

<i>Item No/Subject:</i>	<b>7.2.4.1 Accounts Due For Payment – February 2017</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>1 March 2017 - Senior Finance Officer - Candice Smith</b>
<i>Responsible Officer:</i>	<b>Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>Applicant/Proponent:</i>	<b>Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>File Number:</i>	<b>ADM0135</b>
<i>Previous minute/s &amp; Reference:</i>	

#### **SUMMARY**

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

#### **DECLARATION OF INTEREST**

Nil

#### **ATTACHMENTS**

List of accounts due and submitted to Council on 23 March 2016

#### **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

## **OFFICER'S RECOMMENDATION**

That Council endorses:

The list of accounts paid by the Chief Executive Officer under delegated authority, represented by:

- Municipal EFT Payment Numbers EFT 9404 to EFT 9493 inclusive, amounting to \$688,656.67
- Municipal Cheque Payments Numbered 11666 to 11675 amounting to \$12,300.55
- Municipal Direct Debit Payments Numbers DD5415.1 to DD5461.1 amounting to \$24,640.32
- Payroll for February 2017

08/02/2017 - \$49,871.83

22/02/2017 - \$48,020.89

EFT9404	03/02/2017	Morawa Drapery Store	Work Uniform	1	762.25
EFT9405	03/02/2017	McDonalds Wholesalers	UHT Milk Devondale	1	91.00
EFT9406	03/02/2017	Mid West Auto Group	Service Vehicle MO340	1	2,021.49
EFT9407	03/02/2017	S & K Electrical Contracting Pty Ltd	35 Dreghorn St Electrical Work	1	978.68
EFT9408	03/02/2017	GH Country Courier	Freight - Midwest Chemicals to Morawa Shire	1	75.15
EFT9409	03/02/2017	Courier Australia	Freight Pathwest	1	152.04
EFT9410	03/02/2017	Sigma Companies Group Pty Ltd	Bulk Chemical Order – S/Pool	1	8,263.20
EFT9411	03/02/2017	Bob Waddell Consultant	Assistance 16/17 Budget Review	1	264.00
EFT9412	03/02/2017	Spotlight Pty Ltd	Curtains Caravan Park	1	1,408.02
EFT9413	03/02/2017	Orana Cinemas	Holiday Programme - Cinema Trip to Geraldton 24/01/2017	1	180.00
EFT9414	03/02/2017	Melissa Borg	Reimbursement	1	150.00
EFT9415	03/02/2017	IGA Morawa	January 2017 Account	1	765.11
EFT9416	03/02/2017	Deans Contracting WA Pty Ltd	Flood Damage Supervisor 06/01/2017 - 15/01/2017	1	13,906.75
EFT9417	03/02/2017	Safe Roads WA	Hire two road patching trucks, one road broom, one roller	1	39,657.75
EFT9418	03/02/2017	Mullewa Arts Development	Student Photo Images - Cloud Chasing	1	1,490.00
EFT9419	03/02/2017	Tyrepower Geraldton	Wheel Balance MO340 and new tyre	1	334.50
EFT9420	03/02/2017	Rachel McKenzie	Cloud Chasing Project - acquittal	1	2,480.00
EFT9421	07/02/2017	Australian Services Union	Payroll deductions	1	79.05

EFT9422	07/02/2017	Department of Human Services	Payroll deductions	1	322.67
EFT9423	10/02/2017	Allmark & Associates Pty Ltd	Pool Upgrade Plaque	1	693.00
EFT9424	10/02/2017	Star Track Express	Freight Star Track	1	471.08
EFT9425	10/02/2017	Morawa Medical Centre	Medical consult	1	65.00
EFT9426	10/02/2017	Morawa Traders	Refreshments Jan 2017	1	282.01
EFT9427	10/02/2017	Morawa Roadhouse	Bagged Ice Australia Day	1	70.00
EFT9428	10/02/2017	Refuel Australia	Purchases for stock and vehicles	1	13,289.19
EFT9429	10/02/2017	Courier Australia	Freight water sewerage	1	10.30
EFT9430	10/02/2017	Frank Gilmour	Pest Control Services in Shire Buildings	1	1,320.00
EFT9431	10/02/2017	Jason Signmakers	50 logo stickers Morawa Town Centre	1	1,178.10
EFT9432	10/02/2017	Dongara Denison Smash Repairs	Insurance repairs 02MO Toyota Rav 4	1	300.00
EFT9433	10/02/2017	DALLYWATER CONSULTING	Contract EHO work (onsite)	1	2,750.00
EFT9434	10/02/2017	Everlastings Guest Homes Morawa	Catering Australia Day	1	375.00
EFT9435	10/02/2017	Vidguard Security Systems	Full security system maintenance and repair	1	509.34
EFT9436	10/02/2017	The West Australian	Advertisement Mid West Times	1	199.53
EFT9437	10/02/2017	JMH Mechanical Services	Check Trailer Plug OMO	1	115.50
EFT9438	10/02/2017	Star Track Express	Freight General January 2017	1	31.29
EFT9439	10/02/2017	BOC Limited	Balloon Gas Cylinder Australia Day	1	342.17
EFT9440	10/02/2017	BL & MJ Thornton Waste Removal Services	Waste Removal - Jan 2017	1	9,272.29



EFT9441	10/02/2017	Canine Control	Ranger Services Wed 25/1/17	1	962.50
EFT9442	10/02/2017	Vidguard Security Systems	Monitoring alarm system 1/2/17-30/4/17	1	115.50
EFT9443	10/02/2017	Sigma Companies Group Pty Ltd	Chemicals Morawa Pool	1	328.82
EFT9444	10/02/2017	Neverfail Springwater Limited	Water Cooler Hire January 2017	1	14.30
EFT9445	10/02/2017	Alinta Sales Pty Ltd	Power Bill 1/1/17-31/1/17	1	391.07
EFT9446	10/02/2017	Shire of Three Springs	Shared Community Emergency Management costs 1/10/2016-31/12/2016	1	4,006.61
EFT9447	10/02/2017	Trisley's Hydraulic Services Pty. Ltd.	Supply 1 willow pump S/Pool	1	575.30
EFT9448	10/02/2017	Colliers	Commercial Office Rent 1/2/17-28/2/17	1	423.85
EFT9449	10/02/2017	Karen Jeanette Chappel	Presidential Allowance and sitting fee Oct – Dec 2016	1	8,250.00
EFT9450	10/02/2017	Star Track Express	Freight Covs	1	4,434.23
EFT9451	10/02/2017	Think Water Geraldton	Hunter Nozzle	1	268.00
EFT9452	10/02/2017	S & K Electrical Contracting Pty Ltd	Smoke alarm replacement and aircon Re wire	1	819.73
EFT9453	10/02/2017	CJ & BM Plumbing & Gas	Install Hot Water System	1	660.00
EFT9454	10/02/2017	Mark Thornton	Sitting Fee Oct-Dec 2016	1	2,000.00
EFT9455	10/02/2017	Ken Stokes	Sitting Fee Oct - Dec 2016	1	2,000.00
EFT9456	10/02/2017	Blackwoods - ( J Blackwood & Son PTY Limited )	Wheels for Tractor Mower	1	254.17
EFT9457	10/02/2017	Jane Coaker	Sitting Fees Oct-Dec 2016	1	2,000.00
EFT9458	10/02/2017	Dean Carslake	Sitting Fee and Vice Presidential Allowance Oct-Dec 2016	1	3,062.50

EFT9459	10/02/2017	Debbie Collins	Sitting Fee Oct-Dec 2016	1	2,000.00
EFT9460	10/02/2017	Darren S Agar	Sitting Fee Oct-Dec 2016	1	2,000.00
EFT9461	13/02/2017	Deans Contracting WA Pty Ltd	Flood Damage Supervision - 23/01/2017 to 05/02/2017	1	16,774.56
EFT9462	13/02/2017	BPH	Flood Damage Repairs 23/01/2017 - 05/02/2017	1	245,267.00
EFT9463	14/02/2017	Greenfield Technical Services	Flood Damage Work Package #2	1	4,761.24
EFT9464	15/02/2017	Morawa News & Gifts	Purchases for Shire	1	632.53
EFT9465	15/02/2017	Landmark Operations Limited	Joiner metric 3G	1	84.48
EFT9466	15/02/2017	Think Water Geraldton	Sprinklers	1	514.15
EFT9467	15/02/2017	Hitachi Construction Machinery (Australia) Pty Ltd	Hydraulic Hose and O Ring	1	636.71
EFT9468	15/02/2017	S & K Electrical Contracting Pty Ltd	Morawa Swimming Pool - Check electrical circuits	1	2,078.58
EFT9469	15/02/2017	GH Country Courier	Delivery Chemicals ex Geraldton	1	279.63
EFT9470	15/02/2017	Courier Australia	Courier from Perth - Jason Signmakers	1	18.67
EFT9471	15/02/2017	Winchester Industries	Supply and Deliver Nannekine Road Repair materials	1	27,394.40
EFT9472	15/02/2017	J & K Hopkins	Adjustable desk for front counter	1	1,648.00
EFT9473	15/02/2017	WBHO Civil	Remove and replace sewerage access ladder	1	14,692.44
EFT9474	21/02/2017	Deans Contracting WA Pty Ltd	Flood Damage Supervisor - 06/02/2017 - 12/02/2017	1	9,841.04
EFT9475	21/02/2017	BPH	Flood Damage works 06/02/2017 - 12/02/2017	1	198,913.00
EFT9476	21/02/2017	Deans Contracting WA Pty Ltd	Supervisor Flood Damage 13/02/2017 - 17/02/2017	1	8,818.26
EFT9477	21/02/2017	Kats Rural	Rheem Electric HWS 80Ltr	1	1,849.74

EFT9478	21/02/2017	WesTrac Equipment Pty Ltd	Parts	1	923.65
EFT9479	21/02/2017	Think Water Geraldton	Parts	1	113.90
EFT9480	21/02/2017	Reliance Petroleum	Card and retail purchases	1	403.14
EFT9481	21/02/2017	S & K Electrical Contracting Pty Ltd	Morawa Town Clock Repairs, Labour, and Materials	1	4,350.11
EFT9482	21/02/2017	WA Local Government Association	Short Course Booking "Local Government Act 1995-advance"	1	1,012.00
EFT9483	21/02/2017	Geraldton Mower & Repairs Specialists	SPG Ratchet	1	3.40
EFT9484	24/02/2017	Australian Services Union	Payroll deductions	1	79.05
EFT9485	24/02/2017	Department of Human Services	Payroll deductions	1	322.67
EFT9486	28/02/2017	Ashdown Ingram	Hydra Krimp Kit	1	935.00
EFT9487	28/02/2017	Star Track Express	Freight Welshpool to Morawa	1	76.65
EFT9488	28/02/2017	Morawa Medical Centre	Medical Consult	1	195.00
EFT9489	28/02/2017	Geraldton Toyota	Relay Assy – Community Bus	1	1,073.20
EFT9490	28/02/2017	Winchester Industries	Supplied and delivered stone	1	3,200.00
EFT9491	28/02/2017	Left of Centre Concepts & Events Pty Ltd	Media Relations Dec 16 & Jan 17	1	1,144.00
EFT9492	28/02/2017	Guardian Print	Binding of Minutes Shire	1	695.00
EFT9493	28/02/2017	Covs Parts Pty Ltd	Various Parts	1	703.43
11666	07/02/2017	Synergy	Power Usage 15/12/2016 - 18/01/2017	1	2,454.20
11667	10/02/2017	McLeods Barristers and Solicitors	Legal opinion on Retirement Villages Act	1	1,352.31
11668	10/02/2017	Synergy	Street Light Charges 7/12/16-24/1/17	1	3,446.20

11669	10/02/2017	Telstra Corporation Limited	Phone Usage 16/1/17-15/2/17	1	337.30
11670	10/02/2017	Morawa Licensed Post Office Emmlee's	Postage Office Costs Jan 2017	1	110.94
11671	10/02/2017	Telstra Corporation Limited	Phone Charges Jan 2017	1	517.60
11672	15/02/2017	Synergy	Street Lighting 24/01/2017 – 07/02/2017	1	3,561.05
11673	15/02/2017	Shire Of Coorow	North Midland Zone Dinner - Local Government Convention	1	93.00
11674	21/02/2017	Telstra Corporation Limited	Phone Usage Jan 2017	1	328.30
11675	21/02/2017	Synergy	Power Usage Dec – Feb 2017	1	99.65
DD5415.1	08/02/2017	WA Local Government Superannuation Plan	Payroll deductions	1	8,505.06
DD5415.2	08/02/2017	AMP LIFE LTD - SUPERANNUATION	Superannuation contributions	1	456.19
DD5415.3	08/02/2017	BT FINANCIAL GROUP	Superannuation contributions	1	300.94
DD5415.4	08/02/2017	MLC Nominees Pty Ltd	Superannuation contributions	1	222.87
DD5415.5	08/02/2017	Commonwealth Bank Group Super	Superannuation contributions	1	81.95
DD5415.6	08/02/2017	HOSTPLUS	Superannuation contributions	1	119.19
DD5415.7	08/02/2017	Concept One	Superannuation contributions	1	211.05
DD5415.8	08/02/2017	Australian Super	Superannuation contributions	1	214.53
DD5446.1	22/02/2017	WA Local Government Superannuation Plan	Payroll deductions	1	8,196.43
DD5446.2	22/02/2017	AMP LIFE LTD - SUPERANNUATION	Superannuation contributions	1	488.32
DD5446.3	22/02/2017	BT FINANCIAL GROUP	Superannuation contributions	1	300.94

DD5446.4	22/02/2017	MLC Nominees Pty Ltd	Superannuation contributions	1	222.87
DD5446.5	22/02/2017	Commonwealth Bank Group Super	Superannuation contributions	1	61.88
DD5446.6	22/02/2017	HOSTPLUS	Superannuation contributions	1	114.49
DD5446.7	22/02/2017	Concept One	Superannuation contributions	1	211.05
DD5446.8	22/02/2017	Australian Super	Superannuation contributions	1	214.53
DD5457.1	06/02/2017	BankWest	Credit Card January 2017	1	4,182.12
DD5457.2	01/02/2017	Westnet Pty Ltd	Westnet Feb 2017	1	224.75
DD5457.3	13/02/2017	BOQ Finance	Photocopier Lease Feb 2017	1	301.16
DD5461.1	01/02/2017	Westnet Pty Ltd	Additional cost no included in first creditor	1	10.00

#### **REPORT TOTALS**

<b>EFT</b>	<b>\$ 688,656.67</b>
<b>Cheque</b>	<b>\$ 12,300.55</b>
<b>Direct Debits</b>	<b>\$ 24,640.32</b>
<b>Payroll</b>	<b>\$ 97,892.72</b>
<b>Credit Card</b>	<b>\$ 4,182.12</b>
<b>TOTAL</b>	<b>\$827,672.38</b>

## Jan-17

### Business Credit Card - John Roberts Bankwest Mastercard

Date	Description	Accounts	Account Description	Amount	GST
6/01/2017	Membership renewal	1146040.521	Personal Professional Development	720.00	65.45
12/01/2017	Aus Masters Tax Guide	1146040.521	Personal Professional Development	271.95	24.72
12/01/2017	CPA Program Fee Sem 1	1146040.521	Personal Professional Development	1070.00	97.27
19/01/2017	Car Wash - CEO	P229	Toyota Kluger - CEO	22.00	2.00
24/01/2017	Mid West Economic Summit	1146100.521	Conference Expenses	170.00	15.45

	Total Purchases for J. Roberts	2253.95	204.90
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## Business Credit Card - Fred Gledhill Bankwest Mastercard

Date	Description	Accounts	Account Description	Amount	GST
4/01/2017	Coaster Bus License	P196	Toyota Coaster Bus	312.45	28.40
			Total Purchases for F. Gledhill	312.45	28.40

## Business Credit Card - Sam Appleton

Date	Description	Accounts	Account Description	Amount	GST
7/01/2017	Tyre repair MO340	P236	Nissan Patrol Wagon	27.50	2.50
7/01/2017	Purchase USB Drives	1146260.520	Printing & Stationery	80.00	7.27
7/01/2017	Keys Cut various	1101020.520	Maintenance - Tip Costs	16.20	1.47
7/01/2017	Laminating Paper	1146260.520	Printing & Stationery	29.95	2.72
14/01/2017	Napkins - Australia Day	1041030.520	Refreshments & Receptions	40.00	3.64
14/01/2017	Boombox	1146180.520	Office Equipment Purchased	29.00	2.64
14/01/2017	Various goods for Australia Day	1041030.520	Refreshments & Receptions	132.00	12.00
14/01/2017	Wireless keyboard & Mouse	1146180.520	Office Equipment Purchased	78.00	7.09
14/01/2017	File Racks and Office Labels	1146260.520	Printing & Stationery	131.90	11.99
15/01/2017	Keys Cut various		Various	37.80	3.44

20/01/2017	Tape Measure	1146180.520	Office Equipment Purchased	7.98	0.73
20/01/2017	Acid for S/Pool	B11205	Swimming Pool Maintenance	79.00	7.18
20/01/2017	Paper Planes Movie for Australia Day	1041030.520	Refreshments & Receptions	14.99	1.36
20/01/2017	Telstra Prepaid WIFI	1101100.520	Refuse Station Office	49.00	4.45
20/01/2017	2 x eskis Australia Day	1041030.520	Refreshments & Receptions	846.40	76.95
21/01/2017	Balloons Australia Day	1041030.520	Refreshments & Receptions	16.00	1.45
					0.00

	<b>Total Purchases for S.Appleton</b>	1615.72	146.88
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	<b>Total Fees and Charges</b>	4182.12	380.19
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<i>Item No/Subject:</i>	<b>7.2.4.2 Reconciliations - February 2017</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>1 March 2017 Senior Finance Officer - Candice Smith</b>
<i>Responsible Officer:</i>	<b>Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>Applicant/Proponent:</i>	<b>Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>File Number:</i>	<b>ADM0189</b>
<i>Previous minute/s &amp; 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 28 February 2017**

<b>Account</b>	<b>2017</b>
Municipal Account #	\$181,408.23
Trust Account	\$13,058.29
Business Telenet Saver (Reserve) Account	\$3,184,248.07
WA Treasury O/night Facility (Super Towns) Account	\$732,633.49
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

**BANK RECONCILIATION BALANCES**

The Bank Reconciliation Balances for 28 February 2017 with a comparison for 28 February 2016 is as follows:

<b>Account</b>	<b>2016</b>	<b>2017</b>
Municipal Account #	\$753,525.49	\$169,192.53
Trust Account	\$9,991.08	\$13,342.29
Reserve Account	\$7,004,824.62	\$6,016,881.56

## **RESERVE ACCOUNT**

The Reserve Funds of \$6,016,881.56 as at 28 February 2017 were invested in:-

- Bank of Western Australia \$3,181,467.55 in the Business Telenet Saver Account and
- \$732,633.49 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 February 2017 with a comparison for February 2016 is as follows:

	<b>2016</b>	<b>2017</b>
Sports Complex Upgrade Reserve	\$0.00	\$0.00
Land & Building Reserve	\$5,217.04	\$79,691.47
Plant Reserve	\$942,603.35	\$987,804.84
Leave Reserve	\$280,133.36	\$288,995.44
Economic Development Reserve	\$107,452.23	\$108,917.95
Sewerage Reserve	\$123,993.39	\$145,783.80
Unspent Grants & Contributions Reserve	\$995,013.57	\$24,828.78
Community Development Reserve	\$1,389,085.33	\$1,185,107.53
Water Waste Management Reserve	\$0.00	\$0.00
Morawa Future Funds Reserve	\$2,182,431.34	\$2,151,839.49
Morawa Future Funds Interest Reserve	\$11,078.85	\$55,152.09
Aged Care Units Reserve	\$8,976.12	\$9,098.58
Transfer Station Reserve	\$197,924.89	\$29,020.27
S/Towns Revitalisation Reserve	\$172,650.72	\$175,705.01
ST Solar Thermal Power Station Reserve	\$547,246.53	\$556,928.48
Business Units Reserve	\$41,017.90	\$61,740.89
Legal Reserve	\$0.00	\$15,122.62
Road Reserve	\$0.00	\$141,144.32
<b>TOTAL</b>	<b>\$7,004,824.62</b>	<b>\$6,016,881.56</b>

## **TRANSFER OF FUNDS**

- \$27,898.75 from Unspent Grants to Municipal Fund being for Interest earned on MWIP S/Towns up to and including 30/06/2014,30/06/2015. 5 August 2016
- \$12,606.63 from Unspent Grants to Municipal Fund being for Interest earned on S/Towns Interest 15/16. 10 August 2016
- \$106,179.00 from Transfer Station Funds to Municipal Fund less interest earned being for New Transfer Station. 31 October 2016
- \$200,000.00 from Community Development Fund to Municipal Fund being for contribution towards major works on Town Swimming Pool. 31 October 2016
- \$27,816.09 from Unspent Grant to Municipal Fund being for Cloud Chasing Grant Unspent EOY 15/16. 31 October 2016
- \$38,694.73 from Municipal Fund to Plant Reserve – First Quarter Asset Depreciation allocation as per Budget. 15 December 2016.
- **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 Morawa Future Funds to Term Deposit Future Funds1 for 11 months and 30 days @ 3% interest
- \$800,000.00 from Morawa 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 February 2017.

