



Shire of Ngaanyatjaraku

ON A JOURNEY

ORDINARY MEETING OF COUNCIL

ATTACHMENTS

**Tjulyuru Cultural and Civic Centre
Warburton Community**

11 July 2018

1.00 pm



Shire of Ngaanyatjaraku

ON A JOURNEY

SPECIAL MEETING OF COUNCIL

UNCONFIRMED MINUTES

**Shire Meeting Room
Tjulyuru Cultural and Civic Centre
Warburton Community**

**14 June 2018
1.00 pm**

The Acting Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.

ACEO



Date: 16-06-2018

These minutes were confirmed by Council as a true and correct record of proceedings of the Special Meeting of Council held on the 14 June 2018.

Presiding Member: _____ Date: 11/7/2018

DISCLAIMER

The resolutions contained in these Minutes have not been confirmed by Council. The Shire of Ngaanyatjaraku warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ngaanyatjaraku for any act, omission or statement or intimation occurring during a Council meeting.

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1.00 pm.

2. ANNOUNCEMENT OF VISITORS

The Presiding Member welcomed Jasmin Cooke of the public in the gallery.

3. ATTENDANCE

3.1 PRESENT

Elected Members:	Cr D McLean Cr P Thomas Cr A Jones Cr A Bates L West J Frazer D Frazer	Shire President, (Presiding Member) Deputy Shire President (by telephone, Perth) Councillor Councillor Councillor Councillor Councillor
Staff:	K Hannagan G Handy	Acting Deputy CEO (by telephone, Tom Price) Finance & Administration Coordinator
Guests:		
Members of Public:	There was one member of the public in attendance at the commencement of the meeting.	

3.2 APOLOGIES

Cr. B Thomas
C Paget, Chief Executive Officer

4. PUBLIC QUESTION TIME

5. DECLARATION BY MEMBERS

5.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

5.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting
or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the *Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
7.1 CONFIDENTIAL ITEM - POSITION OF DEPUTY CHIEF EXECUTIVE OFFICER		
K Hannagan	Financial Interest	The nature of my interest is that I am currently the Acting Deputy CEO.

6. OFFICE OF THE CEO REPORTS

6.1 DESIGNATED SENIOR EMPLOYEES

FILE REFERENCE: CM.00

**AUTHOR'S NAME AND
POSITION:** Kevin Hannagan
Acting Deputy CEO

AUTHORISING OFFICER AND POSITION:

Chris Paget
Chief Executive Officer

NAME OF APPLICANT/RESPONDENT:

Not Applicable

DATE REPORT WRITTEN:

2 June 2018

DISCLOSURE OF FINANCIAL INTEREST:

The author and authorising officer have an interest as they are both the subject of these reports.

Summary

The purpose of this agenda item is for Council to review its Policy 2.17 Designated Senior Employees and create a new Policy CS2.28 Acting Chief Executive Officer.

Background

The best practice in governance supports the regular review of Council policies to ensure that they are relevant and current.

Comment

With the change in staff and organisation structure it is appropriate for Council to review its Policy 2.17 Designated Senior Employees and create a new Policy CS2.28 Acting Chief Executive Officer.

Statutory Environment

Section 5.36 (2)(a) of the Local Government Act 1995, Local Government Employees states:

- (2) *A person is not to be employed in the position of CEO unless the council —*
(a) believes that the person is suitably qualified for the position;

Section 5. of the Local Government Act 1995, 37 Senior Employees states:

- (1) *A local government may designate employees or persons belonging to a class of employee to be senior employees.*
(2) *The CEO is to inform the council of each proposal to employ or dismiss a senior employee, other than a senior employee referred to in section 5.39(1a), and the council may accept or reject the CEO's recommendation but if the council rejects a recommendation, it is to inform the CEO of the reasons for its doing so.*
(3) *Unless subsection (4A) applies, if the position of a senior employee of a local government becomes vacant, it is to be advertised by the local government in the manner prescribed, and the advertisement is to contain such information with respect to the position as is prescribed.*
(4A) *Subsection (3) does not require a position to be advertised if it is proposed that the position be filled by a person in a prescribed class.*
(4) *For the avoidance of doubt, subsection (3) does not impose a requirement to advertise a position where a contract referred to in section 5.39 is renewed.*

Financial Implications

Not Applicable

Strategic Implications

Strategic Community Plan 2016 - 2026

Goal 4, Our Leadership

Outcome 4.2, A capable and compliant local government

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is considered to be "Low" risk

and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

Corporate Policy CS2.17 Designated Senior Employees

Attachments

Attachment 6.1a - Corporate Policy CS2.17 Designated Senior Employees

Attachment 6.1b – Corporate Policy CS2.28 Acting Chief Executive Officer

Voting Requirement

Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr Bates Seconded: Cr Thomas

That Council adopts the attached:

- a) reviewed Corporate Policy CS2.17 Designated Senior Employees, and**
- b) new Corporate Policy, CS2.28 Acting Chief Executive Officer.**

Carried: 7/0



Shire of **Ngaanyatjaraku**
ON A JOURNEY

Policy Register – Corporate Services

Policy Title	Designated Senior Employees
Document version	
Policy number	CS2.17
Council Adoption date	
Minute number	
Review due date	
Date revoked	
Responsible officer	Deputy Chief Executive Officer

Purpose

To ensure that “designated senior” employees within the corporate structure are accurately identified in accordance with s. 5.37 of the *Local Government Act 1995*.

Policy

Council designates as senior employees of the Shire of Ngaanyatjaraku the following officers:

- Chief Executive Officer
- Deputy Chief Executive Officer



Policy Register – Corporate Services

Policy Title	Acting Chief Executive Officer
Document version	
Policy number	CS2.28
Council Adoption date	
Minute number	
Review due date	
Date revoked	
Responsible officer	Chief Executive Officer

Purpose

To provide for the appointment of the Shire's Deputy Chief Executive Officer as Acting Chief Executive Officer during absences of the Chief Executive Officer.

Policy

1. In accordance with the requirements of the Local Government Act 1995, section 5.36(2)(a), the Council has determined that the person appointed to the position of a Deputy Chief Executive Officer is suitably qualified to perform the role of Acting Chief Executive Officer.
2. In the event of Annual / Long Service Leave, Sickness or an unforeseen absence of the CEO, then the default Acting CEO will be the incumbent of the position with the title "Deputy Chief Executive Officer."

6.2 RFT 02 – 2017/18, Road Maintenance and Improvements Program

FILE REFERENCE:	PL.23
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Acting Deputy Chief Executive Officer
AUTHORISING OFFICER AND POSITION:	Chris Paget Chief Executive Officer
DATE REPORT WRITTEN:	11 June 2018
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

Summary

A Request for Tender 02 2017/18, Road Maintenance and Improvements Program was advertised via state wide public notice in The West Australian Newspaper on 19 May 2018.

Two conforming tenders were received via email in response to the RFT.

The evaluation panel has now completed its assessment of the tender submission and makes their recommendation.

Background

The Shire of Ngaanyatjaraku is seeking the services of a highly competent and experienced company or companies to undertake the Shire's road maintenance, construction and improvement programs as per the scope of works:

- Routine maintenance;
- Periodic maintenance; and
- Construction.

The advertised selection criteria were:

Criteria		Weighting
(a)	Relevant Experience	20%
(b)	Skills, experience and management of key personnel	10%
(c)	Tenderers Resources	10%
(d)	Methodology/Demonstrated Understanding	10%
(e)	Price	50%

After initial compliance assessment, the submissions were deemed compliant for further assessment. The evaluation panel then assessed the submissions against the selection criteria and value for money.

The Evaluation and Recommendation Report, including the overall evaluation scores and rankings, are attached as a confidential item.

Comment

The tenders have been assessed with the below scores and rankings. Complete details of the tenders and assessment are provided in Attachment A.

Rank	Tenderer	Score (/100)
1	Breakaway Earthmoving and Haulage	100

The evaluation panel concluded that Breakaway Earthmoving and Haulage are suitable and provided a value for money submission in relation to RFT 02, 2017/18.

Consultation

Chief Executive Officer

Deputy Chief Executive Officer

Statutory Environment

Local Government Act 1995 Section 3.57. Tenders for providing goods or services

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Local Government Act 1995 Section 5.23. Meetings generally open to public

- (2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*
 - (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*

Local Government (Functions and General) Regulations 1996

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$150,000 unless sub-regulation (2) states otherwise.*
- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if:*
 - (a) *the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or*
 - (b) *the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program;*

Financial Implications

The provision for the 2018/19 Road Maintenance and Improvements Program will be subject to Council approval of the 2018/19 budget.

Strategic Implications

Strategic Community Plan 2016 - 2026

Goal 4, Our Leadership

Outcome 4.2, A capable and compliant local government

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Corporate Services Policy CS2.6, Purchasing

Attachments

Attachment - Confidential Attachment A

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr Jones Seconded: Cr West

In respect to Tender RFT 02, 2017/18 – Road Maintenance and Improvements Program, Council:

- 1. Resolve that Evaluation Report ATTACHMENT A is confidential in accordance with s5.23 (2) the Local Government Act because it deals with matters affecting s5.23 (2): (c) “a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting”;**
- 2. Note the attached Evaluation Report, CONFIDENTIAL ATTACHMENT A;**
- 3. Award the contract to Breakaway Earthmoving and Haulage as per their submitted Schedule of Rates for an estimated annual value of \$4,125,400 excluding GST;**
- 4. Authorise the Chief Executive Officer to enter into a contract with the appointed Contractor; and**
- 5. Authorise the Chief Executive Officer to manage the Contract, including any variations providing this does not exceed the 2018/19 budget allocation or reduce the overall scope.**

7. CONFIDENTIAL MATTERS

Under the Local Government Act 1995, Part 5, and Section 5.23, states in part:

(2) If a meeting is being held by a Council or by a committee referred to in subsection (1)(b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following:

(a) a matter affecting an employee or employees;

(b) the personal affairs of any person;

(c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;

(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;

(e) a matter that if disclosed, would reveal:

(I) a trade secret;

(II) information that has a commercial value to a person; or

(III) information about the business, professional, commercial or financial affairs of a person,

Where the trade secret or information is held by, or is about, a person other than the local government.

- (f) *a matter that if disclosed, could be reasonably expected to:*
- (I) *Impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*
 - (II) *Endanger the security of the local government's property; or*
 - (III) *Prejudice the maintenance or enforcement of any lawful measure for protecting public safety;*
- (g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1981; and*
- (h) *such other matters as may be prescribed.*

Moved: Cr Thomas Seconded: Cr D Frazer

That Council close the meeting to the public at 1.17 pm pursuant to sub section 5.23 (2)(a) and (b) of the Local Government Act 1995.

Carried: 7/0

All members of the public gallery and staff member G Handy and Acting DCEO K Hannagan (hung up phone) left the meeting at 1.17 pm.

7.1 CONFIDENTIAL ITEM – POSITION OF DEPUTY CHIEF EXECUTIVE OFFICER

FILE REFERENCE: PL.00

AUTHOR'S NAME AND POSITION: Kevin Hannagan
Acting Deputy CEO

AUTHORISING OFFICER AND POSITION: Chris Paget
Chief Executive Officer

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 2 June 2018

DISCLOSURE OF FINANCIAL INTEREST: The author has a financial interest in the proposal.

Declaration of Interest

Prior to consideration of this Agenda Item:
Kevin Hannagan declared a financial interest.

Report / Attachments are Confidential as per Local Government Act 1995, Section 5.23

REASON FOR CONFIDENTIALITY

The report is confidential in accordance with s5.23(2) of the Local Government Act 1995 because it deals with matters affecting s5.23(2):

- (a) a matter affecting an employee or employees;*
- (b) the personal affairs of any person;*

Officers Recommendation and Council Resolution

Moved: Cr Thomas Seconded: Cr D Frazer

That Council:

- 1. Endorses the Chief Executive Officers' acceptance of the Professional Placement Proposal from Core Business Australia (Att. 7.1).**
- 2. Pursuant to s5.37 (2) of the Local Government Act 1995 accepts the Chief Executive Officer's recommendation of Kevin Hannagan to be appointed as Deputy Chief Executive Officer for a Term of 3 years as per the Contract of Employment (Att. 7.2).**
- 3. Pursuant to s5.36 (1)(a) and (2)(a) of the Local Government Act 1995 appoints Kevin Hannagan as Acting Chief Executive Officer from 1 September 2018 for a period not exceeding one year or the appointment of a new Chief Executive Officer, whichever is sooner.**

Carried: 7/0

Moved: Cr Thomas Seconded: Cr D Frazer

That Council re-open the meeting to the public at 1.20 pm.

Carried: 7/0

Staff member G Handy re-entered the room and telephoned K Hannagan at 1.20 pm.

The Presiding Member advised of Council's decision for the Confidential Agenda Item 7.1

8. CLOSURE OF MEETING

There being no further business to discuss the Presiding Member closed the meeting at 1.21 pm.

15 June 2018

MOORE STEPHENS

Mr K Hannagan
Acting Chief Executive Officer
Shire of Ngaanyatjaraku
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Dear Kevin

**AUDIT OF SHIRE OF NGAANYATJARRAKU
FOR THE YEAR ENDED 30 JUNE 2016**

We advise that we have completed the audit of your Shire for the year ended 30th June 2016 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the Shire President, Cr Damian McLean as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours sincerely



David Tomasi
Partner
Moore Stephens

Encl.

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INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF NGAANYATJARRAKU

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Ngaanattjarraku (the Shire), which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Ngaanattjarraku is in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2016 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

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

Report on Other Legal and Regulatory Requirements

We have not obtained all documents in relation to *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* compliance, namely Council meeting minutes, monthly statements of financial activity and monthly lists of accounts paid. Therefore we are unable to provide an indication of compliance or non-compliance with applicable regulations in these areas.