<i>Item No/Subject:</i>	<b>7.2.4.3 Monthly Financial Statements – February 2017</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>1 March 2017 Senior Finance Officer - Candice Smith</b>
<i>Responsible Officer:</i>	<b>Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>Applicant/Proponent:</i>	<b>Senior Finance Officer - Candice Smith Manager Accounting &amp; Finance - Fred Gledhill</b>
<i>File Number:</i>	
<i>Previous minute/s &amp; 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**

The February Monthly Financial Activity Report pertaining to Councils operations is provided under separate cover. 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 28 February 2017.



**SHIRE OF MORAWA**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

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## SHIRE OF MORAWA

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

	NOTE	FEBRUARY 2017 Actual \$	FEBRUARY 2017 Y-T-D Budget \$	2016/17 Budget \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
<b>Operating</b>							
<b>Revenues/Sources</b>	1,2						
Governance		4	0	10	4	0.00%	
General Purpose Funding		1,209,388	1,321,730	1,786,445	(112,342)	(8.50%)	
Law, Order, Public Safety		386,167	33,079	44,720	353,088	1067.41%	▲
Health		2,584	4,000	8,000	(1,416)	(35.40%)	
Education and Welfare		32,742	27,428	45,500	5,314	19.37%	
Housing		50,742	36,912	142,711	13,830	37.47%	▲
Community Amenities		435,023	452,820	611,431	(17,797)	(3.93%)	
Recreation and Culture		252,689	71,220	346,031	181,469	254.80%	▲
Transport		3,645,728	3,131,171	3,591,841	514,557	16.43%	▲
Economic Services		112,667	134,856	192,699	(22,189)	(16.45%)	▼
Other Property and Services		52,589	53,282	123,722	(693)	(1.30%)	
		6,180,323	5,266,498	6,893,110	913,825	17.35%	
<b>(Expenses)/(Applications)</b>	1,2						
Governance		(284,340)	(299,361)	(485,349)	(284,340)	0.00%	
General Purpose Funding		(124,028)	(121,360)	(198,855)	(2,668)	(2.20%)	
Law, Order, Public Safety		(90,045)	(104,790)	(147,658)	14,745	14.07%	▼
Health		(92,504)	(105,696)	(154,150)	13,192	12.48%	▼
Education and Welfare		(137,536)	(204,385)	(299,878)	66,849	32.71%	▼
Housing		(93,238)	(67,173)	(178,753)	(26,065)	(38.80%)	▲
Community Amenities		(335,654)	(436,187)	(616,434)	100,533	23.05%	▼
Recreation & Culture		(815,452)	(794,823)	(1,143,712)	(20,629)	(2.60%)	
Transport		(4,587,878)	(1,201,358)	(1,769,563)	(3,386,520)	(281.89%)	▲
Economic Services		(293,654)	(452,114)	(628,406)	158,460	35.05%	▼
Other Property and Services		(21,820)	(62,179)	(29,715)	40,359	64.91%	▼
		(6,876,149)	(3,849,426)	(5,652,470)	(3,326,084)	78.63%	
<b>Net Result Excluding Rates</b>		(695,826)	1,417,073	1,240,640	(2,412,260)		
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>							
(Profit)/Loss on Asset Disposals	4	0	12,209	18,259	(12,209)	100.00%	▼
Movement in Leave Reserve (Added Back)		2,343	0	0	2,343	0.00%	
Movement in Deferred Pensioner Rates/ESL (not)		2,871	0	0	2,871	0.00%	
Movement in Employee Benefit Provisions (non-c)		0	0	0	0	0.00%	
Rounding Adjustment		0	0	0	0	0.00%	
Depreciation on Assets		986,364	1,122,000	1,683,278	(135,636)	12.09%	▼
<b>Capital Revenue and (Expenditure)</b>							
Purchase Land Held for Resale	3	0	0	0	0	0.00%	
Purchase Land and Buildings	3	(77,483)	(647,565)	(869,434)	570,082	88.03%	▼
Purchase Plant and Equipment	3	(466,704)	(367,000)	(387,000)	(99,704)	(27.17%)	▲
Purchase Furniture and Equipment	3	0	(2,870)	(2,870)	2,870	100.00%	
Purchase Infrastructure Assets - Roads	3	(753,820)	(1,485,563)	(1,888,807)	731,743	49.26%	▼
Purchase Infrastructure Assets - Footpaths	3	0	0	0	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	(2,600,000)	(2,600,000)	2,600,000	100.00%	▼
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	(1,225,209)	(484,600)	(966,000)	(740,609)	(152.83%)	▲
Proceeds from Disposal of Assets	4	15,000	135,500	135,500	(120,500)	(88.93%)	▼
Repayment of Debentures	5	(44,414)	(46,164)	(68,175)	1,750	3.79%	
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	(82,860)	(383,104)	(519,121)	300,244	78.37%	▼
Transfers from Restricted Asset (Reserves)	6	374,500	1,307,772	1,472,931	(933,272)	(71.36%)	▼
ADD Net Current Assets July 1 B/Fwd	7	1,081,055	1,088,809	1,088,809	(7,754)	(0.71%)	
LESS Net Current Assets Year to Date	7	768,872	723,220	0	45,652	(6.31%)	
<b>Amount Raised from Rates</b>	8	(1,653,055)	(1,656,723)	(1,661,990)	3,668	(0.22%)	

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%



NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 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	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	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 JULY 2016 TO 28 FEBRUARY 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.



NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 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 JULY 2016 TO 28 FEBRUARY 2017

	2016/17 Budget \$	FEBRUARY 2017 YTD Budget \$	FEBRUARY 2017 Actual \$
<b>3. ACQUISITION OF ASSETS</b>			
The following assets have been acquired during the period under review:			
<b><u>By Program</u></b>			
<b>Governance</b>			
Upgrade to Old Council Chambers	539,434	404,565	0.00
<b>General Purpose Funding</b>			
<b>Law, Order, Public Safety</b>			
New fire truck	0	0	370,940.46
<b>Housing</b>			
Aged Person Units x 4 - water metres	30,000	18,000	0.00
<b>Community Amenities</b>			
Construction of Refuse Transfer Station	0	0	0.00
New Tip Site Construction	0	0	6,490.18
Closure/Rehabilitation Old Tip Site	0	0	0.00
Compactors/Transfer Bins for Transfer Station	0	0	43,820.00
Refuse Transfer Station - Storage Shed	0	0	73,530.09
Purchase Land For New Waste Site	300,000	225,000	0.00
<b>Recreation and Culture</b>			
Upgrade to Pool Pump House	0	0	0.00
Swimming Pool Bowls (Adults/Childrens Pools) - Contract	950,000	475,000	1,146,978.62
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	3,951.87
<b>Transport</b>			
Road Construction			
- Rural Roads Construction	1,533,585	1,225,033	749,357.81
- Townsite Roads Construction	206,422	161,330	4,462.21
Plant & Equipment - Road Plant Purchases	237,000	237,000	0.00
Airfield Infrastructure	2,600,000	2,600,000	0.00
<b>Economic Services</b>			
Caravan Park Camp Kitchen/Caretakers Cabin	50,000	30,000	51,943.93
WIFI System - Caravan Park/Main ST	16,000	9,600	0.00
Phase 1 - Civic Square/Pedestrian Crossing	0	0	71,740.17
Phase 2 - Road Freight Alignment	148,800	99,200	0.00
<b>Other Property &amp; Services</b>			
Purchase of Lot 9000, White Ave	0	0	1.00
Administration Furniture & Equipment	2,870	2,870	0.00
CEO/DCEO/MAF Vehicles	100,000	100,000	0.00
	<u>6,714,111</u>	<u>5,587,598</u>	<u>2,523,216.34</u>

## SHIRE OF MORAWA

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

3. ACQUISITION OF ASSETS (Continued)	2016/17 Budget \$	FEBRUARY 2017 YTD Budget \$	FEBRUARY 2017 Actual \$
The following assets have been acquired during the period under review:			
<b><u>By Class</u></b>			
Land Held for Resale	0	0	0.00
Investments	0	0	0.00
Land	300,000	225,000	0.00
Buildings	569,434	422,565	77,482.96
Plant and Equipment	387,000	367,000	466,704.39
Furniture and Equipment	2,870	2,870	0.00
Infrastructure Assets - Roads	1,888,807	1,485,563	753,820.02
Infrastructure Assets - Footpaths	0	0	0.00
Infrastructure Assets - Drainage/Dams	0	0	0.00
Infrastructure Assets - Parks & Ovals	0	0	0.00
Infrastructure Assets - Airfields	2,600,000	2,600,000	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	966,000	484,600	1,225,208.97
	<u>6,714,111</u>	<u>5,587,598</u>	<u>2,523,216.34</u>

**SHIRE OF MORAWA**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

**4. DISPOSALS OF ASSETS**

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

<u>By Program</u>	Written Down Value		Sale Proceeds		Profit(Loss)	
	2016/17 Budget \$	FEBRUARY 2017 Actual \$	2016/17 Budget \$	FEBRUARY 2017 Actual \$	2016/17 Budget \$	FEBRUARY 2017 Actual \$
<b>Law, Order &amp; Public Safety</b> (Asset 292) Canna Fire Truck Isuzu FSS550 MO33	0	0.00	0	15,000.00	0	0.00
<b>Health</b>	0	0.00	0	0.00	0	0.00
<b>Recreation &amp; Culture</b>	0	0.00	0	0.00	0	0.00
<b>Transport</b> (Asset 45) 1999 Ford Courier Tray Top	0	0.00	1,500	0.00	1,500	0.00
(Asset 272) - Backhoe Case P192	46,300	0.00	35,000	0.00	(11,300)	0.00
(Asset 476) - Ford Ranger - PWS	28,838	0.00	22,000	0.00	(6,838)	0.00
<b>Other Property &amp; Services</b> (Asset 600) Kluger AWD V6 Wagon - CEO	44,111	0.00	42,000	0.00	(2,111)	0.00
	153,759	0.00	135,500	15,000.00	(18,259)	0.00

<u>By class of asset</u>	Written Down Value		Sale Proceeds		Profit(Loss)	
	2016/17 Budget \$	FEBRUARY 2017 Actual \$	2016/17 Budget \$	FEBRUARY 2017 Actual \$	2016/17 Budget \$	FEBRUARY 2017 Actual \$
<b>Land &amp; Buildings</b> 0	0	0.00	0	0.00	0	0.00
<b>Plant &amp; Equipment</b> (Asset 45) 1999 Ford Courier Tray Top	0	0.00	1,500	0.00	1,500	0.00
(Asset 272) - Backhoe Case P192	46,300	0.00	35,000	0.00	(11,300)	0.00
(Asset 476) - Ford Ranger - PWS	28,838	0.00	22,000	0.00	(6,838)	0.00
(Asset 600) Kluger AWD V6 Wagon - CEO	44,111	0.00	42,000	0.00	(2,111)	0.00
	153,759	0.00	135,500	15,000.00	(18,259)	0.00

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

FEBRUARY	
2016/17 Budget \$	2017 Actual \$
1,990	0.00
(20,249)	0.00
(18,259)	0.00

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-16	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		2016/17 Budget \$	2016/17 Actual \$	2016/17 Budget \$	2016/17 Actual \$	2016/17 Budget \$	2016/17 Actual \$	2016/17 Budget \$	2016/17 Actual \$
<b>Housing</b>									
Loan 133 - GEHA House	102,614	0	0	31,993	15,735	70,621	86,879	6,206	3,361
Loan 134 - 2 Broad Street	72,564	0	0	24,158	22,726	48,406	49,838	3,090	4,499
Loan 136 - 24 Harley Street - Staff Housing	344,161	0	0	12,024	5,953	332,137	338,208	13,408	6,245
	519,339	0	0	68,175	44,414	451,164	474,925	22,704	14,105

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



**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

	<b>2016/17 Budget \$</b>	<b>FEBRUARY 2017 Actual \$</b>
<b>6. RESERVES - CASH BACKED</b>		
<b>(a) Leave Reserve</b>		
Opening Balance	286,652	286,652
Amount Set Aside / Transfer to Reserve	14,088	2,343
Amount Used / Transfer from Reserve	(39,000)	0
	<u>261,740</u>	<u>288,995</u>
<b>(b) Sports and Recreation Facilities Reserve</b>		
Opening Balance	0	0
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	0	0
	<u>0</u>	<u>0</u>
<b>(c) Plant Reserve</b>		
Opening Balance	941,344	941,344
Amount Set Aside / Transfer to Reserve	198,998	46,461
Amount Used / Transfer from Reserve	(201,500)	0
	<u>938,842</u>	<u>987,805</u>
<b>(d) Building Reserve</b>		
Opening Balance	79,045	79,045
Amount Set Aside / Transfer to Reserve	22,506	646
Amount Used / Transfer from Reserve	0	0
	<u>101,551</u>	<u>79,691</u>
<b>(e) Economic Development Reserve</b>		
Opening Balance	108,035	108,035
Amount Set Aside / Transfer to Reserve	3,425	883
Amount Used / Transfer from Reserve	0	0
	<u>111,460</u>	<u>108,918</u>
<b>(f) Community Development Reserve</b>		
Opening Balance	1,376,593	1,376,593
Amount Set Aside / Transfer to Reserve	43,642	8,515
Amount Used / Transfer from Reserve	(400,000)	(200,000)
	<u>1,020,235</u>	<u>1,185,108</u>
<b>(g) Sewerage Reserve</b>		
Opening Balance	144,602	144,602
Amount Set Aside / Transfer to Reserve	74,584	1,182
Amount Used / Transfer from Reserve	0	0
	<u>219,186</u>	<u>145,784</u>
<b>(h) Unspent Grants and Contributions Reserve</b>		
Opening Balance	92,743	92,743
Amount Set Aside / Transfer to Reserve	2,940	408
Amount Used / Transfer from Reserve	(55,505)	(68,321)
	<u>40,178</u>	<u>24,829</u>

# SHIRE OF MORAWA

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

	2016/17 Budget \$	FEBRUARY 2017 Actual \$
<b>6. RESERVES (Continued)</b>		
<b>(i) Business Units Reserve</b>		
Opening Balance	61,240	61,240
Amount Set Aside / Transfer to Reserve	21,942	501
Amount Used / Transfer from Reserve	0	0
	<u>83,182</u>	<u>61,741</u>
<b>(j) Morawa Future Funds Interest</b>		
Opening Balance	54,705	54,705
Amount Set Aside / Transfer to Reserve	31,701	447
Amount Used / Transfer from Reserve	0	0
	<u>86,406</u>	<u>55,152</u>
<b>(k) Morawa Community Future Funds Reserve</b>		
Opening Balance	2,140,600	2,140,600
Amount Set Aside / Transfer to Reserve	67,861	11,240
Amount Used / Transfer from Reserve	(57,682)	0
	<u>2,150,779</u>	<u>2,151,839</u>
<b>(l) Refuse Transfer Station Reserve</b>		
Opening Balance	134,515	134,515
Amount Set Aside / Transfer to Reserve	4,265	684
Amount Used / Transfer from Reserve	-	(106,179)
	<u>138,780</u>	<u>29,020</u>
<b>(m) Aged Care Units Reserve</b>		
Opening Balance	9,025	9,025
Amount Set Aside / Transfer to Reserve	286	74
Amount Used / Transfer from Reserve	-	0
	<u>9,311</u>	<u>9,099</u>
<b>(n) ST-N/Midlands Solar Thermal Power</b>		
Opening Balance	550,687	550,687
Amount Set Aside / Transfer to Reserve	17,459	6,241
Amount Used / Transfer from Reserve	(540,000)	0
	<u>28,146</u>	<u>556,928</u>
<b>(o) ST-Morawa Revitalisation Reserve</b>		
Opening Balance	173,736	173,736
Amount Set Aside / Transfer to Reserve	5,508	1,969
Amount Used / Transfer from Reserve	(179,244)	0
	<u>0</u>	<u>175,705</u>
<b>(p) Legal Fees Reserve</b>		
Opening Balance	15,000	15,000
Amount Set Aside / Transfer to Reserve	5,478	123
Amount Used / Transfer from Reserve	0	0
	<u>20,478</u>	<u>15,123</u>

**SHIRE OF MORAWA**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

	2016/17 Budget \$	FEBRUARY 2017 Actual \$
<b>6. RESERVES (Continued)</b>		
<b>(q) Road Reserve</b>		
Opening Balance	140,000	140,000
Amount Set Aside / Transfer to Reserve	4,438	1,144
Amount Used / Transfer from Reserve	0	0
	<u>144,438</u>	<u>141,144</u>
 Total Cash Backed Reserves	 <b>5,354,712</b>	 <b>6,016,882</b>
 <b>Summary of Transfers To Cash Backed Reserves</b>		
<b>Transfers to Reserves</b>		
Leave Reserve	14,088	2,343
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	198,998	46,461
Building Reserve	22,506	646
Economic Development Reserve	3,425	883
Community Development Reserve	43,642	8,515
Sewerage Reserve	74,584	1,182
Unspent Grants and Contributions Reserve	2,940	408
Business Units Reserve	21,942	501
Morawa Community Future Funds Interest	31,701	447
Morawa Community Future Fund Reserve	67,861	11,240
Refuse Transfer Station Reserve	4,265	684
Aged Care Units Reserve	286	74
ST-N/Midlands Solar Thermal Power	17,459	6,241
ST-Morawa Revitalisation Reserve	5,508	1,969
Legal Fees Reserve	5,478	123
Road Reserve	4,438	1,144
	<u><b>519,121</b></u>	<u><b>82,860</b></u>
 <b>Transfers from Reserves</b>		
Leave Reserve	(39,000)	0
Sports and Recreation Facilities Reserve	0	0
Plant Reserve	(201,500)	0
Building Reserve	0	0
Economic Development Reserve	0	0
Community Development Reserve	(400,000)	(200,000)
Sewerage Reserve	0	0
Unspent Grants and Contributions Reserve	(55,505)	(68,321)
Business Units Reserve	0	0
Morawa Community Future Funds Interest	0	0
Morawa Community Future Fund Reserve	(57,682)	0
Refuse Transfer Station Reserve	0	(106,179)
Aged Care Units Reserve	0	0
ST-N/Midlands Solar Thermal Power	(540,000)	0
ST-Morawa Revitalisation Reserve	(179,244)	0
Legal Fees Reserve	0	0
Road Reserve	0	0
	<u><b>(1,472,931)</b></u>	<u><b>(374,500)</b></u>
 <b>Total Transfer to/(from) Reserves</b>	 <u><b>(953,810)</b></u>	 <u><b>(291,640)</b></u>



## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

#### 6. RESERVES (Continued)

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

**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 -

**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 JULY 2016 TO 28 FEBRUARY 2017**

	<b>2015/16 B/Fwd Per 2016/17 Budget \$</b>	<b>2015/16 B/Fwd Per Financial Report \$</b>	<b>2016/17 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	(9,447)	(213,515)	(230,257)
Cash - Restricted Unspent Grants	0	317,600	400,000
Cash - Restricted Unspent Loans	0	0	0
Cash - Restricted Reserves	6,308,522	6,308,522	6,016,882
Rates - Current	377,248	374,377	645,314
Sundry Debtors	998,442	998,442	48,480
GST Receivable	75,083	75,084	57,991
Accrued Income/Prepayments	6,882	6,882	0
Provision for Doubtful Debts	(15,595)	(15,595)	(15,595)
Other Current Debtors	0	0	0
Inventories	1,335	1,335	1,335
	<u>7,742,470</u>	<u>7,853,132</u>	<u>6,924,150</u>
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors	(136,955)	(250,489)	(21,529)
Income Received in Advance	0	0	(20,222)
GST Payable	(56,092)	(56,092)	8,085
Payroll Creditors	0	0	0
Accrued Expenditure	0	0	0
Other Payables	(6,025)	(6,025)	(20,815)
Withholding Tax Payable	0	0	0
Payg Payable	(48,960)	(48,960)	(28,574)
Accrued Interest on Debentures	0	(4,870)	0
Accrued Salaries and Wages	(38,370)	(38,370)	0
Current Employee Benefits Provision	(345,401)	(345,401)	(345,401)
Current Loan Liability	(60,904)	(66,743)	(16,490)
	<u>(692,707)</u>	<u>(816,950)</u>	<u>(444,946)</u>
<b>NET CURRENT ASSET POSITION</b>	7,049,763	7,036,182	6,479,204
Less: Cash - Reserves - Restricted	(6,308,522)	(6,308,522)	(6,016,882)
Less: Cash - Unspent Grants - Restricted	0	0	0
Adjustment for Trust Transactions Within Muni	12	0	1,065
Add Back : Component of Leave Liability not Required to be Funded	286,652	286,652	288,995
Add Back : Current Loan Liability	60,904	66,743	16,490
<b>SURPLUS/(DEFICIENCY) C/FWD</b>	<u>1,088,809</u>	<u>1,081,055</u>	<u>768,872</u>

# SHIRE OF MORAWA

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

### 8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Rate Revenue \$	2016/17 Interim Rates \$	2016/17 Back Rates \$	2016/17 Total Revenue \$	2016/17 Budget \$
<b>General Rate</b>								
GRV Residential/Commercial	0.07415	268	2,912,592	215,960	0	0	215,960	215,960
UV Rural	0.02257	204	57,874,600	1,306,461	0	0	1,306,461	1,306,461
UV Mining	0.28968	16	469,309	135,950	0	0	135,950	135,950
<b>Sub-Totals</b>		488	61,256,501	1,658,371	0	0	1,658,371	1,658,371
<b>Minimum Rates</b>								
GRV Residential/Commercial	279	48	39,055	13,392	0	0	13,392	13,392
UV Rural	279	7	55,400	1,953	0	0	1,953	1,953
UV Mining	656	11	10,939	7,216	0	0	7,216	7,216
<b>Sub-Totals</b>		66	105,394	22,561	0	0	22,561	22,561
<b>Total amount raised from general rates</b>							1,653,053	1,650,932
Ex-Gratia Rates							5,792	5,792
Rates Written Off							(72)	(2,500)
Specified Area Rates							0	0
Movement in Excess Rates							0	0
<b>Total Rates</b>							1,658,773	1,654,224

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 2016/17 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 JULY 2016 TO 28 FEBRUARY 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-16 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Housing Bonds	2,000	0	0	2,000
Dreghorn Unit Bonds	498	404	0	902
Bonds Hall/Rec Centre Hire	0	0	0	0
Aged Care - Bond Karl Strudwick Number 5	0	656	0	656
Youth Centre	865	0	0	865
Council Nominations	0	0	0	0
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	427	364	0	791
Daphne Little - Excess Rent	0	781	0	781
Morawa Oval Function Centre	1,762	0	0	1,762
	10,853	2,205	0	13,059

# SHIRE OF MORAWA

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

### 10. OPERATING STATEMENT

	<b>FEBRUARY 2017 Actual \$</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
<b>OPERATING REVENUES</b>			
Governance	4	10	85,353
General Purpose Funding	2,862,441	3,437,377	2,375,239
Law, Order, Public Safety	401,167	44,720	47,691
Health	2,584	8,000	59,064
Education and Welfare	32,742	45,500	17,905
Housing	50,742	142,711	46,856
Community Amenities	435,023	611,431	538,402
Recreation and Culture	252,689	346,031	260,759
Transport	3,645,728	3,591,841	2,756,444
Economic Services	112,667	192,699	210,929
Other Property and Services	52,589	123,722	93,296
<b>TOTAL OPERATING REVENUE</b>	<b>7,848,376</b>	<b>8,544,042</b>	<b>6,491,937</b>
<b>OPERATING EXPENSES</b>			
Governance	284,340	485,349	453,942
General Purpose Funding	124,028	198,855	193,155
Law, Order, Public Safety	90,045	147,658	147,445
Health	92,504	154,150	274,928
Education and Welfare	137,536	299,878	285,792
Housing	93,238	178,753	121,158
Community Amenities	335,654	616,434	482,500
Recreation & Culture	815,452	1,143,712	1,155,380
Transport	4,587,878	1,769,563	3,228,997
Economic Services	293,654	628,406	538,733
Other Property and Services	21,820	29,715	39,141
<b>TOTAL OPERATING EXPENSE</b>	<b>6,876,149</b>	<b>5,652,470</b>	<b>6,921,171</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>972,227</b>	<b>2,891,572</b>	<b>(429,234)</b>



**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017**

**11. BALANCE SHEET**

	<b>FEBRUARY 2017 Actual \$</b>	<b>2015/16 Actual \$</b>
<b>CURRENT ASSETS</b>		
Cash Assets	6,186,624	6,412,607
Receivables	736,191	1,439,191
Inventories	1,335	1,335
<b>TOTAL CURRENT ASSETS</b>	<u>6,924,150</u>	<u>7,853,133</u>
<b>NON-CURRENT ASSETS</b>		
Receivables	11,064	13,935
Inventories	0	0
Property, Plant and Equipment	26,591,328	26,518,884
Infrastructure	44,561,744	43,097,335
<b>TOTAL NON-CURRENT ASSETS</b>	<u>71,164,136</u>	<u>69,630,154</u>
<b>TOTAL ASSETS</b>	<u>78,088,286</u>	<u>77,483,287</u>
<b>CURRENT LIABILITIES</b>		
Payables	83,055	404,807
Interest-bearing Liabilities	16,490	66,743
Provisions	345,401	345,401
<b>TOTAL CURRENT LIABILITIES</b>	<u>444,946</u>	<u>816,951</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing Liabilities	458,435	452,597
Provisions	37,661	37,661
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>496,096</u>	<u>490,258</u>
<b>TOTAL LIABILITIES</b>	<u>941,042</u>	<u>1,307,209</u>
<b>NET ASSETS</b>	<u>77,147,244</u>	<u>76,176,078</u>
<b>EQUITY</b>		
Retained Surplus	34,136,157	32,872,289
Reserves - Cash Backed	6,016,882	6,308,522
Reserves - Asset Revaluation	36,995,271	36,995,271
<b>TOTAL EQUITY</b>	<u>77,148,310</u>	<u>76,176,082</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017

12. FINANCIAL RATIO

	2016 YTD	2015	2014	2013
Current Ratio	3.250	3.530	7.880	1.870

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 JULY 2016 TO 28 FEBRUARY 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

**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**

Reserve Funds put on Term Deposit for 12 months. Interest paid on maturity making revenue for Reserves under budget at this time

**Law, Order, Public Safety - Variance above budget expectations**

New Fire Truck obtained, not in budget - expense offset

**Health - Variance above budget expectations**

Income from Doctors Surgery offset with expenditure.

**Education and Welfare - Variance above budget expectations**

Youth Centre income decreased due to changes to operations of the Youth Centre

**Housing - Variance below budget expectations**

Single units income above expectations  
Aged Care units - below budget expectations

**Community Amenities - Variance below budget expectations.**

Liquid Waste Disposals under budget due to mining activity decrease

**Recreation & Culture - Variance above budget expectations.**

Income relating to Public Halls and Civic Centres higher than budget  
Out of round grant for Swimming Pool retiling 85% received

**Transport - Variance above expectations.**

Flood damage reimbursements not budgeted for - offset with expenditure

**Economic Services - Variance below budget expectations.**

Sale of water under budget expectations

**Other Property & Services - Variance below budget expectations.**

Private Works for YTD below expectations  
Leave Liability from other Shires - timing

**REPORTABLE OPERATING EXPENSE VARIATIONS**

**Governance - Variance below budget expectations.**

Expenses relating to Members less than budget, for example, Refreshments & Receptions and Conference

**Law, Order and Public Safety - Variance below budget expectations.**

Changes to SES to DFES = timing

**Health - Variance above budget expectations.**

Doctors Operating Expenses lower than budget

**Education and Welfare - Variance below budget expectations**

Youth Centre employee and maintenance expenses under budget due to the loss of Community Development Officer and Youth Centre not open

**Housing - Variance above budget expectations.**

Expenditure on Aged Care Units up on YTD budget- new shade sails

**Community Amenities - Variance below budget expectations.**

General Community Amenities costs down on YTD budget

SHIRE OF MORAWA  
FOR THE PERIOD 1 JULY 2016 TO 28 FEBRUARY 2017  
Report on Significant variances Greater than 10% and \$10,000

***Transport - Variance above budget expectations.***

Flood damage costs not budgeted for offset by income

***Economic Services - Variance below budget expectations***

Caravan Park operation expenses under budget

***Other Property & Services - Variance below budget expectations.***

Fuel and Oils, Tyres and Tubes underspent - timing

<b>REPORTABLE NON-CASH VARIATIONS</b>
---------------------------------------

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



**REPORTABLE CAPITAL EXPENSE VARIATIONS**

***Purchase of Land & Buildings - Variance below budget expectations.***

Purchase of land for tip site - Timing

***Purchase of Plant & Equipment - Variance above budget expectations.***

Backhoe/PWS Vehicle/Mtce Utility still to be traded - timing

***Purchase of Infrastructure Assets Roads - Variance below budget expectations.***

Capital Road Works for roads under budget - timing

***Purchase Land and Buildings - Variance above budget expectations***

***Purchase Infrastructure Assets - Other- Variance below budget expectations.***

Upgrade to Aerodrome - awaiting grants

Morawa Gateway Project awaiting grants

Morawa Perenjori Trails Project awaiting grants

***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

<i>Item No/Subject</i>	<b>7.2.4.4 Shire of Morawa 2016/17 Financial Year Budget Review</b>
<i>Meeting Date:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>15 February 2017 Acting Manager Accounting &amp; Finance – Candice Smith</b>
<i>Applicant/Proponent:</i>	<b>Acting Manager Accounting &amp; Finance – Candice Smith</b>
<i>File Number:</i>	
<i>Previous minute/s &amp; Reference:</i>	

## **SUMMARY**

The purpose of this report is for Council to adopt the 2016/17 Budget Review

## **ATTACHMENTS**

- Shire of Morawa Report on Budget Variances Greater than 10% and \$10,000.
- Statement of Financial Activity and Notes forming part of the Statement of Financial Activity Statement for the period 1 July 2016 to 30 June 2017
- 2016/17 Budget Review Financial Statements based on the December 2016 Financials.

## **BACKGROUND INFORMATION**

The Local Government Act 1995 requires local governments to conduct an annual budget review between 1 January and 31 March each year. The outcome of the review is to be submitted to Council within 30 days of its completion. Council is then required to consider the outcome of the review submitted to it and is required to determine (by Absolute Majority) whether or not to adopt the review, any parts of the review or any recommendations made in the review.

A copy of the review and determination is to be provided to the Department within 30 days of council making its determination.

## **OFFICER'S COMMENT**

A budget review has been conducted by the Manager Accounting & Finance, CEO, Principal Works Supervisor, Executive Manager Development & Administration and Project Officer.

The actual year-to-date figures for each account for December 2016 have been projected to the end of the financial year and have been compared to the annual budget figures.

Material variances have been flagged on the Statement of Financial Activity (Projected), in accordance with Council's policy which states that all actual variances exceeding 10% of budget and \$10,000 (both need to be breached) must be reported.

The attached Budget Variances report describes the major variances as reflected between the original adopted budget and the budget review.

### **Budget Impact**

The net effect of projected income and expenditure to 30 June 2017 is that Council is expected to have a reasonable small surplus of \$27000 from this years operations

### **STATUTORY ENVIRONMENT**

Financial Management Regulation 33A – Review of Budget:

1. Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
2. Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the Council.
3. A council is to consider a review submitted to it and is to determine \* whether or not to adopt the review, any parts of the review or any recommendations made in the review.\* **Absolute majority required.**

Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department of Local Government and Communities.

### **POLICY IMPLICATIONS**

In accordance with section 34(5) of the Local Government (Financial Management) Regulations 1996 Council has adopted the following materiality thresholds:

- Actual variances up to 5% of budget: Don't report
- Actual variances up to 10% of budget: Use management discretion
- Actual variances exceeding 10% of budget  
And a value greater than \$10,000 must be reported

## **FINANCIAL IMPLICATIONS**

The Shire of Morawa 2016/17 Budget Review outcome is that Council is expected to have a reasonable small surplus of approximately \$27000 from 2016/17 operations

## **STRATEGIC IMPLICATIONS**

Nil

## **RISK MANAGEMENT**

A budget review process provides an excellent basis for taking stock of current trends and movements in the financial affairs of the business as a means of projecting the likely financial outcome at financial year end. This then enables management to introduce measures to ensure that the desired financial result is achieved.

## **OFFICER'S RECOMMENDATION**

**That Council:**

**Adopt the Shire of Morawa 2016/17 Annual Budget Review comprising the Statement of Financial Activity and Notes forming part of the Statement of Financial Activity.**

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**SHIRE OF MORAWA**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**  
**BUDGET REVIEW**

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## SHIRE OF MORAWA

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

	NOTE	December 2016 Actual \$	December 2016 Y-T-D Budget \$	2016/17 Budget \$	Projected Actuals \$	Variances Projected Actuals to Budget \$	Variances Projected Actuals as a % of Budget	
<b>Operating</b>								
<b>Revenues/Sources</b>	1,2							
Governance		4	0	10	10	0	0.00%	
General Purpose Funding		805,889	891,917	1,786,445	1,649,559	(136,886)	(7.66%)	
Law, Order, Public Safety		380,935	11,123	44,720	401,170	356,450	797.07%	▲
Health		1,167	2,000	8,000	5,350	(2,650)	(33.13%)	
Education and Welfare		30,619	18,396	45,500	31,100	(14,400)	(31.65%)	▼
Housing		38,568	27,684	142,711	81,414	(61,297)	(42.95%)	▼
Community Amenities		435,311	449,122	611,431	592,304	(19,127)	(3.13%)	
Recreation and Culture		63,380	52,523	346,031	323,637	(22,394)	(6.47%)	
Transport		3,080,707	3,108,589	3,591,841	7,436,492	3,844,651	107.04%	▲
Economic Services		88,404	74,032	192,699	144,775	(47,924)	(24.87%)	▼
Other Property and Services		39,485	40,084	123,722	102,059	(21,663)	(17.51%)	▼
		4,964,469	4,675,470	6,893,110	10,767,870	3,874,760	56.21%	
<b>(Expenses)/(Applications)</b>	1,2							
Governance		(222,631)	(250,723)	(485,349)	(464,477)	20,872	4.49%	
General Purpose Funding		(97,272)	(91,020)	(198,855)	(186,847)	12,008	6.43%	
Law, Order, Public Safety		(73,314)	(82,729)	(147,658)	(137,471)	10,187	7.41%	
Health		(66,992)	(80,982)	(154,150)	(133,098)	21,052	15.82%	▼
Education and Welfare		(117,644)	(153,423)	(299,878)	(156,724)	143,154	91.34%	▼
Housing		(67,127)	(67,244)	(178,753)	(161,232)	17,521	10.87%	▼
Community Amenities		(225,279)	(336,661)	(616,434)	(519,771)	96,663	18.60%	▼
Recreation & Culture		(636,472)	(601,235)	(1,143,712)	(1,099,828)	43,884	3.99%	
Transport		(3,648,246)	(887,543)	(1,769,563)	(5,338,351)	(3,568,788)	(66.85%)	▲
Economic Services		(234,208)	(357,076)	(628,406)	(503,201)	125,205	24.88%	▼
Other Property and Services		(23,317)	(38,108)	(29,715)	(103,424)	(73,709)	(71.27%)	▲
		(5,412,502)	(2,946,744)	(5,652,470)	(8,804,424)	(3,151,954)	(35.80%)	
<b>Net Result Excluding Rates</b>		(448,033)	1,728,726	1,240,640	1,963,446	722,806		
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>								
(Profit)/Loss on Asset Disposals	4	0	9,187	18,259	0	(18,259)	0	▼
Movement in Leave Reserve (Added Back)		1,806	0	0	(62,274)	(62,274)	(100.00%)	▲
Movement in Deferred Pensioner Rates/ESL (not)		2,871	0	0	2,871	2,871	(100.00%)	
Movement in Employee Benefit Provisions (non-c)		0	0	0	0	0	0	
Rounding Adjustment		0	0	0	0	0	0	
Depreciation on Assets		746,877	841,500	1,683,278	1,493,752	(189,526)	12.69%	▼
<b>Capital Revenue and (Expenditure)</b>								
Purchase Land Held for Resale	3	0	0	0	0	0	0	
Purchase Land and Buildings	3	(76,946)	(221,855)	(869,434)	(946,380)	(76,946)	(8.13%)	
Purchase Plant and Equipment	3	(466,704)	(357,000)	(387,000)	(824,760)	(437,760)	(53.08%)	▲
Purchase Furniture and Equipment	3	0	(2,870)	(2,870)	(2,870)	0	0.00%	
Purchase Infrastructure Assets - Roads	3	(659,959)	(1,284,041)	(1,888,807)	(1,888,807)	0	0.00%	
Purchase Infrastructure Assets - Footpaths	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Drainage	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Parks & Ovals	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Airfields	3	0	(2,600,000)	(2,600,000)	(2,600,000)	0	0.00%	
Purchase Infrastructure Assets - Play Equip	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Sewerage	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Dams	3	0	0	0	0	0	0	
Purchase Infrastructure Assets - Other	3	(971,220)	(481,400)	(966,000)	(1,146,871)	(180,871)	(15.77%)	▲
Proceeds from Disposal of Assets	4	15,000	135,500	135,500	139,455	3,955	2.92%	
Repayment of Debentures	5	(44,414)	(46,164)	(68,175)	(68,175)	0	(0.00%)	
Proceeds from New Debentures	5	0	0	0	0	0	0	
Advances to Community Groups		0	0	0	0	0	0	
Self-Supporting Loan Principal Income	5	0	0	0	0	0	0	
Transfers to Restricted Assets (Reserves)	6	(75,200)	(315,154)	(519,121)	(384,084)	135,037	35.16%	▼
Transfers from Restricted Asset (Reserves)	6	374,500	755,204	1,472,931	1,591,353	118,422	8.04%	
<b>ADD Net Current Assets July 1 B/Fwd</b>	7	1,081,055	1,088,809	1,088,809	1,081,055	(7,754)	(0.71%)	
<b>LESS Net Current Assets Year to Date</b>	7	1,132,686	907,165	0	15,939	15,939	0	
<b>Amount Raised from Rates</b>	8	(1,653,053)	(1,656,723)	(1,661,990)	(1,668,228)	(6,238)	(0.37%)	