Notwithstanding the above, during the course of the audit we became aware of the following instances where the Shire did not comply with the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*:

Submission of Financial Report

The balanced accounts and complete financial report for the year ended 30 June 2016 were not submitted to the auditor by 30 September 2016 as required by Section 6.4(3) of the *Local Government Act*.

Procedures for Making Payments

Proper procedures for authorisation and payment of accounts have not been developed or implemented as required by *Local Government (Financial Management) Regulation 11*.

Report on Other Legal and Regulatory Requirements (Continued)

Annual Budget

A copy of the annual budget for the year ended 30 June 2016 was not submitted to the Department of Local Government within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33.

Annual Budget Review

A copy of the annual budget review for the year ended 30 June 2016 was not submitted to the Department of Local Government within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33A(4).

In accordance with the *Local Government (Audit) Regulations 1996*, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position of the Shire.

In our opinion, the Shire experienced a significant adverse trend in its financial management practices as evidenced by the inability to:

- i) balance the year end position and provide audit information in a timely manner; and
- ii) supply all information as requested (refer to *Report on Other Legal and Regulatory Requirements* above).

This reflects on the efficiency of the Shire as a whole as it compromises the delivery and monitoring of meaningful, accurate and timely management information.

- b) As reported in our *Report on Other Legal and Regulatory Requirements* above, except as specifically detailed, we are unable to provide a full indication of compliance or non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law.
- c) In relation to the Supplementary Ratio Information presented at page 54 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not supported by:
 - i) verifiable information; and
 - ii) reasonable assumptions,

The Asset Renewal Funding Ratio was not calculated and consequently, no review was able to be carried out.

- d) As reported above, not all necessary information and explanations were obtained by us.
- e) As reported above, not all audit procedures were satisfactorily completed in conducting our audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2016 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF NGAANYATJARRAKU (CONTINUED)*****Responsibilities of Management and Council for the Financial Report***

Management is responsible for the preparation of this financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Date: 15 June 2018
Perth, WA

15 June 2018

MOORE STEPHENS

The President
Shire of Ngaanyatjaraku
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Dear Cr McLean

Management Report for the Year Ended 30 June 2016

We advise that we have completed our audit procedures for the year ended 30 June 2016 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

SIGNIFICANT ADVERSE TREND

Financial Management Practices

As highlighted in our audit report this year, we have noted a significant adverse trend in the financial management practices of the Shire.

As also highlighted in our audit report, we were not able to obtain all documents requested and, except as noted, we were not able to provide an indication of compliance or non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law except as noted.

As you may be aware, we have been completing the audit procedures for the year ended 30 June 2016 since April 2017. The process of gathering audit evidence has been very inefficient and time consuming.

The audit process was delayed from the beginning as the Shire staff were still dealing with the audit for the year ended 30 June 2015, which was eventually signed off in September 2017.

In some instances we did not receive requested information to enable us to perform our audit procedures.

This information included many of the minutes of Council meetings from 1 July 2015 to the date of this report. Notwithstanding the breach of Section 5.22 of the *Local Government Act 1995*, this highlights a severe breakdown in the Shire's systems and procedures as no formal record of Council decisions appear to exist.

Whilst the lack of minutes of Council meetings is a contributing reason for the significant adverse trend in the financial management practices, we were able to mitigate our audit risk by performing alternative procedures. Consequently, the inability to review these minutes did not impact our audit opinion with respect to the Shire's financial position, financial performance and cash flows for the year ended 30 June 2016.

In addition to the Council meeting minutes as mentioned above, the following items were requested, and despite numerous follow ups, were never received:

- A copy of the annual report for the year ended 30 June 2015;
- Copies of the monthly list of payments presented to Council; and
- Copies of the monthly statements of financial activity presented to Council.

We also noted a distinct lack of records management procedures and/or implementation of such procedures.

The above shortcomings are a poor reflection on management charged with overseeing the operations of the Shire during the period of our audit.

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SIGNIFICANT ADVERSE TREND (CONTINUED)**Financial Management Practices (continued)**

All of these factors contributed to the overall inefficiency of the audit process which resulted in a late audit report and increased costs.

To ensure this situation is rectified and does not present itself again, the Council should review the Shire's current financial management practices. This may include a review of staff competencies, capabilities, qualifications, structure, records management and training with a goal of re-establishing sound financial management practices.

This will also help assist the Shire to manage its scarce resources in the future.

LACK OF CONTROLS FOR MAKING CREDITOR PAYMENTS

Through discussions with management and review of the management report issued by the previous auditor, we noted that creditor and payroll payments only require one authorised signatory for approval and payment. This lack of segregation of duties can pose a major fraud risk to Council, via payment of unauthorised creditor invoices or salaries and wages. Lack of dual signatory control severely compromises payment security.

We strongly suggest Council review the current controls in place for both creditor and employee payments. Controls should be implemented to minimise the risk of unauthorised transaction processing.

ACCUMULATION OF ANNUAL LEAVE

During the course of the audit we noted that the Shire's Chief Executive Officer has accumulated 1,053.58 hours (27.73 weeks) of annual leave to 30 June 2016, with a dollar value of \$91,228. Large accumulations of leave should be discouraged as the eventual cost to the Shire increases with each wage increase given to employees.

From the evidence obtained it indicates that employee leave is not being cleared as per the Council's policies, if such policies are in existence. It is important to enforce policies surrounding employee leave entitlements to control the total outstanding as well as assisting with ultimate funding requirements.

In raising this point we do acknowledge the Chief Executive Officer has recently tendered his resignation and the situation should rectify once entitlements are paid.

We will continue to monitor and report on this situation in future years.

We noted no other matters we wish to bring to your attention.

UNCORRECTED MISSTATEMENTS

We advise there were no uncorrected misstatements noted during the course of our audit.

We take this opportunity to thank all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



David Tomasi
Partner
Moore Stephens

Encl.

SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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Principal place of business:
Address
Great Central Road
Warburton Aboriginal
Community Western Australia.

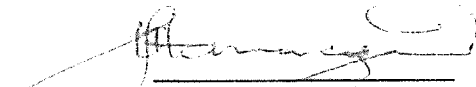
**SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 15th day of June 2018


Christopher Paget
Acting Chief Executive Officer

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	21	225,451	387,801	377,968
Operating grants, subsidies and contributions	28	3,472,664	2,518,612	7,565,768
Fees and charges	27	345,712	259,236	244,795
Interest earnings	2(a)	38,909	28,250	27,962
Other revenue	2(a)	24,114	38,285	42,612
		<u>4,106,850</u>	<u>3,232,184</u>	<u>8,259,105</u>
Expenses				
Employee costs		(2,196,336)	(2,370,034)	(1,788,041)
Materials and contracts		(2,572,442)	(3,689,864)	(2,807,667)
Utility charges		(55,531)	(63,000)	(74,183)
Depreciation on non-current assets	2(a)	(1,467,218)	(1,072,196)	(1,396,482)
Insurance expenses		(127,357)	(149,262)	(139,893)
Other expenditure		(241,527)	(124,300)	(67,759)
		<u>(6,660,411)</u>	<u>(7,468,656)</u>	<u>(6,274,025)</u>
		<u>(2,553,561)</u>	<u>(4,236,472)</u>	<u>1,985,080</u>
Non-operating grants, subsidies and contributions	28	2,274,330	4,760,014	2,349,676
Profit on asset disposals	19	33,869	46,272	0
(Loss) on asset disposals	19	(6,195)	0	(21,115)
Net result		<u>(251,557)</u>	<u>569,814</u>	<u>4,313,641</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	0	0	57,736,417
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>57,736,417</u>
Total comprehensive income		<u>(251,557)</u>	<u>569,814</u>	<u>62,050,058</u>

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		3,202	10,750	21,424
General purpose funding		2,718,649	2,283,621	6,214,744
Law, order, public safety		2,909	350	324
Health		54,229	53,976	119,876
Education and welfare		131,497	267,380	856,429
Housing		9,100	17,500	23,175
Community amenities		400,929	411,236	401,707
Recreation and culture		281,011	178,136	169,712
Transport		486,234	0	448,668
Economic services		6,160	4,086	3,045
Other property and services		12,930	5,150	0
		<u>4,106,850</u>	<u>3,232,185</u>	<u>8,259,104</u>
Expenses	2(a)			
Governance		(180,440)	(123,500)	(115,871)
General purpose funding		(184,795)	(23,266)	(162)
Law, order, public safety		(83,235)	(94,058)	(67,928)
Health		(401,685)	(419,769)	(358,156)
Education and welfare		(986,482)	(1,068,084)	(1,027,083)
Housing		(263,753)	(480,321)	(405,642)
Community amenities		(525,540)	(737,785)	(574,530)
Recreation and culture		(920,639)	(1,262,934)	(813,624)
Transport		(2,926,637)	(3,011,859)	(2,687,061)
Economic services		(156,629)	(222,900)	(199,890)
Other property and services		(30,576)	(24,181)	(24,077)
		<u>(6,660,411)</u>	<u>(7,468,657)</u>	<u>(6,274,024)</u>
		(2,553,561)	(4,236,472)	1,985,080
Non-operating grants, subsidies and contributions	28	2,274,330	4,760,014	2,349,676
Profit on disposal of assets	19	33,869	46,272	0
(Loss) on disposal of assets	19	(6,195)	0	(21,115)
Net result		<u>(251,557)</u>	<u>569,814</u>	<u>4,313,641</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	0	0	57,736,417
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>57,736,417</u>
Total comprehensive income		<u>(251,557)</u>	<u>569,814</u>	<u>62,050,058</u>

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,254,106	5,206,196
Trade and other receivables	4	160,052	895,201
Inventories	5	44,990	33,623
TOTAL CURRENT ASSETS		<u>4,459,148</u>	<u>6,135,020</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	8,534,891	8,670,908
Infrastructure	7	98,925,372	97,311,264
TOTAL NON-CURRENT ASSETS		<u>107,460,263</u>	<u>105,982,172</u>
TOTAL ASSETS		<u>111,919,411</u>	<u>112,117,192</u>
CURRENT LIABILITIES			
Trade and other payables	8	177,224	221,651
Provisions	9	293,906	193,347
TOTAL CURRENT LIABILITIES		<u>471,130</u>	<u>414,998</u>
NON-CURRENT LIABILITIES			
Provisions	9	38,277	40,633
TOTAL NON-CURRENT LIABILITIES		<u>38,277</u>	<u>40,633</u>
TOTAL LIABILITIES		<u>509,407</u>	<u>455,631</u>
NET ASSETS		<u>111,410,004</u>	<u>111,661,561</u>
EQUITY			
Retained surplus		52,795,576	53,072,421
Reserves - cash backed	10	878,011	852,723
Revaluation surplus	11	57,736,417	57,736,417
TOTAL EQUITY		<u>111,410,004</u>	<u>111,661,561</u>

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		48,787,641	823,862	0	49,611,503
Comprehensive income					
Net result		4,313,641	0	0	4,313,641
Changes on revaluation of assets	11	0	0	57,736,417	57,736,417
Total comprehensive income		4,313,641	0	57,736,417	62,050,058
Transfers from/(to) reserves		(28,861)	28,861	0	0
Balance as at 30 June 2015		53,072,421	852,723	57,736,417	111,661,561
Comprehensive income					
Net result		(251,557)	0	0	(251,557)
Changes on revaluation of assets	11	0	0	0	0
Total comprehensive income		(251,557)	0	0	(251,557)
Transfers from/(to) reserves		(25,288)	25,288	0	0
Balance as at 30 June 2016		52,795,576	878,011	57,736,417	111,410,004

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		222,253	513,677	328,523
Operating grants, subsidies and contributions		4,095,759	3,037,937	7,102,125
Fees and charges		345,192	259,236	287,059
Interest earnings		38,909	28,250	29,024
Goods and services tax		80,107	393,137	205,035
Other revenue		24,114	38,285	28,675
		<u>4,806,334</u>	<u>4,270,522</u>	<u>7,980,441</u>
Payments				
Employee costs		(2,076,860)	(2,440,657)	(1,695,601)
Materials and contracts		(2,649,509)	(3,663,491)	(2,916,584)
Utility charges		(55,531)	(63,000)	(71,418)
Insurance expenses		(127,357)	(149,262)	(139,893)
Goods and services tax		(122,486)	(393,137)	(192,297)
Other expenditure		(83,376)	(124,300)	(67,760)
		<u>(5,115,119)</u>	<u>(6,833,847)</u>	<u>(5,083,553)</u>
Net cash provided by (used in) operating activities	12(b)	<u>(308,785)</u>	<u>(2,563,325)</u>	<u>2,896,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(339,607)	(1,789,000)	(152,914)
Payments for construction of infrastructure		(2,672,461)	(4,839,162)	(2,223,913)
Non-operating grants, subsidies and contributions		2,274,330	4,760,014	2,349,676
Proceeds from sale of fixed assets		94,433	106,000	44,050
Net cash provided by (used in) investment activities		<u>(643,305)</u>	<u>(1,762,148)</u>	<u>16,899</u>
Net increase (decrease) in cash held		<u>(952,090)</u>	<u>(4,325,473)</u>	<u>2,913,787</u>
Cash at beginning of year		5,206,196	5,206,197	2,292,409
Cash and cash equivalents at the end of the year	12(a)	<u><u>4,254,106</u></u>	<u><u>880,724</u></u>	<u><u>5,206,196</u></u>