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

**Material Variances Symbol**

▲ Above Budget Expectations  
▼ Below Budget Expectations

Greater than 10,000 and greater than 10%  
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 JULY 2016 TO 31 DECEMBER 2016

#### 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 JULY 2016 TO 31 DECEMBER 2016

#### 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 JULY 2016 TO 31 DECEMBER 2016

#### 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	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	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 JULY 2016 TO 31 DECEMBER 2016

#### 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 JULY 2016 TO 31 DECEMBER 2016

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 JULY 2016 TO 31 DECEMBER 2016

#### 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.

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

**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 JULY 2016 TO 31 DECEMBER 2016

#### 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 JULY 2016 TO 31 DECEMBER 2016

	2016/17 Budget \$	December 2016 YTD Budget \$	December 2016 Actual \$	Projected 2016 Actual \$
<b>3. ACQUISITION OF ASSETS</b>				
The following assets have been acquired during the period under review:				
<b><u>By Program</u></b>				
<b>Governance</b>				
Upgrade to Old Council Chambers	539,434	134,855	0.00	539,434.00
<b>General Purpose Funding</b>				
<b>Law, Order, Public Safety</b>				
New fire truck	0	0	370,940.46	370,940.46
<b>Housing</b>				
Aged Person Units x 4 - water metres	30,000	12,000	0.00	30,000.00
<b>Community Amenities</b>				
Construction of Refuse Transfer Station	0	0	-5.82	(5.82)
New Tip Site Construction	0	0	-0.01	(0.01)
Closure/Rehabilitation Old Tip Site	0	0	0.00	0.00
Compactors/Transfer Bins for Transfer Station	0	0	43,820.00	43,820.00
Refuse Transfer Station - Storage Shed	0	0	72,992.96	72,992.96
Purchase Land For New Waste Site	300,000	75,000	0.00	300,000.00
<b>Recreation and Culture</b>				
Upgrade to Pool Pump House	0	0	0.00	0.00
Swimming Pool Bowls (Adults/Childrens Pools) - Contract	950,000	475,000	971,225.48	1,130,877.10
Swimming Pool Bowls (Adults/Childrens Pools) - Grant Expenses	0	0	0.00	0.00
Swimming Pool Bowls (Adults/Childrens Pools) - Shire Expenses	0	0	0.00	0.00
Sports Complex Water upgrade	0	0	3,951.87	3,951.87
<b>Transport</b>				
Road Construction				
- Rural Roads Construction	1,533,585	1,070,813	587,712.72	1,533,585.00
- Townsite Roads Construction	206,422	138,828	506.14	206,422.00
Plant & Equipment - Road Plant Purchases	237,000	237,000	0.00	234,000.00
Airfield Infrastructure	2,600,000	2,600,000	0.00	2,600,000.00
<b>Economic Services</b>				
Caravan Park Camp Kitchen/Caretakers Cabin	50,000	20,000	51,943.93	81,000.00
WIFI System - Caravan Park/Main ST	16,000	6,400	0.00	16,000.00
Phase 1 - Civic Square/Pedestrian Crossing	0	0	0.00	0.00
Phase 2 - Road Freight Alignment	148,800	74,400	71,740.17	148,800.00
<b>Other Property &amp; Services</b>				
Purchase of Lot 9000, White Ave	0	0	1.00	1.00
Administration Furniture & Equipment	2,870	2,870	0.00	2,870.00
CEO/DCEO/MAF Vehicles	100,000	100,000	0.00	95,000.00
	<u>6,714,111</u>	<u>4,947,166</u>	<u>2,174,828.90</u>	<u>7,409,688.56</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

	2016/17 Budget \$	December 2016 YTD Budget \$	December 2016 Actual \$	Projected 2016 Actual \$
<b>3. ACQUISITION OF ASSETS (Continued)</b>				
The following assets have been acquired during the period under review:				
<b><u>By Class</u></b>				
Land Held for Resale	0	0	0.00	0.00
Investments	0	0	0.00	0.00
Land	300,000	75,000	0.00	300,000.00
Buildings	569,434	146,855	76,945.83	646,379.83
Plant and Equipment	387,000	357,000	466,704.39	824,760.46
Furniture and Equipment	2,870	2,870	0.00	2,870.00
Infrastructure Assets - Roads	1,888,807	1,284,041	659,959.03	1,888,807.00
Infrastructure Assets - Footpaths	0	0	0.00	0.00
Infrastructure Assets - Drainage/Dams	0	0	0.00	0.00
Infrastructure Assets - Parks & Ovals	0	0	0.00	0.00
Infrastructure Assets - Airfields	2,600,000	2,600,000	0.00	2,600,000.00
Infrastructure Assets - Playground Equipment	0	0	0.00	0.00
Infrastructure Assets - Sewerage	0	0	0.00	0.00
Infrastructure Assets - Dams	0	0	0.00	0.00
Infrastructure Assets - Other	966,000	481,400	971,219.65	1,146,871.27
	<u>6,714,111</u>	<u>4,947,166</u>	<u>2,174,828.90</u>	<u>7,409,688.56</u>



**SHIRE OF MORAWA**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

**4. DISPOSALS OF ASSETS**

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

<u>By Program</u>	Written Down Value		Sale Proceeds		Profit(Loss)	
	2016/17 Budget \$	December 2016 Actual \$	Projected 2016/17 Actual \$	2016/17 Budget \$	December 2016 Actual \$	Projected 2016/17 Actual \$
<b>Law, Order &amp; Public Safety</b> (Asset 292) Canna Fire Truck Isuzu FSS550 MO33	0	0.00	0.00	0	0.00	0.00
<b>Transport</b> (Asset 45) 1999 Ford Courier Tray Top (Asset 272) - Backhoe Case P192 (Asset 476) - Ford Ranger - PWS	0 46,300 28,838	0.00 0.00 0.00	0.00 0.00 0.00	1,500 35,000 22,000	0.00 0.00 0.00	0.00 35,000.00 22,000.00
<b>Other Property &amp; Services</b> (Asset 600) Kluger AWD V6 Wagon - CEO (Asset 580) 2013 - Nissan Patrol Wagon - EM	44,111 34,510	0.00 0.00	0.00 0.00	42,000 35,000	0.00 0.00	32,455.00 35,000.00
	153,759	0.00	0.00	135,500	15,000.00	139,455.00
				(18,259)	0.00	0.00

<u>By class of asset</u>	Written Down Value		Sale Proceeds		Profit(Loss)	
	2016/17 Budget \$	December 2016 Actual \$	Projected 2016/17 Actual \$	2016/17 Budget \$	December 2016 Actual \$	Projected 2016/17 Actual \$
<b>Plant &amp; Equipment</b> (Asset 45) 1999 Ford Courier Tray Top (Asset 272) - Backhoe Case P192 (Asset 476) - Ford Ranger - PWS (Asset 600) Kluger AWD V6 Wagon - CEO (Asset 580) 2013 - Nissan Patrol Wagon - EM (Asset 292) Canna Fire Truck Isuzu FSS550 MO33	0 46,300 28,838 44,111 34,510 0	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	1,500 35,000 22,000 42,000 35,000 0	0.00 0.00 0.00 0.00 0.00 15,000.00	0.00 35,000.00 22,000.00 32,455.00 35,000.00 15,000.00
	153,759	0.00	0.00	135,500	15,000.00	139,455.00
				(18,259)	0.00	0.00

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

	2016/17 Budget \$	December 2016 Actual \$	Projected 2016 Actual \$
Profit on Asset Disposals	1,990	0.00	0.00
Loss on Asset Disposals	(20,249)	0.00	0.00
	(18,259)	0.00	0.00

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-16	New Loans			Principal Repayments			Principal Outstanding			Interest Repayments		
		2016/17 Budget \$	2016/17 Actual \$	2016/17 Projected \$	2016/17 Budget \$	2016/17 Actual \$	2016/17 Projected \$	2016/17 Budget \$	2016/17 Actual \$	2016/17 Projected \$	2016/17 Budget \$	2016/17 Actual \$	2016/17 Projected \$
Housing													
Loan 133 - GEHA House	102,614	0	0	0	31,993	15,735	31,993	70,621	86,879	70,621	6,206	0	6,206
Loan 134 - 2 Broad Street	72,564	0	0	0	24,158	22,726	24,158	48,406	49,838	48,406	3,090	0	3,090
Loan 136 - 24 Harley Street - Staff Housing	344,161	0	0	0	12,024	5,953	12,024	332,137	338,208	332,137	13,408	6,245	13,408
	519,339	0	0	0	68,175	44,414	68,175	451,164	474,925	451,164	22,704	6,245	22,704

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

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

	<b>2016/17 Budget \$</b>	<b>December 2016 Actual \$</b>	<b>Projected 2016/17 Actual \$</b>
<b>6. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	286,652	286,652	286,652
Amount Set Aside / Transfer to Reserve	14,088	1,806	7,726
Amount Used / Transfer from Reserve	(39,000)	0	(70,000)
	<u>261,740</u>	<u>288,458</u>	<u>224,378</u>
<b>(b) Sports and Recreation Facilities Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(c) Plant Reserve</b>			
Opening Balance	941,344	941,344	941,344
Amount Set Aside / Transfer to Reserve	198,998	44,626	163,732
Amount Used / Transfer from Reserve	(201,500)	0	(204,545)
	<u>938,842</u>	<u>985,969</u>	<u>900,531</u>
<b>(d) Building Reserve</b>			
Opening Balance	79,045	79,045	79,045
Amount Set Aside / Transfer to Reserve	22,506	498	20,752
Amount Used / Transfer from Reserve	0	0	0
	<u>101,551</u>	<u>79,543</u>	<u>99,797</u>
<b>(e) Economic Development Reserve</b>			
Opening Balance	108,035	108,035	108,035
Amount Set Aside / Transfer to Reserve	3,425	681	1,028
Amount Used / Transfer from Reserve	0	0	0
	<u>111,460</u>	<u>108,715</u>	<u>109,063</u>
<b>(f) Community Development Reserve</b>			
Opening Balance	1,376,593	1,376,593	1,376,593
Amount Set Aside / Transfer to Reserve	43,642	7,242	13,093
Amount Used / Transfer from Reserve	(400,000)	(200,000)	(400,000)
	<u>1,020,235</u>	<u>1,183,834</u>	<u>989,686</u>
<b>(g) Sewerage Reserve</b>			
Opening Balance	144,602	144,602	144,602
Amount Set Aside / Transfer to Reserve	74,584	911	71,375
Amount Used / Transfer from Reserve	0	0	0
	<u>219,186</u>	<u>145,513</u>	<u>215,977</u>
<b>(h) Unspent Grants and Contributions Reserve</b>			
Opening Balance	92,743	92,743	92,743
Amount Set Aside / Transfer to Reserve	2,940	362	32,882
Amount Used / Transfer from Reserve	(55,505)	(68,321)	(68,321)
	<u>40,178</u>	<u>24,783</u>	<u>57,303</u>



**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

	<b>2016/17 Budget \$</b>	<b>December 2016 Actual \$</b>	<b>Projected 2016/17 Actual \$</b>
<b>6. RESERVES (Continued)</b>			
<b>(i) Business Units Reserve</b>			
Opening Balance	61,240	61,240	61,240
Amount Set Aside / Transfer to Reserve	21,942	386	20,582
Amount Used / Transfer from Reserve	0	0	0
	<u>83,182</u>	<u>61,626</u>	<u>81,822</u>
<b>(j) Morawa Future Funds Interest</b>			
Opening Balance	54,705	54,705	54,705
Amount Set Aside / Transfer to Reserve	31,701	345	17,825
Amount Used / Transfer from Reserve	0	0	0
	<u>86,406</u>	<u>55,050</u>	<u>72,530</u>
<b>(k) Morawa Community Future Funds Reserve</b>			
Opening Balance	2,140,600	2,140,600	2,140,600
Amount Set Aside / Transfer to Reserve	67,861	10,214	20,359
Amount Used / Transfer from Reserve	(57,682)	0	(17,305)
	<u>2,150,779</u>	<u>2,150,814</u>	<u>2,143,654</u>
<b>(l) Refuse Transfer Station Reserve</b>			
Opening Balance	134,515	134,515	134,515
Amount Set Aside / Transfer to Reserve	4,265	630	1,279
Amount Used / Transfer from Reserve	-	(106,179)	(115,794)
	<u>138,780</u>	<u>28,966</u>	<u>20,000</u>
<b>(m) Aged Care Units Reserve</b>			
Opening Balance	9,025	9,025	9,025
Amount Set Aside / Transfer to Reserve	286	57	86
Amount Used / Transfer from Reserve	-	0	0
	<u>9,311</u>	<u>9,082</u>	<u>9,111</u>
<b>(n) ST-N/Midlands Solar Thermal Power</b>			
Opening Balance	550,687	550,687	550,687
Amount Set Aside / Transfer to Reserve	17,459	4,916	5,238
Amount Used / Transfer from Reserve	(540,000)	0	(540,000)
	<u>28,146</u>	<u>555,603</u>	<u>15,925</u>
<b>(o) ST-Morawa Revitalisation Reserve</b>			
Opening Balance	173,736	173,736	173,736
Amount Set Aside / Transfer to Reserve	5,508	1,551	1,652
Amount Used / Transfer from Reserve	(179,244)	0	(175,388)
	<u>0</u>	<u>175,287</u>	<u>0</u>
<b>(p) Legal Fees Reserve</b>			
Opening Balance	15,000	15,000	15,000
Amount Set Aside / Transfer to Reserve	5,478	95	5,143
Amount Used / Transfer from Reserve	0	0	0
	<u>20,478</u>	<u>15,095</u>	<u>20,143</u>

**SHIRE OF MORAWA**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

	2016/17 Budget \$	December 2016 Actual \$	Projected 2016/17 Actual \$
<b>6. RESERVES (Continued)</b>			
<b>(q) Road Reserve</b>			
Opening Balance	140,000	140,000	140,000
Amount Set Aside / Transfer to Reserve	4,438	882	1,332
Amount Used / Transfer from Reserve	0	0	0
	<u>144,438</u>	<u>140,882</u>	<u>141,332</u>
 Total Cash Backed Reserves	 <b>5,354,712</b>	 <b>6,009,222</b>	 <b>5,101,253</b>
 <b>Summary of Transfers To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	14,088	1,806	7,726
Sports and Recreation Facilities Reserve	0	0	0
Plant Reserve	198,998	44,626	163,732
Building Reserve	22,506	498	20,752
Economic Development Reserve	3,425	681	1,028
Community Development Reserve	43,642	7,242	13,093
Sewerage Reserve	74,584	911	71,375
Unspent Grants and Contributions Reserve	2,940	362	32,882
Business Units Reserve	21,942	386	20,582
Morawa Community Future Funds Interest	31,701	345	17,825
Morawa Community Future Fund Reserve	67,861	10,214	20,359
Refuse Transfer Station Reserve	4,265	630	1,279
Aged Care Units Reserve	286	57	86
ST-N/Midlands Solar Thermal Power	17,459	4,916	5,238
ST-Morawa Revitalisation Reserve	5,508	1,551	1,652
Legal Fees Reserve	5,478	95	5,143
Road Reserve	4,438	882	1,332
	<u><b>519,121</b></u>	<u><b>75,200</b></u>	<u><b>384,084</b></u>
 <b>Transfers from Reserves</b>			
Leave Reserve	(39,000)	0	(70,000)
Sports and Recreation Facilities Reserve	0	0	0
Plant Reserve	(201,500)	0	(204,545)
Building Reserve	0	0	0
Economic Development Reserve	0	0	0
Community Development Reserve	(400,000)	(200,000)	(400,000)
Sewerage Reserve	0	0	0
Unspent Grants and Contributions Reserve	(55,505)	(68,321)	(68,321)
Business Units Reserve	0	0	0
Morawa Community Future Funds Interest	0	0	0
Morawa Community Future Fund Reserve	(57,682)	0	(17,305)
Refuse Transfer Station Reserve	0	(106,179)	(115,794)
Aged Care Units Reserve	0	0	0
ST-N/Midlands Solar Thermal Power	(540,000)	0	(540,000)
ST-Morawa Revitalisation Reserve	(179,244)	0	(175,388)
Legal Fees Reserve	0	0	0
Road Reserve	0	0	0
	<u><b>(1,472,931)</b></u>	<u><b>(374,500)</b></u>	<u><b>(1,591,353)</b></u>
 Total Transfer to/(from) Reserves	 <u><b>(953,810)</b></u>	 <u><b>(299,300)</b></u>	 <u><b>(1,207,269)</b></u>