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

SHIRE OF NGAANYATJARRAKU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)		<u>4,867,299</u>	<u>4,954,424</u>	<u>1,496,559</u>
		4,867,299	4,954,424	1,496,559
Revenue from operating activities (excluding rates)				
Governance		3,202	10,750	21,424
General purpose funding		2,558,080	1,960,702	5,836,776
Law, order, public safety		2,909	350	324
Health		54,229	55,323	119,876
Education and welfare		131,497	267,380	856,429
Housing		9,100	17,500	23,175
Community amenities		404,020	412,702	401,707
Recreation and culture		311,789	214,919	169,712
Transport		486,234	0	448,668
Economic services		6,160	4,086	3,045
Other property and services		12,930	11,826	0
		<u>3,980,150</u>	<u>2,955,538</u>	<u>7,881,136</u>
Expenditure from operating activities				
Governance		(180,440)	(123,500)	(115,871)
General purpose funding		(184,795)	(23,266)	(162)
Law, order, public safety		(83,235)	(94,058)	(67,928)
Health		(402,866)	(419,769)	(358,156)
Education and welfare		(986,482)	(1,068,084)	(1,027,083)
Housing		(263,753)	(480,321)	(405,642)
Community amenities		(525,540)	(737,785)	(574,530)
Recreation and culture		(920,639)	(1,262,934)	(813,624)
Transport		(2,926,637)	(3,011,859)	(2,687,061)
Economic services		(156,629)	(222,900)	(199,890)
Other property and services		(35,590)	(24,181)	(45,191)
		<u>(6,666,606)</u>	<u>(7,468,657)</u>	<u>(6,295,138)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	19	(33,869)	(46,272)	0
Loss on disposal of assets	19	6,195	0	21,115
Movement in employee benefit provisions (non-current)		(2,356)	0	1,139
Depreciation and amortisation on assets	2(a)	1,467,218	1,072,196	1,396,482
Amount attributable to operating activities		<u>3,618,031</u>	<u>1,467,229</u>	<u>4,501,293</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,274,330	4,760,014	2,349,676
Proceeds from disposal of assets	19	94,433	106,000	44,050
Purchase of property, plant and equipment	6(b)	(339,607)	(1,789,000)	(152,914)
Purchase and construction of infrastructure	7(b)	(2,672,461)	(4,839,162)	(2,223,913)
Amount attributable to investing activities		<u>(643,305)</u>	<u>(1,762,148)</u>	<u>16,899</u>
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	10	(25,288)	(28,000)	(28,861)
Amount attributable to financing activities		<u>(25,288)</u>	<u>(28,000)</u>	<u>(28,861)</u>
Surplus(deficiency) before general rates		<u>2,949,438</u>	<u>(322,919)</u>	<u>4,489,331</u>
Total amount raised from general rates	21	<u>160,569</u>	<u>322,919</u>	<u>377,968</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	22	<u><u>3,110,007</u></u>	<u><u>0</u></u>	<u><u>4,867,299</u></u>

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

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 18 to these financial statements.

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(b) 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.

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) 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 the Council's intentions to release for sale.

(e) 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.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework 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.

Land under roads

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

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

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

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

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

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 and rates used for each class of depreciable asset are:

Buildings	30-60 years
Furniture and equipment	4-20 years
Plant and equipment	5-30 years
Infrastructure Assets - Roads Pavement	30-50 years
Infrastructure Assets - Roads Seal	30-40 years
Infrastructure Assets - Roads Kerbing	45 years
Infrastructure Assets - Recreation Assets	100 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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities (Continued)

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

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 in accordance with the regulatory framework.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire 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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

(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 Shire 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 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.

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

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.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire 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.

(h) Impairment of Assets

In accordance with Australian Accounting Standards the Shire'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.

(i) Trade and Other Payables

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) 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.

(l) Provisions

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

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

(m) Leases

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

Finance leases are capitalised recording an asset and a liability at the lower 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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(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. Refer to note 1(n) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 15.

(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 in Note 2(c). 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current 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 Shire'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 Shire 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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire. Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 17 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(w) Adoption of New and Revised Accounting Standards

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

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

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- [AASB 10, 124 & 1049]
- The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.
- The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES

	2016	2015
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	14,200	19,710
- Other Services	0	900
	<u>14,200</u>	<u>20,610</u>
Depreciation		
Buildings	147,148	366,715
Furniture and equipment	8,916	15,663
Plant and equipment	252,801	241,519
Infrastructure - Roads & Footpaths	1,055,988	757,652
Infrastructure -Recreation Assets	2,365	14,933
	<u>1,467,218</u>	<u>1,396,482</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	0	5,119
Other	24,114	990,032
	<u>24,114</u>	<u>995,151</u>
	<u>1,491,332</u>	<u>1,391,633</u>
	2016	2016
	Actual	Budget
	\$	\$
Interest earnings		2015
- Reserve funds	25,808	27,799
- Other funds	403	163
Other interest revenue (refer note 26)	12,698	0
	<u>38,909</u>	<u>27,962</u>
	<u>1,530,241</u>	<u>1,419,595</u>

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

COMMUNITY VISION

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

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.

EDUCATION AND WELFARE

Objective:

To provide services to children and youth.

Activities:

Maintenance of playgroup centre (early years learning) and operation of youth services.

HOUSING

Objective:

To provide and maintain staff housing.

Activities:

Provision and maintenance of staff housing.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, litter control, storm water maintenance and protection of the environment.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion, provision of rural services including weed control and vermin control. Building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repairs, operation costs and administrative costs.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
Health							
Environmental Health Program	0	104,352	(104,352)	0	54,229	(54,229)	0
Education and welfare							
FACSIA Grant - LSP	0	145,107	(145,107)	0	0	0	0
DCD/PGWA	0	0	0	0	124,961	(124,961)	0
LSP FaHCSIA	0	95,070	(95,070)	0	0	0	0
RLCIP Grant - Playgroup Early Years Centre Extens.	0	601,676	0	601,676	0	0	601,676
Community amenities							
FaHCSIA - NJCP	0	323,645	(323,645)	0	331,737	(331,737)	0
Transport							
Grants - Direct	865	118,200	(119,065)	0	0	0	0
Govt Grant - Outback Highway	129,684	1,200,000	(1,329,684)	0	1,000,000	(1,000,000)	0
Govt Grants - special purpose	0	330,468	(330,468)	0	262,650	(262,650)	0
Govt Grant - Road projects pool	0	548,000	(548,000)	0	0	0	0
Govt Grant - Roads to Recovery	0	0	0	0	1,369,415	(1,369,415)	0
Total	130,549	3,466,518	(2,995,391)	601,676	3,142,992	(3,142,992)	601,676

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016	2015
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		2,774,419	3,751,797
Restricted		1,479,687	1,454,399
		<u>4,254,106</u>	<u>5,206,196</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Asset Replacement, Acquisition and Development Reserve	10	809,637	786,303
Cultural Centre Reserve	10	68,374	66,420
Unspent grants	2(c)	601,676	601,676
		<u>1,479,687</u>	<u>1,454,399</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		229,074	225,876
Sundry debtors		45,703	668,798
GST receivable		42,379	0
Prepayments		527	527
Accrued Income		520	0
Provision for Doubtful Debts		(158,151)	0
		<u>160,052</u>	<u>895,201</u>
5. INVENTORIES			
Current			
Fuel and Materials		44,990	33,623
		<u>44,990</u>	<u>33,623</u>

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Buildings at:		
- Independent valuation 2015 - level 3	8,288,384	8,288,384
- Additions after valuation - cost	35,376	0
Buildings - non-specialised - Less: accumulated depreciation	<u>(1,088,781)</u>	<u>(941,633)</u>
Total buildings	<u>7,234,979</u>	<u>7,346,751</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	172,124	0
- Management valuation 2015 - level 3	0	163,988
Furniture and equipment - Less: accumulated depreciation	<u>(137,240)</u>	<u>(128,324)</u>
	34,884	35,664
Plant and equipment at:		
- Independent valuation 2016 - level 3	2,747,877	0
- Management valuation 2015 - level 2	0	2,825,560
Plant and equipment - Less: accumulated depreciation	<u>(1,482,849)</u>	<u>(1,537,067)</u>
	1,265,028	1,288,493
	<u>8,534,891</u>	<u>8,670,908</u>

The Shire's municipal buildings and residential accommodation reside on land vested in the Ngaanyatjarraku Council. The Ngaanyatjarraku Council lease land to the Shire, so the Shire can fulfil its service obligations and accommodate staff throughout the municipality. The leases are perpetual in nature and involve a peppercorn rate. No land values therefore apply in regards to the Shire's assets.

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Buildings	7,346,751	35,376	0	0	0	0	(147,148)	0	7,234,979
Total buildings	7,346,751	35,376	0	0	0	0	(147,148)	0	7,234,979
Furniture and equipment	35,664	8,136	0	0	0	0	(8,916)	0	34,884
Plant and equipment	1,288,493	296,095	(66,759)	0	0	0	(252,801)	0	1,265,028
Total property, plant and equipment	8,670,908	339,607	(66,759)	0	0	0	(408,865)	0	8,534,891

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Buildings	Level 3	Cost Approach	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	Level 3	Cost Approach	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Plant and equipment	Level 3	Cost Approach	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 \$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads & Footpaths		
- Management Valuation 2015 - Level 3	112,504,070	112,504,070
- Additions after valuation - cost	2,672,461	0
Infrastructure - Roads - Less: accumulated depreciation	<u>(16,366,913)</u>	<u>(15,310,925)</u>
	98,809,618	97,193,145
 Infrastructure -Recreation Assets		
- Management valuation 2015 - level 3	412,993	412,993
Infrastrcture - Recreation Assets - Less: accumulated deppreciation	<u>(297,239)</u>	<u>(294,874)</u>
	115,754	118,119
	<u>98,925,372</u>	<u>97,311,264</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management)Regulation 17A(2) which requires infrastructure to be shown at fair value.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Balance as at the Beginning of the Year	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads & Footpaths	97,193,145	2,672,461	0	0	0	(1,055,988)	0	98,809,618
Infrastructure -Recreation Assets	118,119	0	0	0	0	(2,365)	0	115,754
Total infrastructure	97,311,264	2,672,461	0	0	0	(1,058,353)	0	98,925,372

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads & Footpaths	Level 3	Cost Approach	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure -Recreation Assets	Level 3	Cost Approach	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015		
	\$	\$		
8. TRADE AND OTHER PAYABLES				
Current				
Sundry creditors	123,594	195,948		
ATO liabilities	46,976	25,703		
Accrued Expenses	6,654	0		
	<u>177,224</u>	<u>221,651</u>		
9. PROVISIONS				
	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Isolation Leave \$	Total \$
Opening balance at 1 July 2015				
Current provisions	127,881	65,466	0	193,347
Non-current provisions	0	40,633	0	40,633
	<u>127,881</u>	<u>106,099</u>	<u>0</u>	<u>233,980</u>
Additional provision	36,690	26,904	34,609	98,203
Balance at 30 June 2016	<u>164,571</u>	<u>133,003</u>	<u>34,609</u>	<u>332,183</u>
Comprises				
Current	164,571	94,726	34,609	293,906
Non-current	0	38,277	0	38,277
	<u>164,571</u>	<u>133,003</u>	<u>34,609</u>	<u>332,183</u>

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

10. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Asset Replacement, Acquisition and Development Reserve	786,303	23,334	0	809,637	786,303	26,000	0	812,303	759,690	26,613	0
Cultural Centre Reserve	66,420	1,954	0	68,374	66,421	2,000	0	68,421	64,172	2,248	0
	852,723	25,288	0	878,011	852,724	28,000	0	880,724	823,862	28,861	0
											852,723

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Asset Replacement, Acquisition and Development Reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
Cultural Centre Reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

11. REVALUATION SURPLUS

	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2014/15	2014/15	2014/15
	Opening	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	2014/15	2014/15	2014/15
	Balance	Increment	(Decrement)	Movement on	Closing	Opening	Increment	(Decrement)	Movement on	Closing	Revaluation	Revaluation	Closing
	\$	\$	\$	Revaluation	Balance	Balance	\$	\$	Revaluation	Balance	Revaluation	Revaluation	Balance
Buildings	4,052,570	0	0	0	4,052,570	0	0	0	0	4,052,570	0	4,052,570	4,052,570
Plant and equipment	190,407	0	0	0	190,407	0	0	0	0	190,407	0	190,407	190,407
Infrastructure - Roads & Footpaths	53,493,440	0	0	0	53,493,440	0	0	0	0	53,493,440	0	53,493,440	53,493,440
	<u>57,736,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,736,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,736,417</u>	<u>0</u>	<u>57,736,417</u>	<u>57,736,417</u>

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016	2016	2015
	\$	Budget	\$
Cash and cash equivalents	<u>4,254,106</u>	<u>880,724</u>	<u>5,206,196</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(251,557)	569,814	4,313,641
Non-cash flows in Net result:			
Depreciation	1,467,218	1,072,196	1,396,482
(Profit)/Loss on sale of asset	(27,674)	(46,272)	21,115
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	735,149	645,201	(497,726)
(Increase)/Decrease in inventories	(11,367)	7,880	54,257
Increase/(Decrease) in payables	(44,427)	(52,130)	(76,275)
Increase/(Decrease) in accrued income	0	0	1,062
Increase/(Decrease) in provisions	98,203	0	34,008
Grants contributions for the development of assets	<u>(2,274,330)</u>	<u>(4,760,014)</u>	<u>(2,349,676)</u>
Net cash from operating activities	<u>(308,785)</u>	<u>(2,563,325)</u>	<u>2,896,888</u>

	2016	2015
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	8,000	8,000
Credit card balance at balance date	<u>(3,654)</u>	<u>(3,109)</u>
Total amount of credit unused	<u>4,346</u>	<u>4,891</u>

**SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

13. CONTINGENT LIABILITIES

The Council is not aware of any contingent liability that may arise in relation to the day to day operations and activities of the Shire of Ngaanyatjarraku for the period under review.

14. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

15. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Leonora, Ravensthorpe and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture are recorded as one-tenth share as follows:

	2016	2015
	\$	\$
Non-current assets		
Land and buildings at valuation (2014)	75,500	75,500
Less: accumulated depreciation	<u>(3,775)</u>	<u>(1,887)</u>
	<u>71,725</u>	<u>73,613</u>
 Furniture and equipment at valuation (2016)	 8,204	 12,109
Less: accumulated depreciation	 <u>(2,778)</u>	 <u>(2,778)</u>
	<u>8,204</u>	<u>9,331</u>
 Plant and machinery at valuation (2016)	 4,182	 8,247
Less: accumulated depreciation	 <u>0</u>	 <u>(3,492)</u>
	<u>4,182</u>	<u>4,755</u>
 Light vehicles at valuation (2016)	 3,200	 6,549
Less: accumulated depreciation	 <u>0</u>	 <u>(1,129)</u>
	<u>3,200</u>	<u>5,420</u>
 Total Assets	 <u>87,311</u>	 <u>93,119</u>

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
Governance	120,408	143,957
General purpose funding	43,512	0
Law, order, public safety	13,202	16,000
Health	247,117	146,109
Education and welfare	1,090,641	995,134
Housing	4,923,726	5,025,066
Community amenities	336,064	383,970
Recreation and culture	2,468,579	1,797,245
Transport	99,054,575	97,421,442
Economic services	43,931	53,250
Other property and services	44,990	0
Unallocated	<u>3,532,666</u>	<u>6,135,019</u>
	<u>111,919,411</u>	<u>112,117,192</u>

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015	2014
17. FINANCIAL RATIOS			
Current ratio	6.32	11.28	3.98
Asset sustainability ratio	1.96	1.70	1.72
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(3.92)	2.83	(2.46)
Own source revenue coverage ratio	0.10	0.11	0.12

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 53 of this document.

For 2016 and 2015, the Operating Surplus ratio as disclosed above was distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

For 2015, the Current ratio as disclosed above was also distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistant Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,954,442

For 2014, the current and Operating Surplus ratios disclosed above were distorted by the change to the payment of Financial Assistance Grants during the year ended 30 June 2014 which saw the advance payment of the first quarter of the following year cease. This created a timing difference which resulted in an amount of some \$1,114,012 less revenue for the year.

If recognised in the year to which the allocation related, the calculations in the 2016, 2015 and 2014 columns above would be as follows:

	2016	2015	2014
Current ratio	6.32	6.57	6.41
Operating surplus ratio	(0.89)	0.01	(0.91)

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

18. TRUST FUNDS

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Licensing	0	5,084	(5,084)	0
	<u>0</u>			<u>0</u>

19. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Health								
Toyota LC 1COM575	20,573	19,392	0	(1,181)	13,653	15,000	1,347	0
Community amenities								
Iveco Rubbish Truck	0	3,091	3,091	0	4,534	6,000	1,466	0
Recreation and culture								
Isuzu 4WD Bus 1BWF783	24,880	55,658	30,778	0	19,988	55,000	35,012	0
Toyota Hilux 1CGJ892	0	0	0	0	8,229	10,000	1,771	0
Other property and services								
Toyota Prado 1CLX670	21,306	16,292	0	(5,014)	13,324	20,000	6,676	0
	<u>66,759</u>	<u>94,433</u>	<u>33,869</u>	<u>(6,195)</u>	<u>59,728</u>	<u>106,000</u>	<u>46,272</u>	<u>0</u>

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

20. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Council had no borrowings at 30 June 2016.

(b) New Debentures - 2015/16

The Shire did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

No overdraft facilities exist with the local government's bank.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

21. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Unimproved value valuations											
General Rate UV	0.1800	58	1,230,595	322,479	(162,826)	36	159,689	322,479	0	0	322,479
Sub-Total		58	1,230,595	322,479	(162,826)	36	159,689	322,479	0	0	322,479
Minimum payment	Minimum \$										
Unimproved value valuations											
General Rate UV	220	2	2,993	440	440	0	880	440	0	0	440
Sub-Total		2	2,993	440	440	0	880	440	0	0	440
Total amount raised from general rate		60	1,233,588	322,919	(162,386)	36	160,569	322,919	0	0	322,919
Ex-gratia rates							160,569				322,919
Totals							64,882				64,882
							225,451				387,801

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30TH JUNE 2016

22. NET CURRENT ASSETS

Composition of net current assets

	2016	2016	2015
	(30 June 2016	(1 July 2015	(30 June 2015
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 15 brought forward	3,110,007	4,867,299	4,867,299
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	2,774,419	3,751,797	3,751,797
Restricted	1,479,687	1,454,399	1,454,399
Receivables			
Rates outstanding	229,074	225,876	225,876
Sundry debtors	45,703	668,798	668,798
GST receivable	42,379	0	0
Prepayments	527	527	527
Accrued Income	520	0	0
Provision for Doubtful Debts	(158,151)	0	0
Inventories			
Fuel and Materials	44,990	33,623	33,623
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(123,594)	(195,948)	(195,948)
ATO liabilities	(46,976)	(25,703)	(25,703)
Other payables	(6,654)	0	0
Provisions			
Provision for annual leave	(164,571)	(127,881)	(127,881)
Provision for isolation leave	(34,609)	0	0
Provision for long service leave	(94,726)	(65,466)	(65,466)
Unadjusted net current assets	3,988,018	5,720,022	5,720,022
Adjustments			
Less: Reserves - restricted cash	(878,011)	(852,723)	(852,723)
Adjusted net current assets - surplus/(deficit)	3,110,007	4,867,299	4,867,299

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

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SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
27. FEES & CHARGES		
Governance	30	237
Education and welfare	6,286	576
Housing	9,100	23,175
Community amenities	69,192	78,062
Recreation and culture	254,944	139,700
Economic services	6,160	3,045
	<u>345,712</u>	<u>244,795</u>

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

28. GRANT REVENUE

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

	2016	2015
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	3,172	21,187
General purpose funding	2,459,403	6,410,490
Health	54,229	119,876
Education and welfare	124,961	240,177
Community amenities	331,737	323,645
Recreation and culture	0	1,725
Transport	486,234	448,668
Other property and services	12,928	0
	<u>3,472,664</u>	<u>7,565,768</u>
Non-operating grants, subsidies and contributions		
Education and welfare	0	601,676
Transport	2,274,330	1,748,000
	<u>2,274,330</u>	<u>2,349,676</u>
	<u>5,746,994</u>	<u>9,915,444</u>

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30TH JUNE 2016

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>22</u>	<u>19</u>
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30. ELECTED MEMBERS REMUNERATION

	2016	2016	2015
	\$	Budget	\$
	\$	\$	\$

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

Meeting Fees	14,805	24,000	12,355
President's allowance	4,000	4,000	3,500
Deputy President's allowance	1,000	1,000	875
Travelling expenses	18,099	20,000	12,908
	<u>37,904</u>	<u>49,000</u>	<u>29,638</u>

31 MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2015/2016 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2015/2016 financial year.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,254,106	5,206,196	4,254,106	5,206,196
Receivables	160,052	895,201	160,052	895,201
	<u>4,414,158</u>	<u>6,101,397</u>	<u>4,414,158</u>	<u>6,101,397</u>
Financial liabilities				
Payables	177,224	221,651	177,224	221,651
	<u>177,224</u>	<u>221,651</u>	<u>177,224</u>	<u>221,651</u>

Fair value is determined as follows:

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2016	2015
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	42,541	8,527
- Statement of Comprehensive Income	42,541	8,527

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2016	2015
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	80%	97%
- Overdue	20%	3%

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

33. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables

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

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

	<u>2016</u>				
	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
Payables	177,224	0	0	177,224	177,224
	<u>177,224</u>	<u>0</u>	<u>0</u>	<u>177,224</u>	<u>177,224</u>
	<u>2015</u>				
Payables	221,651	0	0	221,651	221,651
	<u>221,651</u>	<u>0</u>	<u>0</u>	<u>221,651</u>	<u>221,651</u>

**SHIRE OF NGAANYATJARRAKU
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2016	2015	2014
Asset consumption ratio	0.85	0.73	0.75
Asset renewal funding ratio (Note 1)	N/A	N/A	N/A

Note 1:

The Shire does not currently have the information available for the calculation of the ratio.

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

Council Resolutions - Status

Meeting Date	Meeting Type	Report Number	Report Title	Resolution	Status Update	% Complete
14 June 2018	SCM	All Reports Actioned				

Excerpt from Common Seal Register

Date on which the common seal was affixed	Nature of the document	Parties to any agreement
16 June 2018	General Conditions of Contract – Agreement, RFT 02 2017/18, Road Maintenance and Improvements Program	Breakaway Earthmoving

Compliance / Action Calendar

This list has been compiled as a priority for compliance with the Local Government Act 1995 and associated Regulations and Important Functions / Projects to be completed.

Other Acts such as OSH, EEO, etc have not been regoriously reviewed for compliance but major items included.

Other critical / important operational items have also been included.



Activity	Description	Legislation	Section	Notes	Responsible Officer	Progress as at 30 June 2018
Corporate Records	Corporate records on CEO Notebooks to be copied to Shire Server	State Records Act 2000			CEO	
Annual Report 2014-15	Annual Report to be accepted by Council	Local Government Act 1995	s5.53 s5.54	Annual. Adopted by Council by 31 Dec or no later than 2 months after the auditor's report becomes available	CEO	
Annual Report 2014-15	Adoption of Annual Report - Advertise Local Public Notice	Local Government Act 1995	s5.55	Annual	CEO	
Annual Report 2014-15	Send copies of Annual Report to Department of Local Government			Annual	CEO	
Annual Report 2014-15	A copy of the annual report is to be placed on the Shire's website			Annual	CEO	
Roads to Recovery	Quarterly, Annual, etc reports			2015/16 Auditors Annual Report to be completed after 2015/16 Audit of Accounts	CEO	Advice received from R2R re: loss of \$3.5m funding if not up to date by end August 2018
Update Shire Website	Update content for public information	Local Government Act 1995 and Local Government (Administration) Regulations 1996	s5.25(1)(j) Reg 14	Minutes 2015-2017 and Annual Reports 2015-7 to be completed.	CEO	
Related Party Transactions	New Accounting Standard to be implemented for 2016/17 FYE	Australian Accounting Standards	AASB124	Annual	CEO	
ESL Declaration of Annual Service Levy Billing	Complete Form A - Schedule 4 - ESL Declaration of Annual Service Levy Billing	Fire & Emergency Services Authority of WA Act 1998 FESA Manual of Operations - Section 5	Part 6A Div 5	Annual	CEO	
Disability Access and Inclusion Plan Review	Commence Review	Disability Services Act 1993	s29(7)	5-yearly, next due ?	CEO	
Regional Roads Group	Reccup Funding			As required	CEO	

Aboriginal Access Roads	Annual Funding Application			Annual October	CEO	
Annual Financial Report 2015/16	After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1. Send to the Executive Director, DLG within 30 days. Email to annualreport@dlg.wa.gov.au	Local Government (Financial Management) Regulations 1996	Reg51 (1) Reg51 (2)	Annual	CEO	Completed
Annual Audit Report 2015/16	Annual Audit Report - OCM Report, A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to --- (a) determine if any matters raised by the report, or reports, require action to be taken by the local government, and (b) ensure that appropriate action is taken in respect of those matters.	Local Government Act 1995	s7.12A(3)	Annual	CEO	Report to Council July 2018
Audit Actions Report 2015/16	A local government is to --- (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.	Local Government Act 1995	s7.12A(4)	Annual	CEO	
Annual Report 2015/16	Annual Report to be accepted by Council	Local Government Act 1995	s5.53 s5.54	Annual. Adopted by Council by 31 Dec or no later than 2 months after the auditor's report becomes available	CEO	
Annual Report 2015-16	Adoption of Annual Report - Advertise Local Public Notice	Local Government Act 1995	s5.55	Annual	DCEO	
Annual Report 2015-16	Send copies of Annual Report to Department of Local Government	Local Government Act 1995		Annual	DCEO	
Annual Report 2015-16	A copy of the annual report is to be placed on the Shire's website	Local Government Act 1995		Annual	DCEO	
2014/15 Audit Management Letter	Review recommendations for implementation			CEO to review in conjunction with Reg 5 Review	CEO	
AMP / AMIS	Update for new Fair Valuations, update Renewal Model			Data to align with FV, Balance Sheet & RAMM	CEO / DCEO	Core engaged to update
Performance Review	Completion of CEO & Staff Performance Reviews	Local Government Act 1995	s5.38	Council Policy & CEO Procedure to be implemented and staff PD's / appraisals to be completed.	CEO/Coordinators	PD's being updated. Performance Reviews commenced

Great Central Road	Capital Works to construct to MRWA Standards			\$3.3m MRWA funded, Contract for Project Management to be let.	CEO / DCEO	Report to July Council
Fair Value Valuations	Land & Buildings	Local Government Act 1995 Local Government (Financial Management) Regulations 1996	s6.4(2) r17A	3 yearly Review due 2016/17 Accounts	CEO / DCEO	Await 2016/17 Audit
Audit 2016/17 Interim	Interim Audit info to be Submitted to Auditor & respond to queries	Local Government Act 1995	s6.4 (3) & s7.12A	Annual	CEO / DCEO	Commenced
Assessment Notices	Working with Children - Assessment Notices Ensure currency of Assessment Notices for all staff (and volunteers) employed to work with children. Assessment Notice valid for 3-years [s14]	Working With Children (Criminal Record Checking) Act 2004	s22 s23 s24	Annual	F&AC	
Youth Services Review	Review of existing service and future service				CEO	Process re-started
Local Government Services Tender	Tender for LG Services to delivery services / projects e.g. \$3.3m sealing GCR				CEO	CEO to re-advertise
Road Traffic Counters	Counters to be used on roads for grant aquital info etc				CEO / Works Officer	
Financial Management Procedures	CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures	Local Government (Financial Management) Regulations 1996	Reg 5(2)(c)	4-yearly, due 2017	CEO	
Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	As required. Ongoing dependant on staff terminations and elected member terms	CEO	
Audit 2016/17 Final	Financial report to be Submitted to Auditor & respond to queries	Local Government Act 1995	s6.4 (3) & s7.12A	Annual	CEO / DCEO	
Annual Financial Report 2016/17	After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1. Send to the Executive Director, DLG within 30 days. Email to annualreport@dlg.wa.gov.au	Local Government (Financial Management) Regulations 1996	Reg51 (1) Reg51 (2)	Annual	CEO	

Annual Audit Report 2016/17	Annual Audit Report - OCM Report, A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to — (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and (b) ensure that appropriate action is taken in respect of those matters.	Local Government Act 1995	s7.12A(3)	Annual	CEO	
Audit Actions Report 2016/17	A local government is to — (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.	Local Government Act 1995	s7.12A(4)	Annual	CEO	
Annual Report 2016/17	Annual Report to be accepted by Council	Local Government Act 1995	s5.53 s5.54	Annual. Adopted by Council by 31 Dec or no later than 2 months after the auditor's report becomes available	CEO	
Annual Report 2016/17	Adoption of Annual Report - Advertise Local Public Notice	Local Government Act 1995	s5.55	Annual	CEO	
Annual Report 2016/17	Send copies of Annual Report to Department of Local Government	Local Government Act 1995		Annual	CEO	
Annual Report 2016/17	A copy of the annual report is to be placed on the Shire's website	Local Government Act 1995		Annual	CEO	
Public Notice - OCM Calendar	Advertise Ordinary Council Meetings and Committee Meetings for the next 12 Months	Local Government (Administration) Regulations 1996	Reg 12 (1)	Annual	CEO	
Annual Auditor Meeting 2016	Local government is to meet with the auditor of the local government at least once in every year.	Local Government Act 1996	s7.12A(2)	Annual after 2015/16 Audit completed	CEO	OCM July 2018
Local Government Grants Commission Return	Annual Return to be Audited and completed September.			2016/17 Due 30 January	CEO	Completed
Councillor Training	Develop second round Training Plan for Councillors				CEO	Finalise with WALGA for 2018
2012-13 CLGF Report	Q4 RfR - Early Years Learning Centre			Report to DRD by 16 July	CEO	
Organisation Structure	Update Org Structure with AA			Council Report to adopt	CEO	
Strategic Plan / Documents Recommendations	Progress implementation of recommendations from SCP, CBP, LTFP, AMP, AMIS, NAMA, WFP, RKP, DRP, RMP, LEMA, Reg17, Reg5. Audit Mgmt Letter			As required	DCEO	

Compliance Audit Return	Due to Audit Meeting Late Feb / Early March Due to OCM March Due to DLG by 31 March	Local Government Act 1995	s7.13(1)(i)	To be done online and signed hard copy to DLG.	CEO	
Public Health Plan	Prepare new PHP as per new act.	Public Health Act 2016	s38	Annual	EHO/CEO	
Strategic Community Plan	Commence desktop review Councillors			2nd Year	CEO / DCEO	
Local Emergency Management Arrangements (&LERP)	State Risk Project	Emergency Services Act 2005	s41(1)	Liaise DEMC on local risk workshop	CEO / DCEO	FESA workshop with LEMC 2018
Policy Manual	Policy Manual Review			4 yearly review as per DLG advice	CEO / DCEO	
CEO Procedures	Procedures Review			4 yearly review as per DLG advice	CEO / DCEO	
Code of Conduct	Review	Local Government Act 1995	s5.103	Review due 2018 but consider for 2017 election.	CEO / DCEO	
Customer Service Charter	Review			Biennial	DCEO	
Authorised Officers	Authorised Officers - Purchasing & Requisitions - review listing - remove details of officers who are no longer relevant	Local Government (Financial Management) Regulations 1996	Reg.5	Annual	DCEO/CEO	Re-issue Council Policy re Purchasing to affected staff
Mid-Year budget review	Review to DLGC				CEO / DCEO	Completed
Corporate Business Plan	Commence review after SCP				CEO / DCEO	
Long Term Financial Plan	Commence review with CBP				CEO / DCEO	
Fringe Benefit Tax Return	The FBT return is lodged electronically to the ATO each year in May	FBT		Annual	CEO	
Performance Review	Completion of CEO & Staff Performance Reviews.	Local Government Act 1995	s5.38	Annual (CEO Oct)	DCEO	
Fair Value	Infrastructure	Local Government Act 1995 Local Government (Financial Management) Regulations 1996	s6.4(2) r17A	3 Yearly Review due 2017/18 Accounts	CEO	Commence process 2018
Integrity & Conduct Survey	Provide Annual Report to Commissioner for Public Interests Disclosures	Public Interest Disclosure Act 2003	s23(f)	Annual	CEO	
Annual Budget	Budget draft to Audit Committee	Local Government Act 1995	s6.2	Annual	CEO / DCEO	

Compliance Audit Report	Compliance Audit Return - update of progress with Implementation of remedial Action	Local Government Act 1995	s7.13(1)(i)	As required	CEO	
Sub - Delegation Register	Memorandum by the CEO to Delegated Officers setting their sub-delegation from the CEO.	Local Government Act 1995	s5.44(2)	Annual	CEO	
Annual Returns	Annual (Financial) Returns - distributed to Councillors and designated staff for return Due - 31 August	Local Government Act 1995	s5.76	Annual	CEO	
FOI Annual Statement	FOI Annual Statistical Data - forward to the Commissioner Due July	Freedom of Information Act 1992	s111(3)	Annual	CEO	
Corporate Business Plan	Ensure Budget balances to Annual Budget to be adopted	Local Government Act 1995 & Local Government (Administration) Regulations 1996	s5.56 & Reg 19DA	Annual	DCEO	
Budget Adoption	Budget to OMC for Adoption	Local Government Act 1995	s6.2	Annual by 31 August	CEO	
Fee & charges	Fees & Charges Review - Council to adopt with Budget	Local Government Act 1995	s6.16	Annual	CEO	
Early Years Learning Centre building extension	Monitor defects for rectifications	DRD CLGF funded		Contract Retention funds to be released	CEO	
Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return	Local Government Act 1995	s5.77	Ongoing dependant on staff terminations and elected member terms	CEO	
Annual Budget	Copy of Budget to be provided to the Executive Director of Dept of LG within 30 days of adoption by Council. Email to annualbudget@dlgc.wa.gov.au	Local Government (Fin Mgt) Regs 1996	Reg 33	Annual	CEO	
Review OSH	Review of occupational safety and health legislation in relation to risk register (also refer Shire RM Framework)	Occupational Safety and Health Act 1984	s 19	Annual - Develop Risk Register	CEO / DCEO	
Delegation Register - Committees / CEO & Employees / Authorised Officers	Delegation Register - Review - OCM Report	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	CEO/DCEO	
Annual Report - Food	Annual Report - Due 28 October	Food Act 2008	S121	Annual	EHO/CEO	
Tender Register	Check that the tenders register is up to date and available for public inspection	Local Government (Functions & General) Regulations 1996	Reg 17 (1)	Annual	CEO	
Financial Interests Register	Review and remove details of officers / elected members who are no longer relevant	Local Government Act 1995	s5.88(3)	Annual. Returns to be kept for further 5 years	DCEO	
Gift & Contribution to Travel Register	Update gift / contribution to travel registers with new entries, includes election gifts and notifiable gifts	Local Government Act 1995 and Local Government (Functions & General) Regulations 1996	s5.62(2) s5.83 Reg.34B	As required	CEO	

Complaints Register	Complaints officer to maintain a register of complaints regarding breaches of the Act.	Local Government Act 1995	s5.121(1)	Update the document when a complaint is received.	CEO	
Acknowledgment of Receipt Returns (Both Annual & Primary)	On receipt of a return under section 5.75 and 5.76 from a person, the CEO or the Mayor or the President, as the case may be, is to give the person written acknowledgment of having received the return.	Local Government Act 1995	s5.77	As required. Ongoing dependant on staff terminations and elected member terms	CEO / DCEO	As required
Financial Activity Statement Report for OCM	Financial activity statement to council	Local Government (Financial Management) Regulations 1996	Regs 13.3 & 34	Monthly	CEO / DCEO	
Business Activity / Instalment Activity Statement for Shire	Submit statement to ATO	Australian Tax Office		Monthly by the 21st	CEO	
Delegation Register - Committees / CEO & Employees / Authorised Officers	Delegation Register - Review - OCM Report	Local Government Act 1995	s5.18 s5.46 s9.10 s9.29	Annual	CEO/DCEO	
Business Continuity Disaster Recovery Plan	Review of Plan			Biennial	DCEO	
Risk management, internal control and legislative compliance	Commence review	Local Government (Audit) Regulations 1996	Reg. 17	Biennial, due 2019	DCEO/CEO	
Record Keeping Plan	Review and submit to State Records Commission - required every 5-years OR when significant change to organisations functions	State Records Act 2000	s28	5 yearly	DCEO	Reviewed 2016
Financial Management Procedures	CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures	Local Government (Financial Management) Regulations 1996	Reg 5(2)(c)	4-yearly, due 2021	DCEO/CEO	

Our ref: 01211



23rd April 2018

Chris Paget
Chief Executive Officer
Shire of Ngaanyatjarraku
PMB 87
Via Kalgoorlie WA 6431

SHIRE OF LAVERTON

9 MacPherson Place

PO Box 42
Laverton WA 6440

P (08) 9031 1202 F (08) 9031 1340
www.laverton.wa.gov.au

Dear Chris

Great Central Road – Construction

With reference to our telephone conversation on Friday 20th April 2018.

On behalf of the Shire of Laverton I would like to present a proposal to the Shire of Ngaanyatjarraku in relation to a joint construction program for the Great Central Road.

In addition to the \$22 million of funding that is currently programmed over three years from 2016/17 to 2018/19, to upgrade and seal more than 100 kilometres of the Great Central Road, another \$46.5m has been committed to upgrade another 80 kilometres, over five years, commencing in 2018/19. This funding does not include any additional commitment that may be allocated to the Great Central Road following the announcement last week by the Federal Government for another \$160m to be allocated to the Outback Way. As such, Council would like to discuss the opportunity for both Shires to look at a joint tender / contract arrangement for future works delivered on the Great Central Road.

Initially, this may be in the form of a single contract to be entered into with a construction partner to upgrade approximately 150km of the road over the next 2-3 years utilising the current funding allocation of \$37.2m (Federal), \$9.3m (State), and plus any balance from Ngaanyatjarraku's current allocation within the \$22m that is not spent by the end of 2018/19.

Should the Shire of Ngaanyatjarraku be amenable to such a proposal the Laverton Shire would be happy to be the administering body and deliver the contract works.

Subject to Ngaanyatjarraku's agreement it is proposed that the works would commence at 385slk, the point at which the Laverton Shire commenced this year, and work south-west to Laverton, or as otherwise agreed.

I appreciate that the funding allocations have initially been identified for the Priority One sections however I am sure that should the two Shires be seen working in a collaborative manner to maximise the efficiency of delivering the improvements to the road, discussion can then be held with the State and Federal Governments to alter the priority sections. Works in a single contract could be seen as the most efficient use of funds rather than 'hopping' back

and forth between differing work sites, which would be a logistical nightmare for the construction crew.

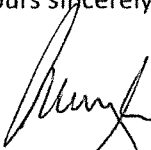
Such a proposal has already been discussed with both Main Roads WA and representatives of the Federal Government's Department of Infrastructure and Regional Development, in a teleconference on Monday 26th March 2018, and there is in-principle support to the proposal.

As you are aware Laverton expects to complete the delivery of the works programmed up to the Shire of Ngaanyatjarraku boundary by August 2018, therefore it is important that there is sufficient time to plan the next stage of work delivery in the program.

The Shire President, Cr Patrick Hill, Executive Manager Technical Services, Les Vidovich, and myself will only be too pleased to meet with the Ngaanyatjarraku Shire to discuss this proposal.

Your earliest consideration to this matter would be appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Naylor', with a stylized flourish at the end.