## SHIRE OF MORAWA

### NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

#### 6. RESERVES (Continued)

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

**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 funds

**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 JULY 2016 TO 31 DECEMBER 2016

	2015/16 B/Fwd Per 2016/17 Budget \$	2015/16 B/Fwd Per Financial Report \$	2016/17 Actual \$	Projected 2016/17 Actual \$
<b>7. NET CURRENT ASSETS</b>				
<b>Composition of Estimated Net Current Asset Position</b>				
<b>CURRENT ASSETS</b>				
Cash - Unrestricted	(9,447)	(213,515)	11,831	50,119
Cash - Restricted Unspent Grants	0	317,600	400,000	100,000
Cash - Restricted Unspent Loans	0	0	0	0
Cash - Restricted Reserves	6,308,522	6,308,522	6,009,222	5,101,253
Rates - Current	377,248	374,377	734,046	220,000
Sundry Debtors	998,442	998,442	42,150	150,000
GST Receivable	75,083	75,084	78,572	40,000
Accrued Income/Prepayments	6,882	6,882	0	6,000
Provision for Doubtful Debts	(15,595)	(15,595)	(15,595)	(10,000)
Other Current Debtors	0	0	0	500
Inventories	1,335	1,335	1,335	11,160
	<u>7,742,470</u>	<u>7,853,132</u>	<u>7,261,561</u>	<u>5,669,032</u>
<b>LESS: CURRENT LIABILITIES</b>				
Sundry Creditors	(136,955)	(250,489)	(341)	(275,000)
Income Received in Advance	0	0	(14,957)	0
GST Payable	(56,092)	(56,092)	577	(70,000)
Payroll Creditors	0	0	0	0
Accrued Expenditure	0	0	0	0
Other Payables	(6,025)	(6,025)	(20,115)	(6,000)
Withholding Tax Payable	0	0	0	0
Payg Payable	(48,960)	(48,960)	(28,655)	(50,000)
Accrued Interest on Debentures	0	(4,870)	0	(6,000)
Accrued Salaries and Wages	(38,370)	(38,370)	0	(50,000)
Current Employee Benefits Provision	(345,401)	(345,401)	(345,401)	(320,000)
Current Loan Liability	(60,904)	(66,743)	(16,490)	(60,000)
	<u>(692,707)</u>	<u>(816,950)</u>	<u>(425,382)</u>	<u>(837,000)</u>
<b>NET CURRENT ASSET POSITION</b>	<b>7,049,763</b>	<b>7,036,182</b>	<b>6,836,179</b>	<b>4,832,032</b>
Less: Cash - Reserves - Restricted	(6,308,522)	(6,308,522)	(6,009,222)	(5,101,253)
Less: Cash - Unspent Grants - Restricted	0	0	0	0
Adjustment for Trust Transactions Within Muni	12	0	781	781
Add Back : Component of Leave Liability not Required to be Funded	286,652	286,652	288,458	224,378
Add Back : Current Loan Liability	60,904	66,743	16,490	60,000
<b>SURPLUS/(DEFICIENCY) C/FWD</b>	<b><u>1,088,809</u></b>	<b><u>1,081,055</u></b>	<b><u>1,132,686</u></b>	<b><u>15,939</u></b>



SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Rate Revenue \$	2016/17 Interim Rates \$	2016/17 Back Rates \$	2016/17 Total Revenue \$	2016/17 Budget \$
<b>General Rate</b>								
GRV Residential/Commercial	0.07415	268	2,912,592	215,960	0	0	215,960	215,960
UV Rural	0.02257	204	57,874,600	1,306,461	0	0	1,306,461	1,306,461
UV Mining	0.28968	16	469,309	135,950	0	0	135,950	135,950
<b>Sub-Totals</b>		488	61,256,501	1,658,371	0	0	1,658,371	1,658,371
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV Residential/Commercial	279	48	39,055	13,392	0	0	13,392	13,392
UV Rural	279	7	55,400	1,953	0	0	1,953	1,953
UV Mining	656	11	10,939	7,216	0	0	7,216	7,216
<b>Sub-Totals</b>		66	105,394	22,561	0	0	22,561	22,561
<b>Discounts</b>								
<b>Total amount raised from general rates</b>								
Ex-Gratia Rates							(27,879)	(30,000)
Rates Written Off							1,653,053	1,650,932
Specified Area Rates							5,792	5,792
Movement in Excess Rates							(72)	(2,500)
							0	0
							0	0
<b>Total Rates</b>							1,658,773	1,654,224

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 2016/17 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 JULY 2016 TO 31 DECEMBER 2016**

**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:

<b>Detail</b>	<b>Balance 01-Jul-16 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance \$</b>
Housing Bonds	2,000	0	0	2,000
Dreghorn Unit Bonds	498	404	0	902
Bonds Hall/Rec Centre Hire	0	0	0	0
Aged Care - Bond Karl Strudwick Number 1	0	656	0	656
Youth Centre	865	0	0	865
Council Nominations	0	0	0	0
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	427	364	0	791
Daphne Little - Excess Rent	0	781	0	781
Morawa Oval Function Centre	1,762	0	0	1,762
	<u>10,853</u>	<u>2,205</u>	<u>0</u>	<u>13,059</u>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

**10. OPERATING STATEMENT**

	<b>December 2016 Actual \$</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
<b>OPERATING REVENUES</b>			
Governance	4	10	85,353
General Purpose Funding	2,458,942	3,437,377	2,375,239
Law, Order, Public Safety	395,935	44,720	47,691
Health	1,167	8,000	59,064
Education and Welfare	30,619	45,500	17,905
Housing	38,568	142,711	46,856
Community Amenities	435,311	611,431	538,402
Recreation and Culture	63,380	346,031	260,759
Transport	3,080,707	3,591,841	2,756,444
Economic Services	88,404	192,699	210,929
Other Property and Services	39,485	123,722	93,296
<b>TOTAL OPERATING REVENUE</b>	<b>6,632,522</b>	<b>8,544,042</b>	<b>6,491,937</b>
<b>OPERATING EXPENSES</b>			
Governance	222,631	485,349	453,942
General Purpose Funding	97,272	198,855	193,155
Law, Order, Public Safety	73,314	147,658	147,445
Health	66,992	154,150	274,928
Education and Welfare	117,644	299,878	285,792
Housing	67,127	178,753	121,158
Community Amenities	225,279	616,434	482,500
Recreation & Culture	636,472	1,143,712	1,155,380
Transport	3,648,246	1,769,563	3,228,997
Economic Services	234,208	628,406	538,733
Other Property and Services	23,317	29,715	39,141
<b>TOTAL OPERATING EXPENSE</b>	<b>5,412,502</b>	<b>5,652,470</b>	<b>6,921,171</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b><u>1,220,020</u></b>	<b><u>2,891,572</u></b>	<b><u>(429,234)</u></b>

**SHIRE OF MORAWA**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016**

**11. BALANCE SHEET**

	December 2016 Actual \$	2015/16 Actual \$
<b>CURRENT ASSETS</b>		
Cash Assets	6,421,053	6,412,607
Receivables	839,173	1,439,191
Inventories	1,335	1,335
<b>TOTAL CURRENT ASSETS</b>	<u>7,261,561</u>	<u>7,853,133</u>
<b>NON-CURRENT ASSETS</b>		
Receivables	11,064	13,935
Inventories	0	0
Property, Plant and Equipment	26,705,329	26,518,884
Infrastructure	44,338,843	43,097,335
<b>TOTAL NON-CURRENT ASSETS</b>	<u>71,055,236</u>	<u>69,630,154</u>
<b>TOTAL ASSETS</b>	<u>78,316,797</u>	<u>77,483,287</u>
<b>CURRENT LIABILITIES</b>		
Payables	63,491	404,807
Interest-bearing Liabilities	16,490	66,743
Provisions	345,401	345,401
<b>TOTAL CURRENT LIABILITIES</b>	<u>425,382</u>	<u>816,951</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing Liabilities	458,435	452,597
Provisions	37,661	37,661
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>496,096</u>	<u>490,258</u>
<b>TOTAL LIABILITIES</b>	<u>921,478</u>	<u>1,307,209</u>
<b>NET ASSETS</b>	<u>77,395,319</u>	<u>76,176,078</u>
<b>EQUITY</b>		
Retained Surplus	34,391,608	32,872,289
Reserves - Cash Backed	6,009,222	6,308,522
Reserves - Asset Revaluation	36,995,271	36,995,271
<b>TOTAL EQUITY</b>	<u>77,396,101</u>	<u>76,176,082</u>

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

12. FINANCIAL RATIO

	2016 YTD	2015	2014	2013
Current Ratio	6.220	3.530	7.880	1.870

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 BUDGET REVIEW PERIOD 1 JULY 2016 TO 30 JUNE 2017**  
**Report on Significant variances Greater than 10% and \$10,000**

REPORTABLE OPERATING REVENUE VARIATIONS		Old Budget	New Budget	Difference
<b>General Purpose Income - Variance below budget expectations.</b>				
Interest Received on Accounts less than budgeted - drop in interest rates/ monies from reserves transferred to T/Deposits will be pro rata		\$ 210,000.00	\$ 85,000.00	(125,000)
Income from Grants Commission below budget expectations		\$ 1,541,633.00	\$ 1,538,966.00	(2,667)
<b>Law, Order, Public Safety</b>				
FESA (SES) Grant less than budget due to status change		\$ 19,570.00	\$ 5,000.00	(14,570)
Contribution from FESA for change over of Fire Truck		\$ -	\$ 370,940.46	\$ 370,940.46
<b>Health - Variance below budget expectations.</b>				
Other Income - Reimbursement of Doctors costs less than budgeted		\$ 8,000.00	\$ 5,000.00	(3,000)
<b>Education &amp; Welfare - Variance below budget expectations.</b>				
Other Welfare income from Grants for Youth Projects due to operational changes to Youth Centre		\$ 43,500.00	\$ 30,000.00	(13,500)
<b>Housing - Variance below budget expectations.</b>				
Income from Staff Housing Reimbursements above budget expectations		\$ 500.00	\$ 4,500.00	4,000
Income from Aged Care Units reduced due to no occupancy and timing of transfer of Units from MCC		\$ 87,297.00	\$ 22,000.00	(65,297)
<b>Community Amenities - Variance below budget expectations.</b>				
Domestic Refuse below budget expectations		\$ 104,058.00	\$ 97,047.00	(7,011)
Sewerage Fixture fees below budget expectations		\$ 57,930.00	\$ 53,318.00	(4,612)
Sewerage- Liquid Waste Disposals less than budget due to down town in mining activities		\$ 10,500.00	\$ 500.00	(10,000)
<b>Recreation &amp; Culture - Variance below budget expectations.</b>				
Other Culture-Arts Festival grants/sponsorship and entry fees under budget - Karara contribution included in 15/16 \$13,000 entries down by 200 plus from 2014, attendance down from 2014		\$ 60,500.00	\$ 20,606.00	(39,894)
<b>Transport - Variance above budget expectations.</b>				
Maintenance Roads/Bridges/Depot - Flood Damage Income - offset by expenditure		\$ -	\$ 3,500,000.00	3,500,000
Department of Transport Licensing Income higher than budgeted for - offset with expenditure		\$ -	\$ 350,000.00	350,000
<b>Economic Services - Variance below budget expectations.</b>				
Grant income associated with the Morawa Perenjori Trails Project is not expected to be received as the project has been postponed.		\$ 10,000.00	\$ 1,500.00	(8,500)
Sale of water projected to be less than budget		\$ 53,934.00	\$ 55,980.00	2,046
Income from Business Units higher than budgeted				
<b>Other Property &amp; Services - Variance above budget expectations.</b>				
Private Works less than budget expectations		\$ 28,000.00	\$ 14,400.00	(13,600)
		<b>\$ 2,235,422.00</b>	<b>\$ 6,154,757.46</b>	<b>\$ 3,919,335.46</b>

REPORTABLE OPERATING EXPENSE VARIATIONS						
<b>Governance - Variance below budget expectations.</b>						
Public Relations expenses expected to be less than budget				\$ 21,000.00	\$ 15,000.00	6,000
Administration Costs Allocated to Members expected to be less than budget.				\$ 179,778.00	\$ 162,799.00	16,979
<b>Law, Order, Public Safety - Variance below budget expectations.</b>						
Overall expenditure of SES - Law and Order is expected to be less than budget - change of status				\$ 65,366.00	\$ 39,093.00	26,273
Overall expenditure of BFB - Fire Prevention is expected to be higher than budget				\$ 50,213.00	\$ 66,809.00	(16,596)
<b>Health - Variance below budget expectations.</b>						
Preventative Services - Pest Control expected to be less than budget				\$ 13,178.00	\$ 8,890.00	4,288
Other Health expenses less than budget due to change over Doctors position				\$ 101,917.00	\$ 87,578.00	14,339
<b>Education and Welfare - Variance below budget expectations.</b>						
Other Education - MEA Consultancy				\$30,000.00	\$ 12,451.00	17,549
Overall Other Welfare costs are expected to be less than budget - Provision of housing and other equipment under budget expectations				\$ 237,291.00	\$ 122,975.00	114,316
Care of Families & Children overall expenses expected to be less due to Day Care and Family Day Care not running for part of the year				\$ 25,358.00	\$ 16,906.00	8,452
Only one of the Care facilities is currently running						
<b>Housing - Variance below budget expectations.</b>						
Overall housing budget is expected to be below budget with the major under expenditure in the Aged Care Units Operations				\$ 178,753.00	\$ 161,232.00	17,521
<b>Community Amenities - Variance above budget expectations</b>						
Town Planning expenses less than budget				\$ 11,976.00	\$ -	11,976
Tip Maintenance expenses expected to be less than budget				\$ 88,641.00	\$ 45,000.00	43,641
Other Community Amenities expected less than budget				\$ 116,618.00	\$ 91,361.00	25,257
<b>Recreation &amp; Culture - Variance below budget expectations.</b>						
Public Halls increase in expenditure on Hall Maintenance				\$ 124,613.00	\$ 130,503.00	(5,890)
Other Recreation & Sport - overall decrease in expenditure				\$ 664,138.00	\$ 607,623.00	56,515
Other Culture expenses above budget FM Radio Maintenance				\$ 896.00	\$ 12,500.00	(11,604)
<b>Transport - Variance above budget expectations.</b>						
Department of Transport expenses not budget for - offset with income				\$ -	\$ 350,000.00	(350,000)
Flood Damage expenditure not budgetted for - offset by income				\$ -	\$ 3,500,000.00	(3,500,000)
<b>Economic Services - Variance below budget expectations.</b>						
The caravan park operating expenses are expected to come in under budget for the year including Unit expenditure - all offset against lower income.				\$ 281,501.00	\$ 217,045.00	64,456
Economic Development overall is expected to be less than budget				\$ 231,690.00	\$ 193,109.00	38,581
<b>Other Property &amp; Services - Variance above budget expectations.</b>						



Private Works less than budget expectations	\$	27,512.00	\$	12,000.00	\$	15,512
Internal Repairs expected to be higher than budget	\$	-	\$	-	\$	-
Consultancy Fees - expected to be higher than budget - includes fair value valuations	\$	-	\$	-	\$	-
Unclassified - Industrial surveys Club Road for Landgate	\$	-	\$	3,930.00		(3,930)
Plant operation costs higher than budget						
Administration costs higher than budget						
<b>REPORTABLE CAPITAL EXPENSE VARIATIONS</b>						
<b>Purchase of Plant &amp; Equipment - Variance below budget expectations.</b>						
Law/Order, Public Safety - Fire Prevention - New Fire Truck not budgeted for - income offset	\$	-	\$	370,940.46		(370,940)
Community Amenities - Sanitation Household - Compactors/Transfer Bins for Transfer Station	\$	-	\$	43,820.00		(43,820)
Transport - Road Plant Purchase - not trading Utility - Given to Transfer Station Manager	\$	237,000.00	\$	234,000.00		3,000
Economic Services - Tourism & area Promotion - Camp kitchen expenses brought forward from 15/16	\$	50,000.00	\$	81,000.00		(31,000)
Other Property & Services - Administration - savings on new staff vehicles	\$	100,000.00	\$	95,000.00		5,000
<b>Purchase of Infrastructure Assets Other - Variance below budget expectations.</b>						
Recreation & Culture - Swimming Pool Bowls - Costs over budget expectations	\$	950,000.00	\$	1,130,877.10		(180,877)
Economic Services - WIFI System - Caravan Park/Main Street	\$	16,000.00	\$	16,000.00		-
	\$	1,353,000.00	\$	1,971,637.56		618,637.56
<b>REPORTABLE CAPITAL INCOME VARIATIONS</b>						
<b>Repayment of Debenture - Variance above budget expectations</b>						
Loan repayments above budget expectations	\$	44,414.00	\$	68,175.00		(23,761)
<b>Transfer to Reserves - Variance below budget expectations</b>						
<b>Transfer from Reserves - Variance above budget expectations.</b>						
Funds transferred from Unspent Grants Reserve for Cloud Chasing (project acquitted)	\$	-	\$	27,816.09		27,816
Funds transferred from Refuse Station Reserve	\$		\$	115,794.00		115,794
	\$	44,414.00	\$	231,785.09		119,849.00
<b>BUDGET IMPACT</b>						
The net effect of projected income and expenditure to 30 June 2017 is that Council is expected to have a surplus of approximately \$27,000.00 from this year operations. It is believed that this surplus can be achieved.						
	\$		\$	27,000.00		14,181.90
						This figure allows for the differences not reported on in this report

## **7.2.5 Reports from the Executive Manager Development and Administration**

<i>Item No/ Subject:</i>	<b>7.2.5.1 Compliance Audit Return</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>23 February 2017 - Executive Manager Development &amp; Administration - Sam Appleton</b>
<i>Responsible Officer:</i>	<b>Executive Manager Development &amp; Administration - Sam Appleton</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Development &amp; Administration - Sam Appleton</b>
<i>File Number:</i>	<b>ADM 0106</b>
<i>Previous minute/s &amp; Reference:</i>	<b>Ordinary Council Meeting 18 February 2016 Audit Committee Meeting 10 February 2016</b>

### **SUMMARY**

The Department of Local Government has distributed the 2016 Compliance Audit Return for completion by the Shire of Morawa. The Compliance Audit Return is one of the tools that allow Councils to monitor how the organisation is functioning.

Each local government is to carry out a compliance audit for the period 1 January to 31 December 2016 against the requirements included in the 2016 Compliance Audit Return.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Completed Compliance Audit Return for 2016

### **BACKGROUND INFORMATION**

This year's return places emphasis on the need to bring to Council's attention cases of non-compliance or where full compliance was not achieved. In addition to explaining or qualifying cases of non-compliance, the return also requires Council to endorse any remedial action taken or proposed to be taken in regard to instances of non-compliance.

This year's return has again been prepared by electronic means of Local Government access and submission.

The Compliance Audit Report for 2016 for the Shire of Morawa was presented for review by Council's Audit Committee on 14 March 2017.

### **OFFICER'S COMMENT**

The return was completed by the Executive Manager Development and Administration in conjunction with the CEO and other managers. Only one area of non-compliance was noted.

The non-compliance was in relation to the review of the Delegations Register which is required to be reviewed annually each financial year. The review of the Delegations Register was completed in December 2016, outside of the required period ending 30 June 2016.

### **STATUTORY ENVIRONMENT**

Local Government (Audit) Regulations 1996

#### **14. Compliance audits by local governments**

(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.

(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.

(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

(3) After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be —

(a) presented to the council at a meeting of the council; and

(b) adopted by the council; and

(c) recorded in the minutes of the meeting at which it is adopted.

*[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]*

#### **15. Compliance audit return, certified copy of etc. to be given to Executive Director**

(1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —

(a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and

(b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.

(2) In this regulation —

**Certified** in relation to a compliance audit return means signed by —

(a) the mayor or president; and

(b) the CEO.

*[Regulation 15 inserted in Gazette 23 Apr 1999 p. 1725.]*

Local Government Act 1995

#### **5.46 . Register of, and records relevant to, delegations to CEO and employees**

- (1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.
- (2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.
- (3) A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.

#### **POLICY IMPLICATIONS**

Shire of Morawa Policy 3.11 Risk Management

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

Shire of Morawa Community Strategic Plan

- 4.3 A local government that is respected, professional and accountable.
- 4.5 Be compliant with relevant legislation.

#### **RISK MANAGEMENT**

Shire of Morawa Risk Management Governance Framework

Governance

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

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

#### **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

- 1) Accept the 2016 Compliance Audit Return; and
- 2) Take steps to ensure future delegation register reviews are presented to and adopted by Council prior to 30 June each year.



## Morawa - Compliance Audit Return 2016

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2016.	N/A		Samantha Appleton
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2016.	N/A		Samantha Appleton
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2016.	N/A		Samantha Appleton
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2016.	N/A		Samantha Appleton
5	s3.59(5)	Did the Council, during 2016, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Samantha Appleton



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Samantha Appleton
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Samantha Appleton
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Samantha Appleton
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Samantha Appleton
5	s5.18	Has Council reviewed delegations to its committees in the 2015/2016 financial year.	N/A		Samantha Appleton
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	N/A		Samantha Appleton
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	N/A		Samantha Appleton
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	N/A		Samantha Appleton
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	N/A		Samantha Appleton
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Samantha Appleton
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Samantha Appleton
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2015/2016 financial year.	No	Review of delegations completed at December 2016 ordinary meeting	Samantha Appleton
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Samantha Appleton

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Samantha Appleton
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Samantha Appleton





No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Samantha Appleton
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A		Samantha Appleton
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Samantha Appleton
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2016.	Yes		Samantha Appleton
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	Yes		Samantha Appleton
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Samantha Appleton
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Samantha Appleton
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Samantha Appleton
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Samantha Appleton
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Samantha Appleton
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Samantha Appleton
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Samantha Appleton



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Samantha Appleton
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Samantha Appleton

### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Samantha Appleton
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Samantha Appleton

### Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	N/A		Samantha Appleton

### Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Samantha Appleton
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Samantha Appleton
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Samantha Appleton
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Samantha Appleton



No	Reference	Question	Response	Comments	Respondent
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government within 30 days of completion of the audit.	Yes		Samantha Appleton
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government by 31 December 2016.	Yes		Samantha Appleton
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Samantha Appleton
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Samantha Appleton
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Samantha Appleton
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Samantha Appleton
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Samantha Appleton
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Samantha Appleton
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Samantha Appleton
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Samantha Appleton



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Samantha Appleton
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Samantha Appleton
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Samantha Appleton
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Samantha Appleton
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Samantha Appleton

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Samantha Appleton
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Samantha Appleton
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Samantha Appleton
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Samantha Appleton
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Samantha Appleton
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Samantha Appleton



## Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Samantha Appleton
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Samantha Appleton
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Samantha Appleton
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Samantha Appleton
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Samantha Appleton
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Samantha Appleton
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Samantha Appleton
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Samantha Appleton
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Samantha Appleton
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Samantha Appleton
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes		Samantha Appleton
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	Yes		Samantha Appleton



No	Reference	Question	Response	Comments	Respondent
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	Yes		Samantha Appleton
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	Yes		Samantha Appleton
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Samantha Appleton
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Samantha Appleton
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Samantha Appleton
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Samantha Appleton
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Samantha Appleton
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Samantha Appleton
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Samantha Appleton
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Samantha Appleton



No	Reference	Question	Response	Comments	Respondent
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Samantha Appleton
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Samantha Appleton
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Samantha Appleton

COPY ONLY



<i>Item No/ Subject:</i>	<b>7.2.5.2 Policy Manual Adoption</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>16 February 2017 Development &amp; Administration Officer - Sandy Adams</b>
<i>Responsible Officer:</i>	<b>Executive Manager Development &amp; Administration – Sam Appleton</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Development &amp; Administration - Sam Appleton</b>
<i>File Number:</i>	<b>ADM 0159</b>
<i>Previous minute/s &amp; Reference:</i>	<b>Minutes 19 December 2016</b>

## **SUMMARY**

The purpose of this report is for Council to adopt new policies for the Shire of Morawa Policy Manual.

## **DECLARATION OF INTEREST**

Nil

## **ATTACHMENTS**

New policies for adoption

## **BACKGROUND INFORMATION**

At the March Briefing Forum Councillors worked through the new policies to address areas not covered by the Policy Manual reviewed at the December 2016 meeting.

Council's policy manual requires a review of the policy manual to be conducted annually.

## **COMMENT**

The Shire of Morawa maintains a Policy Manual with an up-to-date recording of the various of the Council.

The policies relate to issues of an on-going nature (policy decisions on single issues are not recorded in the manual). The objectives of the Council's Policy Manual are:

- To provide Council with a formal written record of all Council policy decisions;

- To provide staff with precise guidelines in which to act in accordance with Council's wishes;
- To enable the staff to act promptly in accordance with Council's requirements, but without continual reference to Council;
- To enable Elected Members to adequately handle enquiries from electors without undue reference to the staff or the Council;
- To enable Council to maintain a regular review of Council policy decisions and to ensure they are in keeping with community expectations, current trends and circumstances;
- To enable ratepayers and customers to obtain immediate advice on matters of Council Policy.

The Shire of Morawa Policy Manual has been reviewed and updated accordingly.

## **STATUTORY ENVIRONMENT**

### **LOCAL GOVERNMENT ACT 1995 - SECT 2.7**

#### **2.7 .      Role of council**

- (1)      The council —
  - (a)    governs the local government's affairs; and
  - (b)    is responsible for the performance of the local government's functions.
- (2)      Without limiting subsection (1), the council is to —
  - (a)    oversee the allocation of the local government's finances and resources; and
  - (b)    determine the local government's policies.

*[Section 2.7 amended by No. 17 of 2009 s. 4.]*

## **STRATEGIC IMPLICATIONS**

Shire of Morawa Strategic Community Plan

4.3 A local government that is respected, professional and accountable

## **RISK MANAGEMENT**

Policies provide clear direction for staff and Councillors

## **VOTING REQUIREMENTS**

### **Absolute Majority**

## **OFFICER'S RECOMMENDATION**

That Council:

Resolve to adopt the new policies to be added to the reviewed Shire of Morawa Policy Manual as tabled.

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## **1. Conflict and Disclosure of Interest**

### Conflict of Interest

1. Members and staff will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.
2. Staff will not engage in private work with or for any person or body with an interest in a proposed or current contract with the Local Government, without first making disclosure to the Chief Executive Officer. In respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of duties must be scrupulously avoided.
3. Members and staff will lodge written notice with the Chief Executive Officer describing an intention to undertake a dealing in land within the municipality or which may otherwise be in conflict with the Council's functions (other than purchasing the principal place of residence).
4. Members and staff who exercise a recruitment or other discretionary function will make disclosure before dealing with relatives or close friends and will disqualify themselves from dealing with those persons.
5. Staff will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity.

An individual's rights to maintain their own political convictions are not impinged upon by this clause. It is recognized that such convictions cannot be a basis for discrimination and this is supported by anti-discriminatory legislation.

Members and staff will adopt the principles of disclosure of interest as contained within the *Local Government Act 1995*.

### Disclosure of Interest

- (a) Members and appropriate staff will disclose, in a written return or at the relevant meeting, the interests which might be in conflict with their public or professional duties.
- (b) Whenever disclosure is required, recommended in this Code, or otherwise seems appropriate, it will be made promptly, fully, and in writing within the register provided.

## **2. Personal Benefit**

### Use of Confidential Information

Members and staff will not use confidential information to gain improper advantage for themselves or for any other person or body, in ways which are consistent with their obligation to act impartially, or to improperly cause harm or detriment to any person or organization.

### Intellectual Property

The title to Intellectual Property in all duties relating to contracts of employment will be assigned to the Local Government upon its creation unless otherwise agreed by separate contract.

### Improper or Undue Influence

Members and staff will not take advantage of their position to improperly influence other members of staff in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or for any other person or body.

### Gifts or Bribery

- (a) Members and staff will not seek or accept (directly or indirectly) from any person or body, any immediate or future gift, reward or benefit (other than gifts of a token kind, or moderate acts of hospitality) for themselves or for any other person or body, relating to their status with the Local Government or their performance of any duty or work which touches or concerns the Local Government.
- (b) If any gift, reward or benefit is offered (other than gifts of a token kind, or moderate acts of hospitality), disclosure will be made in a prompt and full manner and in writing in the appropriate register.

## **3. Conduct of Members and Staff**

### Personal Behaviour

- (a) Members and staff will;
  - (i) act, and be seen to act, properly and in accordance with the requirements of the law and the terms of this Code;
  - (ii) perform their duties impartially and in the best interests of the Local Government uninfluenced by fear or favour;
  - (iii) act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interest of the Local Government and the community;
  - (iv) make no allegations which are improper or derogatory (unless true and in public interest) and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment; and
  - (v) always act in accordance with their obligation of fidelity to the Local Government.
- (b) Members will represent and promote the interests of the Local Government while recognizing their special duty to their own constituents.



### Honesty and Integrity

a) Members and staff will:

- (i) observe the highest standards of honesty and integrity; and avoid conduct which may suggest any departure from the standards;
- (ii) bring to the notice of the President any dishonesty or possible dishonesty on the part of any other member, and in the case of an staff member to the Chief Executive Officer;
- (iii) be frank and honest in their official dealing with each other.

### Performance of Duties

- (i) While on duty, staff will give their whole time and attention to the Local Government's business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on them and on the Local Government.
- (ii) Members will at all time exercise reasonable care and diligence in the performance of their duties, being consistent in their decision making but treating all matters on individual merits. Members will be as informed as possible about the functions of the Council, and treat all members of the community honestly and fairly.

### Compliance with Lawful Orders

- (a) Members and Staff will comply with any lawful order given by any person having authority to make or give such an order, with any doubts as to the propriety of such order being taken up with the supervisor of the person who gave the order and, if resolution cannot be achieved, with the Chief Executive Officer.
- (b) Members and staff will give effect to the lawful policies of the Local Government, whether or not they agree with or approve of them.

### Administrative and Management Practices

Members and staff will ensure compliance with proper and reasonable administrative practices and conduct, and professional and responsible management practices.

### Corporate Obligations

- (a) Standard of Dress  
Staff are expected to comply with neat and responsible dress standards at all times.  
Management reserves the right to raise the issue of dress with individual staff.
- (b) Communication and Public Relations  
All aspects of communication by staff (including verbal, written or personal), involving Local Government's activities should reflect the status and objectives of that Local Government. Communications should be accurate, polite and professional.

- (i) As a representative of the community members need to be not only responsive to community views, but to adequately communicate the attitudes and decisions of Council. In doing so members should acknowledge that:
- as a member of the Council there is respect for the decision making processes of the Council which are based on a decision of the majority of the Council;
  - information of a confidential nature ought not be communicated until it is no longer treated as confidential;
  - information relating to decisions of the Council on approvals, permits and so on ought only be communicated in an official capacity by a designated officer of the Council;
  - information concerning adopted policies, procedures and decisions of the Council is conveyed accurately.

#### Relationships between Members and Staff

An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if members and staff have mutual respect and co-operation with each other to achieve the Council's corporate goals and implement the Council's strategies.

To achieve that position members need to:

- accept that their role is a leadership, not a management or administrative one;
- acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;
- refrain from publicly criticising staff in a way that cast aspersions on their professional competence and credibility.

#### Appointment to Committees

As part of their representative role members are often asked to represent the Council on external organisations. It is important that members;

- clearly understand the basis of their appointment; and
- provide regular reports on the activities of the organisation.

### **4. Dealing with Council Property**

#### **4.1 Use of Local Government Resources Members and staff will:**

- (i) be scrupulously honest in their use of Local Government's resources and shall not misuse them or permit their misuse (or the appearance of misuse) by any other person or body;
- (ii) use Local Government resources entrusted to them effectively and economically in the course of their duties and;
- (iii) not use Local Government's resources (including the services of Council
- (iv) staff) for private purposes (other than when supplied as part of a contract of employment), unless properly authorized to do so, and appropriate payments are made (as determined by the Chief Executive Officer).

#### 4.2 Travelling and Sustenance Expenses

Members and staff will only claim or accept travelling and sustenance expenses arising out of travel related matters which have a direct bearing on the services, policies or business of the Local Government in accordance with Local Government policy and the provision of the Local Government Act.

#### 4.3 Access to Information

- (i) Staff will ensure that members are given access to all information necessary for them to properly perform their functions and comply with their responsibilities as members.
- (ii) Members will ensure that information provided will be used properly and to assist in the process of making reasonable and informed decisions on matters before Council.

Adopted 23/03/2017

## 1. ADMINISTRATION

### 1.1 COUNCIL LOGO

To ensure that Council maintains control over the use of the Shire's logo, by others the Council logo shall only be used by special permission of Council.

The use of the logo by organizations may be considered under the following circumstances:

- The request be for a specific purpose and be associated with the applicant's normal activity.
- The use to be for promoting the district to people or target groups living both inside and outside of the district.
- Applications from non-profit or altruistic organizations to have their main centre of activity located within the district.

Adopted 23/03/2017

### 1.2 RECORD KEEPING POLICY

#### **Objective**

To define:

1. the principles that underpin the Shire's records keeping function,
2. the role and responsibilities of those individuals who manage or perform record keeping processes on behalf of the Shire, and
3. establish a framework for the reliable and systematic management of the Shire's records, in accordance with legislative requirements and best practice standards.

#### **Policy**

All staff, councillors and contractors to the Shire will create full and accurate records of every aspect of their official duties in any format and within all appropriate and approved record keeping systems to ensure all business dealings, decisions and transactions meet all legislative, business, evidential and historical requirements.

Adopted 23/03/2017

### 1.3 LEGAL REPRESENTATION

#### **Objective**

To facilitate full, frank and impartial decision-making and actions by Relevant Persons (meaning current and former serving councillors, non-elected members of Council Committees and employees) in the performance of their roles and responsibilities in pursuit of good government of persons in the Shire.

#### **Policy**

The Shire will fund or partly fund the cost of providing legal representation for Relevant Persons in certain circumstances.

Adopted 23/03/2017

### 1.4 EQUAL EMPLOYMENT OPPORTUNITY

#### **Objective**

To outline the Shire's commitment to Equal Opportunity as an employer and as a service provider to the community.

#### **Policy**

The Shire recognises its legal obligations under the Equal Opportunity Act, 1984 (as amended) and will actively promote the principles of equity and diversity in the workplace. This means that the Shire aims to provide a work environment that fosters good working relationships where employees, contractors and volunteers are treated fairly and equally and that unlawful discrimination does not take place.

Adopted 23/03/2017

### 1.5 USE OF COMMON SEAL

#### **Objective**

To provide greater clarity, consistency and efficiency as to the proper and authorized use of the Shire's Common Seal.

#### **Policy**

The Chief Executive Officer may by general authority of Council, affix the Shire's Common Seal to the documents as listed from time to time.

## **Documents to Which the Common Seal May be Affixed under General Authority of Council**

- Restrictive Covenants – under s.129BA of the *Transfer of Land Act 1893* and any discharge or modifications of covenants
- Lodgement, modification and withdrawal of Caveats
- Lodgement, modification and withdrawal of Memorials
- Leases where Council has previously resolved to enter into including renewals, extensions or modifications of leases
- Deeds of Agreement, Development Contribution Deeds and Deeds of Release;
- Licences
- Covenants and any discharge or modification of covenants
- Easements and the surrender or modification of easements
- Notifications on title and withdrawal or modification of notifications
- Rights of Carriageway agreements and withdrawal or modification of Rights of Carriageway agreements
- Reciprocal Access agreements and withdrawal or modification of Reciprocal Access agreements
- Management Statements and withdrawal or modification of Management Statements
- General Legal and Service Agreements
- Transfer of land documents where Council has previously resolved to either purchase or dispose of and or land is being transferred to the Shire for a public purpose
- Debenture documents for loans which Council has resolved to raise
- New Funding or Contracts of Agreement between the Council and State or Commonwealth Governments or Private Organisations for programs to which Council has previously adopted, or additions to existing programs, which in the view of the Chief Executive Officer are in accordance with the original intent of the adopted program
- Town Planning Scheme Amendments;
- Any other documents stating that the Common Seal of the Shire of Morawa is to be affixed or arising from conditions of subdivision, survey strata, strata title or development approvals or provisions of a Structure Plan or Detailed Area Plan.

A list of the documents to which the Shire's Common Seal has been affixed by general authority of Council in accordance with this Policy, shall be reported monthly to Council for information purposes.

Adopted 23/03/2017

### **1.6 AUTHORITY TO SIGN DOCUMENTS**

#### **Objective**

To provide greater clarity, consistency and efficiency as to the proper and authorised signing of documents in the course of the Shire's day-to-day business affairs.

Section 9.49A of the *Local Government Act 1995* refers, i.e. 9.49A. *Execution of documents states in part:*



- (1) *A document is duly executed by a local government if–*  
(b) *it is signed on behalf of the local government by a person or persons authorised under subsection (4) to do so.*
- (4) *A local government may, by resolution, authorise the Chief Executive Officer, another employee or an agent of the local government to sign documents on behalf of the local government, either generally or subject to conditions or restrictions specified in the authorisation.*

## **Policy**

The Chief Executive Officer has authority to sign all documents on behalf of the Shire other than documents requiring the Shire's Common Seal – refer to Council Policy 1.11.

The Managers have authority to sign documents on behalf of the Shire that are within the scope of their position descriptions, but this authority does not extend to the following document types :

1. Documents requiring the Shire's common seal.
2. Employment contract offers, employment terminations and employee salary reclassifications.
3. Contracts arising from tendering decisions made by Council.
4. Correspondence to State and Federal Members of Parliament.
5. Funding/grant applications and agreements where the dollar value of the application or agreement is greater than \$100,000.
6. Prosecutions through the courts unless specifically authorised by Council. This Policy is to read in conjunction with Policy 1.5 -Common Seal.

Adopted 23/03/2017

1.7 REQUESTS FOR FINANCIAL ASSISTANCE
---------------------------------------

## **Objective**

Council is committed to recognising, and assisting individuals, groups and organisations that provide services and support to residents of the Shire of Morawa.

This policy guides how Council responds to requests for financial assistance from individuals, groups and organisations in line with the Shire's Community Strategic Plan. The policy aims to optimise the use of Council funds and to support capacity building of community groups and organisations.

## **Policy**

Council will consider, subject to budget, requests for assistance according to the following categories:

1. Donation
2. Community Grant
3. Annual Contribution

Adopted 23/03/2017

## 1.8 COMMUNITY CONSULTATION

### **Objective**

Council is committed to maintaining dialogue with its community to understand their needs and expectations. In achieving its Strategic aims, Council recognises the need to consult with its community and encourage community participation so as to enhance its decision-making. This policy provides the framework and principles for undertaking community consultation and encouraging participation.

### **Policy**

Council will be guided by the following principles in relation to community consultation.

Council will:

- Keep the community informed of decisions made and actions taken in relation to its activities, listen to and acknowledge concerns, and provide feedback on how public input influenced the decision.
- Encourage participation as appropriate.
- Be open and honest about the purpose of any consultation activity so as to be transparent with its decision making processes.
- Use a range of approaches to engage community views and enable everyone interested to contribute.
- Allow sufficient time to consult effectively.
- Undertake to make balanced decisions using the outcomes of community consultation whilst taking into account other influences such as budget constraints, statutory obligations and strategic directions.
- Strive to continuously improve its community consultation methods.

Adopted 23/03/2017

## 1.9 STREET NUMBERING

### **Objective**

To provide a consistent and clear procedure for the street numbering of properties within the Shire of Morawa.

To ensure that the requirements of Emergency Service Responders and other service providers are met.

## **Policy**

Street numbering and addressing through the Shire is to be in accordance with the current Management Practice, and is based on the Australian/New Zealand Standard 'Geographic Information -Rural and Urban Addressing' AS/NZS 4819:2011, or any superseding standard adopted.

The Shire's responsibilities include confirming street numbers for new subdivisions, and advising landowners, authorities and service providers of any changes to existing street numbers.

Requests to change a street number may be considered in accordance with the current Management Practice.