Peter Naylor
CHIEF EXECUTIVE OFFICER

SHIRE OF NGAANYATJARRAKU - PAYMENTS LISTING, MAY 2018

Date	Code	Description	Credit
1/05/2018	37	NATS 4 x Cooper tyres for Shire Prado's	- 8,302.40
1/05/2018	334	STAPLES AUSTRALIA (PREV. CORPORATE EXPRESS) Stationery & supplies for Playgroups Early Years program	- 1,190.16
1/05/2018	538	PERFECT COMPUTER SOLUTIONS PTY LTD Supply & setup 2 Toshiba A50	- 3,960.00
1/05/2018	1050	CARDINAL CONTRACTORS PTY LTD Hire of graders Tjirrkarli Access F+I works	- 14,399.00
1/05/2018	2015	Close Solutions P/L (South East Fire & Safety) Supply & install fire extinguishers and service hose reels at Cultural Centre	- 367.50
1/05/2018	2018	Laverton Supplies Diesel fuel PEHO Landcruiser KBC591L	- 170.25
1/05/2018	2026	JLB PHOTOS Setup & remount security cameras; backup 15 day history x 1 year	- 259.00
1/05/2018	40	NGAANYATJARRA SERVICES (ABORIGINAL CORPORATION) Rental of staff house Lot 154 Warburton April 2018	- 3,846.87
1/05/2018	53	LANDGATE Rural UV general revaluation roll 2017/18	- 152.85
1/05/2018	57	WARAKURNA ROADHOUSE Diesel fuel Early Years PC 1GJT224 Accommodation EY Coordinator 3 April	- 375.18
1/05/2018	61	WARRUNYINNA STORE Supplies for Jameson Playgroup March 18 / Diesel fuel EY Fortuner 1EZE055	- 403.92
1/05/2018	95	WARAKURNA STORE Supplies-Warakurna youth program bbq	- 143.80
1/05/2018	155	NGAANYATJARRA COUNCIL Electricity Q2 2017-18 Shire offices	- 25,022.50
1/05/2018	217	KEY FACTORS PTY LTD (BREAKAWAY) Roadworks plant hire - Great Central Road Major Project Shire boundary SLK433	- 157,473.80
1/05/2018	269	Mr K WEIDMAN Reimburse travel & accom expenses - Kevin Weidman	- 465.50
1/05/2018	2061	Eastlink Eastlink freeway toll 1EZJ460 - T O'Brien relocation	- 12.56
1/05/2018	15	WESTPAC BANK Westpac transaction fees - April 2018	- 9.00
2/05/2018		Payroll Direct Debit Of Net Pays Payroll Direct Debit Of Net Pays	- 49,530.34
2/05/2018	54	WA SUPER Payroll deductions	- 4,950.50
2/05/2018	2038	NETWEALTH SUPER ACCELERATOR PERSONAL Superannuation contributions	- 231.24
2/05/2018	2055	BT Super for Life Superannuation contributions	- 166.95
2/05/2018	300	AMP RETIREMENT SAVINGS ACCOUNT Payroll deductions	- 686.22
2/05/2018	1034	AUSTRALIAN SUPER Superannuation contributions	- 61.38
2/05/2018	5	BT SUPER Superannuation contributions	- 135.50
2/05/2018	740	HOST PLUS Payroll deductions	- 569.59
3/05/2018	357	COMMONWEALTH BANK OF AUSTRALIA CBA Merchant & POS fees - April 2018	- 39.99
7/05/2018	15	WESTPAC BANK Credit Card Trans - CEO C. Paget	- 6,371.03
14/05/2018	2060	BLUETHUMB ART Supply of Tjarlili Arts paintings	- 9,263.00
16/05/2018		Payroll Direct Debit Of Net Pays Payroll Direct Debit Of Net Pays	- 58,717.05
16/05/2018	54	WA SUPER Payroll deductions	- 4,974.08
16/05/2018	2038	NETWEALTH SUPER ACCELERATOR PERSONAL Superannuation contributions	- 231.24
16/05/2018	2055	BT Super for Life Superannuation contributions	- 131.91
16/05/2018	300	AMP RETIREMENT SAVINGS ACCOUNT Payroll deductions	- 594.10
16/05/2018	1034	AUSTRALIAN SUPER Superannuation contributions	- 61.38
16/05/2018	5	BT SUPER Superannuation contributions	- 475.42
16/05/2018	740	HOST PLUS Payroll deductions	- 451.00
16/05/2018	1050	CARDINAL CONTRACTORS PTY LTD Graders plant hire GT Central Rd F+I work	- 106,964.00
17/05/2018	50	TELSTRA CORPORATION LTD Phone & data charges - April 2018	- 1,814.18
17/05/2018	848	DEPT FOR CHILD PROTECTION Working With Children Check application fee - Oriwa McKay (Sio)	- 168.00
17/05/2018	860	INDIGENOUS HIP HOP PROJECTS IHHP Ngaanyatjarra Lands communities tour April 16-27 2018 (2nd installment)	- 21,780.00
18/05/2018	1059	PRO-COPY Transfer old floppy disc files on to USB plus recovery fees (Early Years Program)	- 158.50
21/05/2018	50	TELSTRA CORPORATION LTD Telstra satellite mobile phone charges	- 175.00
21/05/2018	217	KEY FACTORS PTY LTD (BREAKAWAY) Plant hire roadworks Great Central Rd Major Project Shire boundary SLK433 east	- 275,235.40
21/05/2018	1077	CORE BUSINESS AUSTRALIA Ciam 33+34 DCEO engagement fees - Kevin Hannagan Mar/Apr 2018	- 2,277.00
21/05/2018	2061	Eastlink Eastlink freeway toll 1EZJ460 - T O'Brien relocation - 3 April 2018	- 19.07
23/05/2018	147	AUSTRALIA POST Australia Post charges April 2018	- 29.25
23/05/2018	2060	BLUETHUMB ART Supply of Tjarlili Arts painting for Warta Shop stock	- 4,705.00
28/05/2018	361	PIVOTEL SATELLITE PTY LTD Satellite phone charges - April 2018	- 427.09
28/05/2018	368	DEPT FOR PLANNING & INFRASTRUCTURE DoT Agency transactions 134832-134836	- 868.95
28/05/2018	1105	Philip Swain Reimburse taxi fares, airport parking & accommodation - Phil Swain	- 1,074.15
28/05/2018	2009	URBAN BOX RENOVATIONS Supplied & welded mesh to 2 sides of lower section cage area Lot 98 staff house	- 2,025.00
28/05/2018	2018	Laverton Supplies Vehicle storage PEHO Toyota KBC591L 19 April to 16 May	- 280.00
28/05/2018	37	NATS 2 x Cooper Discoverer 31x10.5 tyres	- 2,883.65
28/05/2018	538	PERFECT COMPUTER SOLUTIONS PTY LTD Rectify major issues with email server & resolve blacklisting; fix server updates on Cloud; r	- 1,955.00
28/05/2018	785	IT VISION AUSTRALIA PTY LTD ITV monthly BPMS payroll, financial processing+rates service fee April 2018	- 9,545.07
28/05/2018	812	Mrs A L SHINKFIELD Reimburse equipment & supplies purch for NG Lands Playgroups	- 1,426.30
28/05/2018	866	MODERN TEACHING AIDS Activity resources & equipment for NG Lands Playgroup program	- 2,938.43
28/05/2018	941	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM Repairs to Playgroup after break-in; supply	- 3,721.58
28/05/2018	989	ALANA ASHBOTH Reimbursement - hardware for Playgroup	- 33.32
28/05/2018	1023	NATIONAL SAFETY SOLUTIONS P/L Safety boots - Shire Depot/outdoors crew	- 913.00
28/05/2018	1502	Franco Saliba Reimburse diesel fuel for Shire vehicle - IHHP tour drop-off at Yulara	- 126.05
28/05/2018	2022	PAXON GROUP SON4900 prep of financial statements for March 2018 plus prep & lodge BAS	- 1,815.00
28/05/2018	2037	RAYSON SANTANA DE JESUS Reimburse diesel fuel for Shire PC	- 219.70
28/05/2018	40	NGAANYATJARRA SERVICES (ABORIGINAL CORPORATION) Repair & replace ignition barrel, wiring & steering shroud on PC 1GJT224	- 7,399.07
28/05/2018	2063	MARUKU ARTS Purchase of Warburton WAP exhibition artworks	- 6,900.00

28/05/2018	2064	STONEHAM & ASSOCIATES Consultancy fees - phase 1 research, data collection & interim report for Shire of NG Public Health Plan	-	4,160.00
28/05/2018	53	LANDGATE Consolidated mining tenement roll April 2018	-	391.55
28/05/2018	57	WARAKURNA ROADHOUSE Diesel Triton works ute 1DWC269	-	587.32
28/05/2018	95	WARAKURNA STORE Supplies-Warakurna youth prog bbq	-	242.00
28/05/2018	104	MANTAMARU COMMUNITY Supply & fit 2 tyres to Shire Prado 1EZJ460	-	550.00
28/05/2018	253	GLOBETROTTER CORPORATE TRAVEL Airfares PER-LAV rtn PEHO Philip Swain 16 & 24 May 2018 + ticketing	-	1,466.06
28/05/2018	262	Mr C L PAGET Reimburse leave airfares as per contract	-	3,582.76
28/05/2018	334	STAPLES AUSTRALIA (PREV. CORPORATE EXPRESS) Stationery & supplies for Early Years prog	-	4.54
30/05/2018		Payroll Direct Debit Of Net Pays Payroll Direct Debit Of Net Pays	-	53,429.96
30/05/2018	54	WA SUPER Payroll deductions	-	5,691.26
30/05/2018	2038	NETWEALTH SUPER ACCELERATOR PERSONAL Superannuation contributions	-	231.24
30/05/2018	2055	BT Super for Life Superannuation contributions	-	163.51
30/05/2018	1034	AUSTRALIAN SUPER Superannuation contributions	-	61.38
30/05/2018	5	BT SUPER Superannuation contributions	-	475.42
30/05/2018	740	HOST PLUS Payroll deductions	-	495.80
30/05/2018	26	DAMIAN MCLEAN Ordinary Council meeting fee 30 May '18	-	400.00
30/05/2018	354	BEVERLEY THOMAS Ordinary Council meeting fee 30 May '18	-	200.00
30/05/2018	473	PRESTON THOMAS Ordinary Council meeting fee 30 May '18	-	200.00
30/05/2018	1004	JOYLENE FRAZER Ordinary Council meeting fee 30 May '18	-	200.00
30/05/2018	1064	ANDREW JONES Shire Council ord meeting fee 30 May 18	-	200.00
30/05/2018	2049	DEBRA FRAZER Ordinary Council meeting fee 30 May '18	-	200.00
31/05/2018		To close payroll suspense account originating from return of superannuation payment.	-	161.06
31/05/2018	2004	Johnston Withers Legal professional fees associated with 'CDP in Remote Communities' AHRC & mediation process Feb to May 18	-	6,055.64
31/05/2018	40	NGAANYATJARRA SERVICES (ABORIGINAL CORPORATION) Rental of staff house Lot 154 Warburton May 2108	-	7,821.96
31/05/2018	61	WARRUNYINNA STORE Food supplies for IHHP Ng Lands tour	-	98.20
31/05/2018	95	WARAKURNA STORE Supplies for Youth program	-	206.38
31/05/2018	217	KEY FACTORS PTY LTD (BREAKAWAY) Roadworks plant hire - Great Central Road Major Project Shire boundary SLK433 on	-	240,585.95
31/05/2018	538	PERFECT COMPUTER SOLUTIONS PTY LTD Annual subscription for E3 licenses	-	4,492.50
31/05/2018	941	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM Repair & adjust front and rear screen doors on office in Comm Resource	-	379.50
31/05/2018	1050	CARDINAL CONTRACTORS PTY LTD Hire of graders Tjukurla Access F + I works	-	28,798.00
31/05/2018	2018	Laverton Supplies Diesel fuel PEHO Landcruiser KBC591L	-	309.18
		TOTAL	-	1,173,914.14

2.6 Purchasing

Objective

To provide compliance with the Local Government Act 1995 ("the Act") and the Local Government Act (Functions & General) Regulations 1996 ("the Regulations") as amended March 2007.

To deliver a best practice approach and procedures to internal purchasing for the Shire.

To ensure consistency for all purchasing activities that integrates within all the Shire's operational areas.

Ethics & Integrity

Policy

All officers and employees of the Shire shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire.

Guiding Statement

The following principles, standards and behavior's must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties.

- Full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- All purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire's policies and Code of Conduct.
- Purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- Any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Value for money

Policy

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire.

It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

Guiding Statement

An assessment of the best value for money outcome for any purchasing should consider:

- All relevant whole-of-life costs and benefits whole of life costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- Financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and
- A strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

Sustainable Purchasing

Sustainable purchasing is the practice of purchasing goods and services that have less environmental and social impacts than competing goods and services.

The Shire of Ngaanyatjarraku is committed to sustainable purchasing and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods and services that minimise environmental and negative social impacts. Practically, sustainable purchasing means the Shire shall endeavour to identify and purchase products that:

- have been determined as being necessary;
- demonstrate environmental best practice in energy efficiency and/or consumption;
- demonstrate environmental best practice in water efficiency;
- are environmentally sound in manufacture, use and disposal;
- can be refurbished, reused, recycled or reclaimed;
- have the highest fuel efficiency available; and
- use renewable energy and technologies.

However, whilst the Shire will use its best endeavours to purchase goods and services on a sustainable basis, final purchasing decisions will always be in accordance with the value for money principle.

Open and Effective Competition

The Shire of Ngaanyatjarraku, in seeking value for money in the purchasing processes, recognises the need for the wider market to be accessed in order that the Shire may benefit from the forces of a competitive market.

To encourage suppliers to apply for Council's business, all of the Shire's purchasing processes and decisions must be fair and transparent. Any 'points of clarification' or adjustments to job specification shall be conveyed in the same manner, at the same time, to all parties expressing an interest in providing the goods/service to Council.

Risk Management and Safety and Health

Prior to items being purchased they must be assessed to ensure they do not pose a safety and health risk. A risk management assessment should also be conducted to prevent hazards entering the workplace. These assessments should consider aspects associated with the use

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of the good or service such as, but not limited to, their cleaning and maintenance and the training in their use that is required.

Purchasing threshold

Policy

All purchases shall be made through a competitive process, either using the Shire's own procurement process or purchasing from a tender exempt organisation such as WALGA's Preferred Supply Contracts (which are established utilising a competitive public process).

Where a WALGA Preferred Supply Panel is in place, The Shire will get multiple quotations from Preferred Suppliers to ensure best value for money.

Guiding Statement

Where the value of procurement (including GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Model Policy
Up to \$4,999	Direct purchase from suppliers requiring only one verbal quotation and all reasonable avenues to obtain quotes for goods or services within the Shire have been exhausted.
\$5,000 - \$14,999	Obtain at least two verbal or written quotations and recorded on the Record of Written and Verbal Quotes or purchase from WALGA / State Government Common Use Arrangement.
\$15,000 - \$69,999	Obtain at least three written quotations and recorded on the Record of Written and Verbal Quotes or purchase from WALGA / State Government Common Use Arrangement.
\$70,000 - \$149,999	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations) and recorded on the RFQ or purchase from WALGA / State Government Common Use Arrangement.
\$150,000 and above	Conduct a public Tender process or purchase from WALGA / State Government Preferred Supply Contracts.