Adopted 23/03/2017

### **1.10 COUNCILLOR REQUESTS**

#### **Objective**

To assist councillors in fulfilling their role as defined under section 2.10 of the Local Government Act 1995.

To ensure that appropriate protocols are maintained in communications between Councillors and Officers.

Note: Section 5.41 of the Local Government Act stipulates that the CEO is responsible for ..."management, supervision and direction ..." of Council employees.

#### **Policy**

- Council members shall be allowed free use of Council facilities.
- All communication to staff should be via the CEO or Managers in the absence of the CEO.
- All requests by Councillors for reports from officers are to be directed through the CEO and be made available to all Councillors when prepared.

Adopted 23/03/2017

### **1.11 RECOGNITION OF SERVICE BY COUNCILLORS**

#### **Objective**

To recognise the years of service by Councillors, at the end of their elected term as a Councillor.

## **Policy**

The Shire may recognise the retirement of a Councillor by way of presentation of a gift in accordance with section 5.100A of the Local government Act 1995 and regulation 34AC of the *Local Government (Administration) Regulations 1996*.

The decision on the type of gift to be provided is to be made by the Chief Executive Officer and the President which may include discussion with the relevant Councillor.

Adopted 23/03/2017

### **1.12 FOOTPATH SECURITY BONDS**

#### **Objective**

To ensure that Council does not suffer financially from any damage caused to footpaths by builders.

#### **Policy**

A footpath security deposit shall be paid by:

- Registered Builders who undertake less than ten separate projects in the Shire per annum;
- Owner builders;
- Private below ground swimming pool installers.

A footpath security annual bond shall be paid by Registered Builders who undertake ten or more separate projects in the Shire per annum.

Adopted 23/03/2017

### **1.13 STREET TREE MANAGEMENT**

#### **Objective**

To maintain satisfactory streetscape standards.

#### **Policy**

When developing and maintaining streetscapes, the Shire will ensure that tree management creates a consistent, coherent streetscape sympathetic to the surrounding neighbourhood.

Adopted 23/03/2017

## **Objective**

- The purchase of fuel for Council supplied vehicles and relevant associated parties.
- To ensure that only goods and services are paid for, disbursements have been made to the correct party and are properly classified and recorded in the financial records.
- To ensure that all fuel dockets are forwarded onto Council's Finance Department in a timely manner – once per week.

## **Policy**

To ensure that all purchases made on Council's Fuel Cards are properly accounted for.

This policy applies to all Council employees and organisations associated with Council, issued with a Council Fuel Card.

Employees and associates driving a Council supplied vehicle, where required will be issued with a Council owned Fuel Card.

The employees and associates responsibilities are as follows:

- a) Ensure that the fuel cards are only used for Unleaded Fuel, Diesel, LPG and Lubes.
- b) The registration and/or plant number of the vehicle is required to be printed on the fuel card docket.
- c) The fuel card dockets must be sent to Council's Finance Department in a timely manner. This should be within five working days of using the fuel card.

Finance staff will then verify that all fuel dockets have been received and will process the fuel card statement for authorisation by the Financial Manager.

The Finance staff will maintain a register of all employees and associates who have been issued Council Fuel Cards.

All employees must ensure that they adhere to the requirements of the policy. Otherwise they may forfeit the use of the Fuel Card.

## **Risk Management and Fraud Control**

- a) Employees and associates are to use the fuel card for the purchase of fuel and oils relating to Council business and for authorised private usage.
- b) All employees and associates issued with a fuel card will be required to sign a document acknowledging their compliance with the fuel card policy once adopted by Council.
- c) Annual reviews of the usage of the fuel card will be conducted by the Finance Manager. A report will be submitted to Senior Management Team annually detailing any issues on the use of the fuel cards over the past 12 months.

- d) Where a card is lost, stolen or damaged the holder must notify the Finance staff immediately. Steps will then be taken to rectify the situation. This may include cancelling the card and reissuing a new fuel card.
- e) Inappropriate use of fuel cards will be referred to the Management Executive Team. Appropriate measures will be taken to ensure adherence to the Policy. These measures may include cancellation of the fuel card, or any other measures deemed necessary by the Management Executive Team. This could include disciplinary action.
- f) It is the responsibility of the cardholder to return the fuel card to the Finance Department on resignation from the Shire of Morawa. Council's Finance Officer will follow up on any cards that are not returned. The cards will be cancelled where this occurs.
- g) Other methods of payment, such as cash are only to be used in exceptional circumstances. An example of this is where there are no service stations that accept a Council operated fuel card. The employee or associate must make every effort to seek out a service station that accepts a Council operated fuel card. In the case of using cash to pay for fuel purchases, the reimbursement of the fuel payment must be authorised by the employee's or associate's Manager.

Adopted 23/03/2017

1.15 NOMINATION OF SENIOR EMPLOYEES
-------------------------------------

For the purposes of Section 5.37 of the Local Government Act 1995, the Council shall designate the following employees to be "senior employees":

- Chief Executive Officer
- Executive Manager Development & Administration
- Executive Manager Corporate & Community
- Principal Works Supervisor

Adopted 23/03/2017



## 2. BUILDINGS

### 2.1 SUPPLY OF KEYS TO COUNCIL BUILDINGS

#### **Objective**

To make User Groups responsible for the security of the building and the retention of the original keys provided by Council.

#### **Policy**

1. One set of keys to Council owned buildings will be supplied to User Groups for a refundable deposit as set in the Schedule of Fees & Charges.
2. Additional keys shall be made available upon request subject to approval.
3. Replacement of lost keys shall be charged at the deposit rate per key with the loss of the deposit monies associated with the original key.
4. All deposits and charges shall be paid prior to processing any request for keys.

Adopted 23/03/2017

### 2.1 TERMITE INSPECTION

#### **Objective**

To protect Council Buildings from damage caused by termite infestation.

#### **Policy**

An Annual Inspection be carried out on all Council Buildings and where required Termite treatment be arranged.

Adopted 23/03/2017

## 3. FINANCE

### 3.1 RATES COLLECTION

The purpose of this policy is to provide clear direction on the collection of outstanding rates debtors.

#### **Rate Notices**

Rates Notices shall be issued as soon as possible after the budget has been set, or in the case of interim rates, as soon as possible after a revaluation has been received. Instalment Notices are to be sent in accordance with dates set at the time of adopting the budget.

#### **Discount**

- Where a discount option is available, discount shall apply to rates paid in full by 35 days after date of issue of rate notice.
- No discount to be offered on minimum assessments.
- Discount does not apply to rates from previous years.
- Discount does not apply to interim rates after the billing date.

#### **Instalments**

Payment of current year's rates by four instalments at two monthly intervals will be offered.

#### **Special Payment Arrangements**

- An agreement may be made with a person for payment of rates under an alternative arrangement other than the options offered on the rate notice.
- The ratepayer will be eligible for an arrangement if their rates outstanding are for the current year only.
- Special arrangements will be for regular instalments with the debt to be finalised prior to the date on which the rates are generated for the next financial year or 30 June, whichever is first.
- Two defaults on payments as per the arrangement plan will result in immediate withdrawal of the arrangement and the commencement of legal action as stated in part 6 below.

#### **Issue Final Notice**

A Final Notice is to be issued for all rates/charges outstanding 14 days after the due date (apart from those ratepayers who have opted to pay by instalment or special arrangement).

#### **Refer to Debt Collectors**

If payment is not received within 14 days of the final notice being issued, (allowing for postal delays), the debt will be referred to debt collectors.

## Overdue Instalments

When an instalment (other than the first instalment) remains unpaid after the following/next instalment is due, the right to pay by an instalment plan may be revoked in writing in accordance with Section 66 of the Local Government (Financial Management) Regulations.

## Other Courses of Action

- Section 6.60 notice – divert rental payments due to the Lessor to the Shire.
- Lodge a caveat on the property so the property cannot be settled until the debt is paid in full.
- Take possession of the land under Section 6.64 of the Local Government Act 1995. In this instance, the Shire may rent or dispose of the property if rates remain unpaid for at least three years.
- Query with Mortgager details of the loan where applicable, to determine if it is a condition of the loan for the rates and taxes to be kept current with a view to having the debt paid by the financial institution.

## Sale of Land for Non-Payment of Rates

The Chief Executive Officer is to bring to Council's attention, any rates which remain unpaid for a period of three years for a determination on: -

- (a) Taking possession, or
- (b) Selling the land for the recovery of rates in accordance with the provisions of the Local Government Act 1995, or
- (a) Placing a caveat against the land to secure Council's interest

Council should consider the following issues when determining whether to sell land for outstanding rates:-

- (a) Whether the cost to recover the rates or transfer the land outweighs the amount outstanding.
- (b) Whether it would be more cost effective to caveat the land rather than take possession.

Adopted 23/03/2017

3.2 SALARY SACRIFICE
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## Objective

A policy which provides for all employees to reduce their salary and obtain certain benefits which are not subject to Fringe Benefits Tax.

## Policy

To allow employees to package their remuneration more effectively to their needs and wants. Offering salary packaging will make the Shire of Morawa more attractive to present and prospective employees.

The following items will be available for salary sacrifice packaging by staff:

- a) Superannuation
- b) Laptop computers – one computer per employee per year
- c) Mobile telephones (provided they are primarily used for business)
- d) Swimming pool memberships (under \$500)

Items that require the Shire to incur expenditure to purchase are subject to the following:

- a) Minimum period of employment of 12 months
- b) Maximum time to repay is 12 months
- c) Must be covered by annual / long service leave accrued at time of agreement

Adopted 23/03/2017

### 3.3 ACCOUNTING

#### **Objective**

This policy provides a financial management and financial governance framework for the Shire that is clear, transparent and complies with statutory obligations.

Its purpose is to adopt full accrual accounting and all other applicable accounting standards in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards and to identify all significant accounting policies applicable to the preparation of the Shire's Annual Financial Statements, Annual Budget and Long Term Financial Plan.

#### **Policy**

This policy comprises significant accounting policies used to guide the Shire's day-to-day financial management and financial governance framework and the preparation of the Shire's Annual Financial Statements, Annual Budget and Long Term Financial Plan.

##### **a) Basis of Preparation**

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

Except for cash flow and rate setting information, the report 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.

### **Critical Accounting Estimates**

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

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

### **The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears in the Annual Financial Statements and Monthly Financial Statements.

#### **b) Goods and Services Tax (GST)**

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

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

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

**c) Cash and Cash Equivalents**

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

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

**d) Trade and Other Receivables**

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

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

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

**e) 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 Sale***

Land held for development and sale 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 completed are expensed.

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

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



## **f) Fixed Assets**

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

### ***Mandatory Requirement to Revalue Non-Current Assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government :
  - (i) that are plant and equipment; and
  - (ii) that are:
    - (I) land and buildings; or-
    - (II) Infrastructure;
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every three years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

### ***Land Under Control***

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

### ***Initial Recognition and Measurement between Mandatory Revaluation Dates***

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

### ***Revaluation***

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

### ***Transitional Arrangements***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

### ***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

### ***Land Under Roads***

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

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

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

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

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

### **Depreciation**

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	50 Years
Bus Shelters / Bird Hides / Lookout Shelters	20 Years
Playground Equipment	15 Years

Seats and Benches	10 Years
Furniture and Equipment	7 Years
Computer Equipment	3 Years
Electrical Equipment	5 Years
Heavy Road Plant	10 Years
Trucks	10 Years
Light Vehicles	10 Years
Sundry Plant and External Equipment	5 Years
Tools	5 Years
Footpaths (Slab) / Boardwalks	30 Years
Footpaths (Concrete)	40 Years
Water Supply Piping and Drainage Systems	75 Years
Water Reticulation / Irrigation	20 Years
Culverts	50 Years
Kerbs and Channels	40 Years
Bridges	75 Years
Entry Statements	20 Years
Carparks / Courts (sporting)	20 Years
Crash Barriers / Walls	10 Years
Street Lights / Lighting Systems	25 Years
Airport Runway	50 Years
Sealed Roads And Streets	
• Clearing and Earthworks	Not depreciated
• Construction / Road Base	50 Years
Original Surfacing and Major re-surfacing	
• Bituminous Seals	15 Years
• Asphalt Surfaces	20 Years
Gravel Roads	
• Clearing and Earthworks	Not depreciated
• Construction / Road Base	50 Years
• Gravel Sheet	12 Years
Formed Roads (Unsealed)	
• Clearing and Earthworks	Not depreciated
• Construction / Road Base	50 Years

The  
assets

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

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

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

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

### ***Capitalisation Threshold***

Expenditure on items of equipment under \$5000 is not capitalised. Rather, it is recorded on an asset inventory listing.

#### **g) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

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

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

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

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

### ***Fair Value Hierarchy***

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

#### **Level 1**

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

#### **Level 2**

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

#### **Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

### ***Valuation techniques***

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

#### **Market approach**

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

#### **Income approach**

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

#### **Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

## **h) 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 (i.e. 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.

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 and any reduction for impairment; and
- (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.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that 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.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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. Gains or losses are recognised in profit or loss.



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

(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 has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) *Financial liabilities*

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

### ***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they

will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

### ***De-recognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

## **i) Impairment of Assets**

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

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

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

## **j) 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, are recognised as a current liability and are normally paid within 30 days of recognition.

## **k) Employee Benefits**

### **Short-Term**

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

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

### **Other Long-Term**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

## **l) Borrowing Costs**

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

## **m) Provisions**

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

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

#### **n) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

#### **o) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

#### **p) 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed within the Annual Financial Statements. That note also discloses the amount of contributions

recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**q) Superannuation**

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

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

**s) Rounding Off Figures**

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

**t) Comparative Figures**

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

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

**u) Budget Comparative Figures**

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

Adopted 23/03/2017

## 4. INDUSTRIAL

### 4.1 ACCOMMODATION ALLOWANCE

Council provides an accommodation allowance of \$30 per week to all employees who own and live in their homes within the Shire of Morawa.

Only one allowance per residence to apply where there is more than one employee living in the same home.

Adopted 23/03/2017

### 4.2 STAFF ESTABLISHMENT LEVELS

To ensure that adequate resources are available to undertake the day-to-day tasks of the Shire in an efficient manner, staff establishment levels are to be reported annually, as part of the budgetary process.

Adopted 23/03/2017

### 4.3 PAID LEAVE FOR VOLUNTEER DUTY

To recognise the important community role performed by staff who volunteer for Defence Reserve and Emergency Services organizations the Shire will allow staff who are registered volunteer members of the Defence reserve or an emergency service to respond to official emergency situations during normal working hours and where approval has been given, Council will protect staff by ensuring that their normal salary or wages are maintained.

Adopted 23/03/2017

### 4.4 SAFETY AND HEALTH MANAGEMENT PRACTICE

The Shire of Morawa is committed to providing a safe and healthy work environment for all employees, contractors and visitors. All levels of management and supervisors are responsible for ensuring that reasonable efforts are made to minimise the potential for injury or illness within their area of responsibility.

All employees, regardless of status, must recognise that they are responsible for their own safety and that of their co-workers. The safety committee, safety and health representatives, management and employees must co-operate and work collectively with a "team spirit".

The objectives are to:

- Establish and actively seek to have all employees adopt safe work practices and procedures.
- Provide employees with adequate information, training and supervision to ensure they are competent to perform their duties in a safe manner.
- Build a safety culture where all employees are dedicated to minimising the risk of injury, illness or damage to plant and property.
- Identify. And then eliminate and/or control workplace hazards, so far as is practicable.
- Encourage all parties involved to actively participate in the continuous improvement of safety and health standards in the workplace.
- Ensure compliance with the relevant Occupational Safety and Health legislation, Australian Standards, Codes of Practice and Guidance Notes.

This policy shall be reviewed annually to ensure legislative compliance is met.

Adopted 23/03/2017

#### 4.5 SEVERANCE PAYMENTS

##### **Objective**

To meet the requirements of section 5.50 of the Local Government Act 1995.

##### **Policy**

Council will consider severance payments to employees whose employment terminates by resignation, dismissal or redundancy.

Adopted 23/03/2017

#### 4.6 SMOKE FREE WORKPLACE

##### **Objective**

To protect the health of Council employees, contractors and visitors by eliminating exposure to environmental tobacco smoke in and around all Council controlled buildings, recreational facilities, both indoor and outdoor and work vehicles.

##### **Policy**

This policy covers the smoking of any tobacco product and the use of oral tobacco products, "chewing" tobacco and e-cigarettes, and it applies to all employees, contractors and visitors.



## **Smoking Restrictions**

- Smoking is prohibited in all Council owned and controlled buildings, enclosed workplaces, enclosed recreational facilities and work vehicles at all times.
- To prevent drift of smoke into smoke free environments, no smoking will be permitted within 5 metres of doorways and 10 metres of air intake vents of Council premises.
- Smokers are expected to be considerate of the health and wellbeing of others. It is unacceptable to smoke where it is possible for others to inhale smoke e.g. along thoroughfares and footpaths and near access ways.
- Smokers are expected to be discreet. It is unacceptable to smoke where the activity is clearly visible to work colleagues and the general public e.g. outside offices in full view of other staff.
- Smokers are only permitted to smoke during official work breaks in designated outdoor areas.

## **Programs to Assist in Quitting Smoking**

- The Shire will provide assistance to any member of staff who wishes to stop smoking by contributing towards the costs of an accredited stop smoking program.
- Consideration may be given to providing paid leave to attend an approved course during working hours.

## **Signage and Waste Disposal**

- No smoking signs and butt bins will be installed at appropriate locations to discourage smoking near to Shire owned and controlled buildings.

## **Recruitment**

- The Shire will advertise in all recruitment material, including Council's website, of its smoke free workplace policy.
- All new employees will be informed of the smoke free workplace policy at commencement of employment and at induction training for new staff.

## **Environmental Waste Reduction**

Staff are responsible for ensuring that any waste, such as cigarette butts, are properly disposed of.

Adopted 23/03/2017

### Objective

A policy, which provides for the use of Council Vehicles by staff, Councillors & authorised persons within the following guidelines and conditions, and subject to employment contracts where they exist.

### Policy

- All authorised persons must provide details of current licence.
- All new staff must provide a copy of their current licence to Human Resources.
- All shire staff are to notify Human Resources of any changes to their licence, including suspension or loss of licence.

### Terms of Use

1. Employees to whom vehicles are provided and in accordance with their current terms of employment, may use them for their own private purposes, including weekends and annual leave periods. Employees are to meet the cost of fuel for private usage. A vehicle log book is to be kept for all private use.
2. Vehicles may be driven by the following persons:
  - an authorised officer of the Council;
  - outside of normal working hours by the spouse or partner of the employee allocated the use of the vehicle;
  - the holder of an appropriate current driver's licence when accompanied by an authorised officer or Councillor
  - Councillors when travelling to or from forums to represent Council, or regional Western Australia.
  - Other such persons as are authorised by the Chief Executive Officer.
3. Such vehicles are to be brought onto the job every working day (except those days an officer concerned is on paid leave), and used for all normal organisational duties. The vehicle is to be available for use by other Council drivers during normal working hours and on occasions, may be required outside working hours.
4. All employees, Councillors and authorised persons to whom vehicles are allotted are responsible for their care, including interior and exterior cleaning.
5. No modifications are to be made to the vehicle without the approval of the Chief Executive Officer.
6. At the discretion of the Chief Executive Officer, an authorised person or officer may be required to pay the cost of associated repairs caused by negligence on the part of the driver.