Where considered necessary, the Shire may consider calling tenders in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). This decision should be made after considering whether the purchasing requirements of the Shire can be met through a WALGA / State Government Common Use Arrangement. If a decision is made to seek public tenders for contracts of less than \$150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Up to 4,999

Where the value of procurement of goods or services does not exceed \$4,999, purchase on the basis of at least one verbal quotations is permitted.

However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk and

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all Reasonable avenues to obtain quotes for goods or services within the Shire have been exhausted.

A Record must kept of the verbal quotation (preferably on the purchase order).

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

Credit card purchases are recommended to reduce transaction costs.

\$5,000 to \$14,999

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,000 and \$14,999.

At least two verbal or written quotations (or a combination of both) are required. Where this is not practical, egg. Due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement/specification is clearly understood by the Shire employee seeking the verbal quotations;
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote;
- Read back the details to the Supplier contact person to confirm their accuracy; and
- Written notes on the Record of Written and Verbal Quotes form must detail each verbal quotation and attached to the purchase order, office copy.

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

\$15,000 to \$69,999

For the procurement of goods or services where the value exceeds \$15,000 but is less than \$69,999, at least three written quotes are required (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. A Record of Written and Verbal Quotes form must detail each quotation and attached to the purchase order, office.

The Shire can still access Preferred Supply Contracts for these types of purchases.

NOTES: The general principles relating to written quotations are;

- an appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion
- the request for written quotation should include as a minimum:
 - written specification
 - selection criteria to be applied
 - price schedule
 - conditions of responding
 - validity period of offer
- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.

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- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

\$70,000 to \$149,999

For the procurement of goods or services where the value exceeds \$70,000 but is less than \$149,999, at least three written quotations are required containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

A Request for Quotation process must be completed to assist with recording details.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, the organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

Regulatory compliance

Policy

All purchases shall be made through a competitive process, either by the Shire or by purchasing from a tender exempt organisation such as WALGA / State Government via Preferred Supply Contract (which have been established using a compliant and competitive public process). Suppliers and Tenderers shall be treated fairly and equitably at all times.

Guiding Statement

1. Tender Exemption

In the following instances public tenders or quotation procedures are **not** required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is from a tender exempt organisation such as WALGA (Preferred Supplier Contracts or Business Service), the Department of Treasury and Finance (permitted Common Use Arrangements), Regional Local Government or another Local Government;
- The purchase is under auction which has been authorised by Shire;
- The contract is for utilities such as telephones, internet services, electricity and petrol, oil, or other liquid or gas used for internal combustion engines; or
- Urgent or unique value for money, under the following circumstances where it:
 - is opportunistic; and
 - enhances operational efficiency; and
 - is cost effective; and
 - leads to mitigating risk. In such circumstances the CEO may approve purchases.
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

2. Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source

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of supply, (i.e. Manufacturer, supplier or agency) is permitted without the need to call competitive procurement process provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

3. Anti-Avoidance

The Shire shall not enter two (2) or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$100,000, thereby avoiding the need to publicly tender.

4. Tender Criteria

In the event that the Shire elects to call a Tender, before Tenders are publically invited the Shire shall determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase. For requests with a total estimated (ex GST) price of:

- Between \$40,000 and \$99,999, the panel must obtain a minimum of 2 members; and
- \$100,000 and above, the panel must contain a minimum of 3 members.

5. Advertising Tenders

Tenders are to be advertised in a state wide publication e.g. "The West Australian" newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

The Tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 full days are provided as a minimum. The notice must include;

- A brief description of the goods or services required;
- Information as to where and how tenders may be submitted;
- The date and time after which tenders cannot be submitted;
- Particulars identifying a person from who more detailed information as to tendering may be obtained. Detailed information shall include;
 - Such information as the Shire decides should be disclosed to those interested in submitting a tender;
 - Detailed specifications of the goods or services required;
 - The criteria for deciding which tender should be accepted;
 - Whether or not the Shire has decided to submit a tender; and
 - Whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

6. Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential Tenderers must have equal access to this information in order for the Shire not to compromise its duty to be fair.

7. Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

8. Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and preferably at least one other Shire officer. The details of all tenders received and opened shall be recorded in the Tenders Register. Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as commercial-in-confidence to the Shire. Members of the public are entitled to be present.

The Tenderer's offer form, price schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two (2) Shire officers present at the opening of tenders.

9. No Tenders Received

Where the Shire has invited tenders, however no compliant submissions have been received; direct purchases can be arranged on the basis of the following:

- A sufficient number of quotations are obtained;
- The process follows the guidelines for seeking quotations between \$40,000 & \$99,999 (listed above);
- The specification for goods and/or services remains unchanged; and
- Purchasing is arranged within 6 months of the closing date of the lapsed tender.

10. Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

11. Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations, or adjustments to the tender document and/or the conditions of tender are required, the Shire may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

12. Minor Variation

If after the tender has been publicly advertised and a successful Tenderer has been chosen, but before the Shire and Tenderer have entered into a Contract, a minor variation may be made by the Shire. A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided by the initial tender.

13. Notification of Outcome

Each Tenderer shall be notified of the outcome of the tender following Shire resolution or appropriate delegated authority. Notification shall include:

- The name of the successful Tenderer.
- The total value of consideration of the winning offer.

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

RECORDS MANAGEMENT:

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

Policy

Records shall be retained of all tenders in compliance with the State Records Act (WA).

Guiding Statement

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation; and
- Notification and award documentation.

For direct purchasing process this includes;

- Quotation documentation;
- Internal documentation; and
- Order forms and requisition.


Record retention shall be in accordance with the minimum requirements of the State Records Act and the Shires internal records management policy.

Formal Tender

A formal tender is defined as the process required under Part 4 of the Local Government (Functions and General) Regulations 1996 to enter into a contract (by way of public tender) for another person to supply goods or services.

Where Council formally invites tenders for goods or services, construction and maintenance (including roads and public buildings) the price preference calculation will be applied during tender adjudication to all tenders qualifying in terms of being locally based or to the portion of locally based content tendered.

Council is not bound to accept the lowest or any tender.

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SHIRE OF NGAANYATJARRAKU - Business banking

Approval

Notifications

Sign Out

Overview



Payments

Services & preferences

Products





Your accounts

Edit view



Transfer funds

Make a payment


<div>Cash Management Account</div> <div>036-016 831911</div> <div></div> <div>\$3,125,092.51</div>	<div>Westpac Business One</div> <div>036-016 831946</div> <div></div> <div>\$0.00</div>	<div>Term Deposit</div> <div>036-016 140221</div> <div></div> <div>\$846,603.75</div>	<div>Term Deposit</div> <div>036-016 167993</div> <div></div> <div>\$6,729.85</div>
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Upcoming payments

There are no payments to display.

Payment approvals

No payments awaiting approval



Add accounts



Shire of Ngaanyatjaraku

ON A JOURNEY

Shire of Ngaanyatjaraku
Monthly Financial report
For the Period Ending 31 May 2018

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

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1 Statement of Financial Activity by Program

Statutory Reporting Program For the Period Ended 31 May 2018

Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)	Variance
Operating Revenue						
	\$	\$	\$	\$	%	
Governance	8,000	7,708	1,881	(5,827)	-76%	▼
General Purpose Funding - Rates	246,670	246,670	241,833	(4,837)	-2%	
General Purpose Funding - Other	3,173,624	3,168,814	3,387,711	218,897	7%	
Law, Order, Public Safety	80	80	2,680	2,600	3250%	▲
Health	104,752	104,752	107,217	2,465	2%	
Education and Welfare	340,000	297,666	350,604	52,938	18%	▲
Housing	45,000	33,750	11,086	(22,664)	-67%	▼
Community Amenities	102,500	104,917	96,659	(8,258)	-8%	
Recreation and Culture	233,640	214,296	243,359	29,064	14%	▲
Transport	691,985	691,985	616,311	(75,674)	-11%	▼
Economic Services	3,200	1,367	797	(570)	-42%	▼
Other Property and Services	18,150	13,483	39,108	25,625	190%	▲
Total Operating Revenue	4,967,601	4,885,488	5,099,246	213,758		
Operating Expense						
Governance	(409,678)	(380,449)	(341,851)	38,598	-10%	
General Purpose Funding - Rates	0	(630)	(46)	585	-93%	▼
General Purpose Funding - Other	0	0	0	0		
Law, Order, Public Safety	(80,898)	(65,090)	(58,713)	6,376	-10%	
Health	(373,654)	(347,686)	(329,634)	18,052	-5%	
Education and Welfare	(1,074,528)	(1,004,406)	(951,137)	53,269	-5%	
Housing	(283,135)	(265,119)	(243,529)	21,590	-8%	
Community Amenities	(473,999)	(442,194)	(374,500)	67,694	-15%	▼
Recreation and Culture	(803,449)	(755,989)	(640,561)	115,428	-15%	▼
Transport	(2,962,992)	(2,863,472)	(2,309,010)	554,462	-19%	▼
Economic Services	(52,118)	(50,450)	(55,233)	(4,783)	9%	
Other Property and Services	(20,833)	(20,893)	(53,453)	(32,560)	156%	▲
Total Operating Expenditure	(6,535,284)	(6,196,377)	(5,357,666)	838,711		
Funding Balance Adjustments						
Add back Depreciation	1,431,000	1,309,084	1,372,755	63,671	5%	
Adjust (Profit)/Loss on Disposal	0	0	0	0		
Net Cash from Operations	(136,683)	(1,806)	1,114,335	1,116,141		
Capital Revenues						
Grants, Subsidies and Contributions	5,412,409	4,108,737	1,674,390	(2,434,347)	-59%	▼
Proceeds from Disposal of Assets	0	0	24,739	24,739		
Total Capital Revenues	5,412,409	4,108,737	1,699,130	(2,409,607)		
Capital Expenses						
Land & Buildings	(172,212)	(157,861)	(180,316)	(22,455)	14%	▲
Furniture and Equipment	(60,000)	(55,000)	(38,535)	16,465	-30%	▼
Plant & Equipment	(235,000)	(215,417)	(162,507)	52,910	-25%	▼
Infrastructure - Roads	(4,006,478)	(3,672,605)	(3,337,121)	335,484	-9%	
Total Capital Expenditure	(4,473,690)	(4,100,883)	(3,718,479)	382,404		
Net Cash from Capital Activities	938,719	7,855	(2,019,349)	(2,027,204)		
Financing						
Transfer from Reserves	157,212	157,212	0	(157,212)	-100%	▼
Transfer to Reserves	(19,240)	(14,430)	(16,663)	(2,233)	15%	▲
Net Cash from Financing Activities	137,972	142,782	(16,663)	(159,445)		
Net Operations, Capital & Financing	940,008	148,831	(921,677)	(1,070,508)		
Opening Funding Surplus (Deficit)	2,355,911	2,355,911	2,355,911	0		
Closing Funding Surplus (Deficit)	2,395,919	2,504,742	1,434,234	(1,070,508)		

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of 10%.

Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance.

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

2 Statement of Financial Activity by Nature or Type

By Nature or Type For the Period Ended 31 May 2018

Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Variance \$ (b)-(a)
	\$	\$	\$	\$
Operating Revenue				
Rates	246,670	246,670	241,833	(4,837)
Operating Grants, Subsidies and Contributions	4,317,271	4,274,479	4,447,860	173,381
Fees & Charges	346,090	314,662	329,873	15,211
Interest Earnings	19,690	14,880	16,917	2,037
Other Revenue	37,880	34,797	62,764	27,968
Profit on Disposal of Assets	0	0	0	0
Total Operating Revenue	4,967,601	4,885,488	5,099,246	213,759
Operating Expense				
Employee Costs	(1,575,179)	(1,493,981)	(1,867,148)	(373,167)
Material and Contracts	(3,253,105)	(3,121,230)	(1,928,688)	1,192,542
Utility Charges (Electricity, Gas, Water etc.)	(58,500)	(58,500)	(22,364)	36,136
Depreciation on Non-current Assets	(1,431,000)	(1,309,084)	(1,372,755)	(63,671)
Insurance Expense	(113,300)	(113,883)	(102,298)	11,586
Other Expenditure	(104,200)	(99,700)	(64,414)	35,286
Loss on Asset Disposal	0	0	0	0
Total Operating Expenditure	(6,535,284)	(6,196,377)	(5,357,666)	838,711
Funding Balance Adjustments				
Add back Depreciation	1,431,000	1,309,084	1,372,755	63,671
Adjust (Profit)/Loss on Disposal	0	0	0	0
Net Cash from Operations	(136,683)	(1,806)	1,114,335	1,116,142
Capital Revenues				
Grants, Subsidies and Contributions	5,412,409	4,108,737	1,674,390	(2,434,347)
Proceeds from Disposal of Assets	0	0	24,739	24,739
Total Capital Revenues	5,412,409	4,108,737	1,699,130	(2,409,607)
Capital Expenses				
Land & Buildings	(172,212)	(157,861)	(180,316)	(22,455)
Furniture and Equipment	(60,000)	(55,000)	(38,535)	16,465
Plant & Equipment	(235,000)	(215,417)	(162,507)	52,910
Infrastructure - Roads	(4,006,478)	(3,672,605)	(3,337,121)	335,484
Total Capital Expenditure	(4,473,690)	(4,100,883)	(3,718,479)	382,404
Net Cash from Capital Activities	938,719	7,855	(2,019,349)	(2,027,204)
Financing				
Transfer from Reserves	157,212	157,212	0	(157,212)
Transfer to Reserves	(19,240)	(14,430)	(16,663)	(2,233)
Net Cash from Financing Activities	137,972	142,782	(16,663)	(159,445)
Net Operations, Capital & Financing	940,008	148,831	(921,677)	(1,070,507)
Opening Funding Surplus (Deficit)	2,355,911	2,355,911	2,355,911	0
Closing Funding Surplus (Deficit)	2,395,919	2,504,742	1,434,234	(1,070,507)

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

Note 1 Significant Accounting Policies

(a) Basis of Accounting

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), 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 statement 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 noncurrent 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.