7. Any speeding fines raised whilst driving a Council vehicle will be the responsibility of the driver.
8. There is to be NO SMOKING in Council vehicles at any time.

Adopted 23/03/2017

4.8 CEO PERFORMANCE REVIEW
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1. That the performance of the CEO be reviewed at least once in relation to each year of employment .
2. That part of the ordinary Council meeting, prior to a review, is closed to enable all Councillors to have input into the review of the CEO's performance.
3. That the performance review be carried out by the Council or by resolution of Council or a suitably qualified consultant in a closed meeting with the CEO.
4. That the record of the review outcomes shall be provided to the Council but not retained by individual Councillors. The final written report of the performance review and resolution of Council relevant to the review shall be retained by the Council's Human Resources section.

Adopted 23/03/2017

4.9 ACTING CEO
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1. In the absence of the Chief Executive Officer during leave periods or other extended periods of absence an acting Chief Executive Officer is to be appointed.
2. The Chief Executive Officer is delegated the authority to select and appoint an Acting Chief Executive Officer for a period not exceeding five days unless decided otherwise by Council. The person selected to act in the position will be remunerated in accordance with current Chief Executive Officers Salary.
3. Dates of leave and delegated Acting Chief Executive Officer to be formally advised to Council as soon as practicable.

Adopted 23/03/2017

#### 4.10 LEAVE MANAGEMENT

This policy applies to all employees who are employed on a full time or part time basis but does not apply to employees employed on a casual basis.

1. All employees shall take annual leave in the year which it is accrued unless deferral has been arranged through their line manager and been approved by the CEO.
2. All employees shall take long service leave within three years of the date it becomes due unless deferral has been arranged and approved by the CEO.

#### Reimbursement of Fees

1. An employee who undertakes an approved course of study may apply to the Chief Executive Officer to have compulsory fees (other than for supplementary examinations and late enrolment or late entry fees) reimbursed after completion of the semester/term.
2. Employees shall provide as much notice as possible to their Line Manager when seeking leave of any type.
3. Emergency Service, study leave and jury leave shall be paid normal rates from the time of absent from work to the total of ordinary time usually worked in that day, but not including time in excess of ordinary working hours, weekends or public holiday rates.
4. Emergency service, jury and study leave does not accrue.

Adopted 23/03/2017

#### 4.11 SEXUAL HARRASSMENT

Council strongly supports the concept that every employee, elected member and member of the public employed by or engaged in business with the Council, has a right to do so in an environment which is free from sexual harassment and the Council is committed to providing such an environment.

Council considers sexual harassment to be an unacceptable form of behaviour which will not be tolerated and recognises that sexual harassment is unlawful.

Sexual harassment is any conduct of a sexual and/or sexist nature (whether physical, verbal or non-verbal) which is unwelcome and unsolicited and rejection of which may disadvantage a person in their employment or their life in general.

The following examples may constitute sexual harassment when they are considered offensive to an employee, elected member or member of the general public:-

- Deliberate and unnecessary physical contact such as patting, pinching, fondling, kissing, brushing against, touching.
- Subtle or explicit demands for sexual activities or molestation.
- Intrusive enquiries into a person's private life.
- Uninvited and unwelcome jokes that have a sexual and/or sexist undertone.
- Unsolicited leers and gestures of a sexual nature and the display within the workplace of sexually offensive material.

Council recognises that sexual harassment can undermine health, performance and self-esteem of individuals and has the potential to create a hostile and intimidating environment. Council is therefore committed to any action which ensures the absence of sexual harassment in the workplace including general training of the workforce and specific training for officers identified to deal with complaints. Appropriate disciplinary action will be taken against any individual found to be engaging in such conduct.

Any complaints of sexual harassment made against another person associated with the Council will be viewed seriously treated confidentially and thoroughly investigated by appropriately trained persons.

Any person making a claim of sexual harassment will be protected at all times. No transferring of staff or face-to-face meetings between the complainant and the person whose behaviour has been found to be unwelcome will occur without the prior consent of both parties.

An employee whose health or work performance has been affected by sexual harassment will not have their employment status or conditions disadvantaged in any way.

Adopted 23/03/2017

#### 4.12 DRESS CODE AND HYGIENE

##### **Objective**

The type of clothing and standard of dress for the Shire of Morawa's employees varies according to roles and safety requirements. This policy provides parameters regarding appropriate types of clothing, standards of dress and related matters.

##### **Commitment**

The Shire of Morawa is committed to presenting itself in a professional manner as well as maintaining a safe and healthy working environment for its employees. This policy aims to fulfil such a commitment by providing clarity in relation to personal clothing and hygiene standards. For the purposes of this policy the term "employee/s" shall extend to cover contractors, volunteers and any person performing work for or with the Shire of Morawa in any capacity.

## **Compulsory Uniform/Protective Clothing**

The Shire of Morawa may require employees to wear a uniform. Usually, a compulsory Shire of Morawa uniform will be provided at no cost to the employee. In some cases, an allowance may be provided for the purchase and maintenance of a uniform. The following applies in relation to compulsory wearing of Shire of Morawa uniforms:

- The employee is responsible for ensuring their uniform is kept clean and presentable. Any employee who fails to wear the required uniform when presenting for duty may be sent home to change and may not receive payment for the time they are not at work;
- Uniforms shall be replaced if it is determined by an appropriate officer that they are no longer suitable for use due to ordinary wear and tear;
- If an employee's uniform is damaged the employee may be entitled to a replacement uniform or an additional one-off allowance. An employee may not be entitled to a replacement uniform or an additional one-off allowance if their uniform has been damaged due to neglect or misconduct. In such cases the employee will be responsible for the replacement costs of the uniform; and
- Uniforms will remain the property of the Shire of Morawa. Employees who are ceasing work with the Shire of Morawa must return their uniforms prior to the completion of their final working day.

## **Additional Requirements Relating to Protective Clothing**

An employee may be instructed to wear protective clothing by an appropriate officer. Employees will be issued with protective clothing by the Shire of Morawa. An employee must not modify, alter or change protective clothing under any circumstances unless they are directed to do so by an appropriate officer.

## **Wearing of Uniform out of Hours**

Primarily uniforms are to be worn only during working hours and employees should take care to refrain from wearing uniforms outside of work. Employees must recognise that when wearing the uniform they are recognised as representing the Shire of Morawa. Employees must adhere to the Shire of Morawa's Code of Conduct, policies and procedures if they are wearing the uniform outside of work.

An employee must refrain from consuming alcohol whilst wearing a Shire of Morawa uniform unless alcohol consumption has been sanctioned by an appropriate officer. Employees who consume alcohol or act in an inappropriate manner whilst wearing a uniform may face disciplinary action.

## **Acceptable Standards of Dress**

Employees who are not required to wear uniforms must present for work in a professional manner and be suitably attired for their work activities. The standard for both men and women is smart business dress.

Smart business dress for work may include, tailored trousers, tailored skirts, collared business shirts, tailored jackets, dresses, blouses, smart/business shoes, socks, appropriate underwear, belts and ties.

Smart business dress for work does not include; low cut or sheer tops, tops that expose the midriff, shorts, buttocks, thongs, bare feet, singlets, faded jeans, frayed jeans, board shorts or other items of clothing deemed unsuitable by an appropriate officer.

The following items may be acceptable provided they do not pose any possible hazard to health and safety at work or deviate significantly from the image required in the given work area.

- Clothing worn to comply with cultural or religious practices;
- Tattoos or body piercings; and
- Jewellery.

An Employee's hair should be neat and tidy and kept in a clean condition. Employees with long hair may be required to tie it back or wear a hair net at the request of an appropriate officer.

## **Casual Dress Days**

On "casual dress" days, "smart casual" is the minimum required standard. Further guidance is available from the respective line manager.

## **Unacceptable Standards of Dress**

The following items are unacceptable at the Shire of Morawa:

- Clothing that contains messages or designs that may be offensive to others including but not limited to items of clothing which may be considered racist, sexist or derogatory; and
- Body tattoos that contain messages or designs that may be offensive to others including but not limited to tattoo's which may be considered racist, sexist or derogatory.

## **Tax Deductibility**

The Shire of Morawa's uniform has been entered on the Register of Approved Occupations clothing, meaning the expenditure incurred by a paid employee in relation to their uniform can be claimed as a tax deduction.



## **Personal Hygiene**

Employees are responsible for ensuring that they maintain good standards of personal hygiene whilst at the workplace. Clothes should be laundered to a reasonable standard and employees should be respectful of others and minimise strong body odour, perfumes and colognes when attending the workplace.

Where problems are identified in working arrangements or facilities or with the health and safety of the individual, these must be reported to a responsible person immediately.

All matters relating to personal hygiene will be handled sympathetically and discreetly.

## **Consequences of Breaching This Policy**

This policy constitutes a lawful instruction to all of the organisation's people and breaches may lead to disciplinary action or termination by the Shire of Morawa. People who breach the policy may also be personally liable for their actions.

## **Variation to This Policy**

This policy may be cancelled or varied from time to time. All the organisation's employees will be notified of any variation to this policy by the normal correspondence method.

Adopted 23/03/2017

## 5. LAW, ORDER AND PUBLIC SAFETY

### 5.1 FIREBREAKS

#### **Objective**

To ensure that all property owners comply with the firebreak notice and ensure that all precautions are taken to reduce the fire risk.

#### **Policy**

Council Ranger/Community Emergency Services Manager shall continue to undertake property firebreak inspections in accordance with the annual firebreak inspection programme and the Bush Fires Act 1954 during the period of 1 December and 14 March the year following.

Adopted 23/03/2017

### 5.2 ILLEGAL BUILDING WORKS

#### **Objective**

To provide direction in cases where Building Works are commenced without Council's approval and the issue of a Building Permit.

#### **Policy**

The Building Act 2011 confirms what types of work are required to have a Building Permit. The Act also creates an offence for commencing building works without first obtaining a Building Permit. A person who does commence building works without a Building Permit is guilty of an offence.

A person who has commenced building works without the necessary approvals is required to submit an application for a 'Building Approval Certificate' within 20 working days from the Building Surveyor's request. A reasonable extension of that time frame can be applied for if necessary.

The application needs to be accompanied by:

- A certificate of building compliance (CBC), issued by a third party building surveyor;
- Where the local government or the building surveyor deems it necessary a structural engineer needs to inspect the existing structure and submit a report.
- Copies of all plans and specifications denoted on the CBC;
- A copy of technical certificates, (i.e. energy efficiency certificate, etc);
- Evidence of any prescribed authorities' approval;
- Septic system approval where applicable;

- Evidence of any prescribed notifications given;
- Appropriate consent forms or court orders where work encroaches onto or adversely affects other land; and
- Payment of prescribed fees.

If the Building Surveyors request is not forthcoming Council will then issue the relevant notices and take any necessary legal action.

Adopted 23/03/2017

## 6. PLANT AND EQUIPMENT

### 6.1 COUNCIL PLANT AT FIRES

1. Requests for assistance and instructions can only come from the Fire Control Officer in charge of the fire.
2. Front end loaders and graders (which are not licensed to be driven on the road after sundown) can only be used for fire control during daylight hours.
3. Loaders and graders (which are machines with hydraulic controls) can only be used in open paddock situations which mean they cannot be driven into rocky, hilly bushland.
4. Shire water tankers must be parked in a safe area and used only for back up water supplies.
5. An operator has the right to refuse any instructions, which he feels would put himself and his machine at risk. Each machine shall be accompanied by a fire fighting unit when on the fire ground cutting breaks or carrying out other fire mitigation works.

Adopted 23/03/2017

### 6.2 USE OF COUNCIL PLANT BY STAFF

1. No right exists for staff to borrow or use Council plant or equipment for non-Council or personal use.
2. On occasions it may be possible for Council to assist an employee by making an item of Council equipment available for a limited period for personal or community pursuits or purposes.
3. Use of any item of Council equipment for any non-Council activity without proper authority is not permitted.
4. Any such arrangement must be made through the Council Officer responsible for that item of equipment. This does not imply that every request will be granted. The authority and discretion in relation to making any item of equipment available rests with the officer in charge of that item of equipment.
5. Compliance with this direction by all staff members is essential.

Adopted 23/03/2017

## 7. ROADS

### 7.1 ROAD CLOSURES FOR EVENTS

#### **Objective**

To ensure that Council is aware of activities being conducted on roads under its care and management.

#### **Policy**

Prior to Council's approval of an application for road closures for events, applicants be required to lodge appropriate fees and charges as determined and advertised by Council in its annual budget.

Adopted 23/03/2017

## 8. RECREATION

### 8.1 POP UP STALLS

#### **Objective**

- To facilitate the opportunities for itinerant trading that adds to the community's enjoyment and use of the Shire, while not reducing safety or access to public land.
- To regulate the level and intensity of itinerant trading to protect the amenity of the Shire including its roads, streets and public places and to ensure these areas are retained primarily for their main purpose.
- To ensure that the parking of vehicles and/or erection of other equipment will not adversely affect the public amenity and the character of the area and/or street.
- To provide a consistent and coordinated process for the assessment of applications for itinerant traders within the municipality.

#### **Policy**

Itinerant traders may only operate at a market, event or festival when they have received prior consent from the organiser of the market, event or festival. Where there is an event approved by Council, the approval of the event to use a specific area over-rides the permission for the itinerant trader to use the same area.

Adopted 23/03/2017

## 9. TOWN PLANNING

### 9.1 HOME OCCUPATION

#### **Objective**

- (a) To promote the orderly and proper development of land by making suitable provisions to guide applicants who wish to operate a Home Occupation or a Home Business from a dwelling in an approved Zone;
- (b) To secure the amenity, health and convenience of the neighbourhood through appropriate development requirements; and
- (c) To comply with necessary Local, State and Commonwealth legislation that is applicable to the proposed development.

#### **Policy**

The Shire of Morawa Local Planning Scheme No.2 provides for a small business to be carried out from a 'dwelling', provided that it does not adversely affect the 'amenity' of the locality. Such businesses are referred to as Home Occupations, Home Businesses and Home Offices.

The purpose of this Planning Policy is to set out the objectives and policy provisions which the 'Council' shall have due regard to in the assessment and determination of applications for planning approval for Home Occupations and Home Businesses.

In this regard, no person shall commence or carry out a Home Occupation or Home Business without first having applied for and obtained the planning approval of the Council, pursuant to the provisions of 4.3.9 of Local Planning Scheme No.2.

Adopted 23/03/2017



## 10. HEALTH

### 10.1 COMPLAINTS HANDLING POLICY FOR WATER LICENCE PROVISIONS

#### **Objective**

Shire of Morawa as a Water licence operator has an obligation and responsibility under its *Water Licence provisions* as determined by the Economic Regulatory Authority's *Water Act Guidelines* to provide a Complaints Handling Policy.

#### **Policy**

This policy is compliant with *AS ISO 10002-2006: Customer satisfaction-Guidelines for Complaints Handling in Organisations* and applies to any individual or representative that has communications with Shire of Morawa. These communications include all public interactions with any Shire staff member and may be in any form, ie written, electronic, verbal or face to face.

This policy enables stakeholders to make complaints in regard to the standard of services provided by Shire of Morawa under its Customer Service Charter.

Adopted 23/03/2017

### 10.2 DISPOSAL OF CHEMICAL DRUMS

#### **Objective**

To control the disposal of used chemical drums within the Morawa Refuse Site so as to ensure public safety and best management practice.

#### **Policy**

Council will not allow the disposal of used herbicide or pesticide drums at the Morawa Refuse Site. The Chief Executive Officer be authorised to allow disposal, if in their opinion an emergency situation exists.

Adopted 23/03/2017

<i>Item No/ Subject:</i>	<b>7.2.5.3 Local Laws Review</b>
<i>Date of Meeting:</i>	<b>23 March 2017</b>
<i>Date &amp; Author:</i>	<b>15 March 2017 - Samantha Appleton</b>
<i>Responsible Officer:</i>	<b>Executive Manager Development and Administration Samantha Appleton</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Development and Administration Samantha Appleton</b>
<i>File Number:</i>	<b>LE.LLW.1</b>
<i>Previous minute/s &amp; Reference:</i>	

### **SUMMARY**

Council to consider initiating a review of Local Laws for the Shire of Morawa as required under the Local Government Act Section 3.16.

### **DECLARATION OF INTEREST**

Nil

### **ATTACHMENTS**

Nil

### **BACKGROUND INFORMATION**

Section 3.5 of the Local Government Act 1995 provides for local governments to make Local Laws to help perform their functions.

Section 3.16 of the Act requires local governments to review their Local Laws every eight years. A number of the Shire's Local Laws are currently due for review and as such it is proposed to review all of the Shire's Local Laws at the same time.

Section 3.12 of the Act describes the process the Shire must follow to make (or amend) a Local Law. The process of review is separate to amendment and any changes that Council proposes to make to the Shire's Local Laws will require further consultation and a submission period before being adopted and gazetted.

## **OFFICER'S COMMENT**

The Shire of Morawa currently has ten Local Laws in place.

Section 3.16 (2) – (4) of the Act sets out the process for reviewing the currency and suitability of gazetted Local Laws:

- (2) The local government is to give State wide public notice stating that –*
- (a) The local government proposes to review the Local Laws; and*
  - (b) A copy of the Local Law may be inspected or obtained at any place specified in the notice; and*
  - (c) Submissions about the Local Law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*
- (2a) A notice under subsection (2) is also to be published and exhibited as if it were a local public notice.*
- (3) After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*
- (4) When its council has considered the report, the local government may determine whether or not it considers that the Local Law should be repealed or amended.*

The review should be a broad review of the Local Laws and should address questions such as:

- Are all the Local Laws needed?
- Are there any known issues with the current Local Laws?
- Are there emerging issues or societal changes that need addressing?
- Are the provisions within our Local Laws still current and applicable?

If the outcome of the review finds that it is necessary to change an aspect of the laws, the Shire must then commence the process outlined in section 3.12 of the Act to implement any changes. Such changes will be undertaken as a second phase of this project.

The Shire may also consider whether additional Local Laws are required, noting there had been discussions of introducing a Verge Local Law.

Work on the review will commence with the resolution of Council to commence the review and to undertake public consultation and receipt of submissions.

## **COMMUNITY CONSULTATION**

A public consultation period of no less than six weeks is required.

## **COUNCILLOR CONSULTATION**

Council to consider submissions received then to consider whether to amend or repeal existing Local Laws.

## **STATUTORY ENVIRONMENT**

Local Government Act 1995 – sections 3.5, 3.12 and 3.16.

## **POLICY IMPLICATIONS**

Nil

## **FINANCIAL IMPLICATIONS**

Cost of advertising and consultants (budgeted \$3,000 GL 04207).

## **STRATEGIC IMPLICATIONS**

Shire of Morawa Strategic Community Plan  
4.5 Be compliant with relevant legislation.

## **RISK MANAGEMENT**

Reduces risk by compliance with statutory requirements.

## **VOTING REQUIREMENTS**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

1. Agrees to undertake a review of all of its Local Laws in accordance with the Local Government Act section 3.16; and
2. That state wide and local public notice be given of the Shire's intent to undertake the review.

8. **New Business of an Urgent Nature**
9. **Applications for Leave of Absence**
10. **Motions of Which Previous Notice Has Been Given**
11. **Questions from Members without Notice**
12. **Meeting Closed**
  - 12.1 Matters for which the meeting may be closed
  - 12.2 Public reading of resolutions that may be made public
13. **Closure**

**Next Meeting - Ordinary Meeting 20 April 2017**