(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 11.

(c) Rounding Off Figures

All figures shown in this statement 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

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.

(f) 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.

(g) 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.

(h) 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 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.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially

different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) 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.

Items are depreciated over their useful lived on a reducing balance basis as follows:

Asset	% per annum
Land & Building	2.00%
Furniture & Equipment	25.00%
Plant & Equipment	17.50%
Infrastructure, Formation	0%
Infrastructure, Pavement	4.32%
Infrastructure, Seal	4.30%
Infrastructure, Kerb	4.94%
Infrastructure, Drainage	3.16%
Infrastructure, Recreation	2.00%

(k) 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.

(l) Employee Benefits

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

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

The provision for employees' benefits to wages, salaries, annual leave, long service leave and isolation leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire 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 project 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 the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) 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.

(p) Nature or Type Classifications

Rates

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

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations. **Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licenses, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies that these are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications,

hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(q) Program Classifications (Function/Activity)

Governance

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services

General Purpose Funding

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

Objective:

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

Activities:

Supervision and enforcement of various laws relating to fire prevention and other aspects of public safety including emergency services.

Health

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.

Education and Welfare

Objective:

To provide services to children and youth.

Activities:

Maintenance of playgroup centre (early years learning) and operation of youth services.

Housing

Objective:

To provide and maintain staff housing.

Activities:

Provision and maintenance of staff housing.

Community Amenities

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, litter control, storm water maintenance and protection of the environment.

Recreation and Culture

Objective:

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

Transport

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depot, and traffic control. Cleaning of streets and maintenance of street trees.

Economic Services

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion, provision of rural services including weed and vermin control. Building control.

Other Property and Services

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repairs, operation costs and administrative costs.

Note 2 Net Current Funding Position

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Net Current Assets	Note	30 Jun 2017	YTD 31 May 2018
		\$	\$
Current Assets			
Cash Municipal	4	4,163,677	1,043,497
Cash Reserves	4	798,459	815,121
Receivables - Rates	5	238,689	41,564
Receivables - Other	5	943,386	1,220,767
Inventories		44,990	44,990
		6,189,200	3,165,939
Less: Current Liabilities			
Payables	6	(2,524,844)	(622,679)
Provisions		(509,987)	(293,905)
Less: Cash Reserves	7	(798,459)	(815,121)
Net Current Funding Position		2,355,911	1,434,234

Note 3 Capital – Acquisitions, Funding and Disposal

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Summary Capital Acquisitions	YTD Actual New/Upgrade (a)	YTD Actual Renewal Expenditure (b)	Amended Budget	YTD Budget (d)	YTD Actual Total (c)=(a)+(b)	Variance (c)-(d)
	\$	\$	\$	\$	\$	\$
Land & Buildings	0	(180,316)	(172,212)	(157,861)	(180,316)	(22,455)
Furniture & Equipment	0	(38,535)	(60,000)	(55,000)	(38,535)	16,465
Plant & Equipment	0	(162,507)	(235,000)	(215,417)	(162,507)	52,910
Infrastructure - Roads	0	(3,337,121)	(4,006,478)	(3,672,605)	(3,337,121)	335,484
Capital Expenditure Totals	0	(3,718,479)	(4,473,690)	(4,100,883)	(3,718,479)	382,404
Capital Acquisitions Funded By						
Capital Grants and Contributions			5,412,409	4,108,737	1,674,390	
Other (Disposals & C/Fwd)			0	0	24,739	
Council Contribution - Operations			(938,719)	(7,855)	2,019,349	
Capital Funding Total			4,473,690	4,100,883	3,718,479	

Capital Acquisitions	YTD Actual New/Upgrade	YTD Actual Renewal Expenditure	Amended Budget	YTD Budget	YTD Actual Total	Variance (Over)/Under
Land & Building						
Lighting - Warburton Oval		0	15,000	13,750	0	13,750
Playgroup/Early Years Learning Centre		180,316	157,212	144,111	180,316	(36,205)
Land & Building Total	0	180,316	172,212	157,861	180,316	(22,455)
Furniture & Equipment						
Furniture - New Boardroom		0	0	0	0	0
Office Equipment		32,194	35,000	32,083	32,194	(111)
Office Equipment - Computer		6,341	11,000	10,083	6,341	3,742
Drop In Centre Equipment		0	15,000	13,750	0	13,750
Furniture-Staff Housing		0	(1,000)	(917)	0	(917)
Furniture & Equipment Total	0	38,535	60,000	55,000	38,535	16,465
Plant & Equipment						
Light Truck		0	0	0	0	0
Vehicle		0	0	0	0	0
Rubbish Truck Warakurna		0	0	0	0	0
N-Com Eletronika FM Tradio Transmitter		32,274	32,000	29,333	32,274	(2,941)
Purchase of Vehicle - Toyota PC		0	68,000	62,333	0	62,333
Purchase of Vehicle - Early Years Program		56,832	55,000	50,417	56,832	(6,416)
Purchase of Vehicle - Youth Program		73,400	80,000	73,333	73,400	(67)
Plant & Equipment Total	0	162,507	235,000	215,417	162,507	52,910
Infrastructure - Roads						
Great Central Road - R2R SLK		0	365,000	334,583	0	334,583
Great Central Road - Roads to Recovery		248,713	331,020	303,435	248,713	54,722
Great Central Road - MRWA Major		3,017,199	2,000,000	1,833,333	3,017,199	(1,183,865)
Giles Mulga Park RRG		0	435,000	398,750	0	398,750
Giles Mulga Park - Roads to Recovery		0	245,458	225,003	0	225,003
Warburton Blackstone Road - Roads to Recovery		0	180,000	165,000	0	165,000
Warburton Blackstone Road RRG		71,209	450,000	412,500	71,209	341,291
Infrastructure Total	0	3,337,121	4,006,478	3,672,605	3,337,121	335,484
Grand Total	0	3,718,479	4,473,690	4,100,883	3,718,479	382,404

Note 3 Capital - Acquisitions, Funding and Disposal cont.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2018

Assets Disposed		Accum Depr	Proceeds	Profit (Loss)	Description Disposed Asset	Amended Budget Profit/(Loss)	Actual Profit/(Loss)	Variance	Comments
Cost	\$								
	\$		\$	\$	\$	\$	\$	\$	
Land & Building									
0	0	0	0	0	0	0	0	0	
Plant & Equipment			24,739	0	Plant & Equipment - Governance	0	0	0	
0	0	0	24,739	0		0	0	0	
0	0	0	24,739	0		0	0	0	

Note 4 Capital and Investments

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Bank Accounts	Municipal	Reserves	Trust	Investments	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$	\$	\$	\$	
(a) Cash Deposits								
Municipal Account	1,040,997				1,040,997	Westpac	Variable	Business
Cash Advance Trust	2,500				2,500			
(b) Term Deposit								
Reserves		815,121			815,121	Westpac		
Total	1,043,497	815,121	0	0	1,858,618			

*** Cash and Investments transactions have not been completed. Further information required for term deposit

Note 5 Receivables

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Receivables - Rates and other Rates Receivable	YTD 31 May 2018	30 Jun 2017	Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
Opening Arrears Previous Years	\$ 238,689	\$ 230,941	Receivables - General	\$ (8,484)	\$ 0	\$ 56,571	\$ 466,413	\$ 119,894	\$ 634,394
Levied This Year	241,833	237,825	Balances per Trial Balance						
Other Rate Charges	0		Sundry Debtors						
Less Collections to date	(438,957)	(230,407)	Receivables - Other						586,373
Equal Current Outstanding	41,564	238,359	Accruals						0
Net Rates Collectable	41,564	238,359	Total Receivables General Outstanding						1,220,767
% Collected	91%	49%	Amounts shown above include GST (where applicable)						

Note 6 Payables

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Payables	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General		10,466	4,066	2,340	2,920	19,792
Balances per Trial						
Balance						
Sundry Payables						19,792
Payables - Other						
Payroll Payables						0
ATO Liability						590,567
Accrued Expenses						0
Other						12,319
Total Payables - Other						602,887
					Total	
					Payables	622,679

Amounts shown above include GST (where applicable)

Note 7 Cash Backed Reserves

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Reserves	Opening Balance	Amended Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Current Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Replacement/Acquisition Reserve	728,343	13,163	15,199	0	0	(157,212)	0	0	584,294	743,542
Cultural Centre Reserve	70,116	1,267	1,463	0	0	0	0	0	71,383	71,579
	798,459	14,430	16,663	0	0	(157,212)	0	0	655,677	815,121

Note 8 Rating Information

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Rate	Rate In	Number of Properties	Rateable Value	YTD Actual				Amended Budget			
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
General Rate	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
UV General Rate	0.190000	34	908,944	241,833	0	0	241,833	181,788	0	0	181,788
Sub-Totals		34	908,944	241,833	0	0	241,833	181,788	0	0	181,788
Minimum Payments	Minimum \$										
UV General Rate	240	0	0	0	0	0	0	0	0	0	0
Sub-Totals		0	0	0	0	0	0	0	0	0	0
Discounts on Rates	Total	34	908,944	241,833	0	0	241,833	181,788	0	0	181,788
Amounts from General Rates							0				0
Ex-Gratia Rates							241,833				181,788
							0				64,882
							241,833				246,670

Note 9 Information on Borrowings

(a) Debenture Repayments

The Shire does not have any borrowings.

(b) New Debentures

There were not new debentures as at reporting date.

(c) Unspent Debentures

The Shire had no unspent debenture funds as at reporting date.

(d) Overdraft

The shire does not currently have any overdraft facilities set-up.

Note 10 Grants and Contributions

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Grants	Grant Provider	2017-18 Amended Budget	2017-18 Amended Budget		Variations Additions/(Deletions)	Recoup Status	
			Operating	Capital		Received	Not Received
		\$	\$	\$	\$	\$	\$
General Purpose Funding							
General Grants (Untied)	WALGGC	3,152,434	3,152,434			3,370,794	0
Reimbursements	Various	1,500	1,500			0	1,500
Governance							
Licensing Commission	DoT	3,500	3,500			1,827	1,673
Health							
Grant-Environmental Health Program WA							
Health Dept	DoH	104,352	104,352			107,217	0
Education and Welfare							
Grant - DCD		332,000	332,000			339,353	
Grant - Youth Program		0	0			0	0
Community Amenities							
FAHSCIA - NJCP	FAHSCIA	15,000	15,000			7,500	7,500
Recreation and Culture							
Contributions Bus Hire		0	0			1,069	
Contributions and Reimbursements Other	Various	1,000	1,000			0	1,000
Transport							
Grants - Direct	MRWA	84,397	84,397			76,725	7,672
Fed, Roads Grant (untied)	MRWA	607,588	607,588			539,586	68,002
Govt Grant - Road to Recovery	Dept of Infrastructure	1,876,020		1,876,020		0	1,876,020
Govt Grants - Special Purpose	MRWA	590,000		590,000		236,000	354,000
Govt Grant - Outback Highway		2,000,000		2,000,000		700,000	1,300,000
Govt Grants - Special Purpose		946,389		946,389		738,390	207,999
Other Property and Services							
Reimbursements	Various	15,000	15,000			3,789	11,211
Advertising Rebates	Various	500	500			0	500
		9,729,680	4,317,271	5,412,409	0	6,122,250	3,837,077

Note 11 Trust Funds

There are no funds held at balance date over which the Shire has no control.

Note 12 Material Variances

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY For the Period Ended 31 May 2018

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required by Local Government (Financial Management) Regulation 34(1) (d). pq Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of 10%.

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
Governance	(5,827)	-76%	▼	Permanent	Phone card sales lower
General Purpose Funding - Rates	(4,837)	-2%			
General Purpose Funding - Other	218,897	7%			
Law, Order, Public Safety	2,600	3250%	▲	Permanent	LGIS Pymt Reg17 Review
Health	2,465	2%			
Education and Welfare	52,938	18%	▲	Timing	PGWA Grant to come
Housing	(22,664)	-67%	▼	Permanent	Rental housing down
Community amenities	(8,258)	-8%			
Recreation and Culture	29,064	14%	▲	Timing	
Transport	(75,674)	-11%			
Economic Services	(570)	-42%	▼	Permanent	Building Fees
Other Property and Services	25,625	190%	▲	Permanent	LGIS Refund lower
Operating Expense					
Governance	38,598	-10%		Permanent	Under budget
General Purpose Funding - Rates	585	-93%	▼	Permanent	Under budget
General Purpose Funding - Other	-	0%			
Law, Order, Public Safety	6,376	-10%		Timing	
Health	18,052	-5%			
Education and Welfare	53,269	-5%			
Housing	21,590	-8%			
Community Amenities	67,694	-15%	▼	Permanent	Under budget
Recreation and Culture	115,428	-15%	▼	Permanent	Under budget
Transport	554,462	-19%	▼	Permanent	Under budget
Economic Services	(4,783)	9%	▲		
Other Property and Services	(32,560)	156%	▲	Timing	
Funding Balance Adjustments					
Add back Depreciation	63,671	5%			
Adjust (Profit)/Loss on Disposal	-	0%			
Capital Revenues					
Grants, Subsidies and Contributions	(2,434,347)	-59%	▼	Permanent	Under budget
Proceeds from Disposal of Assets	24,739	0%			
Capital Expenses					
Land & Buildings	(22,455)	14%	▲	Permanent	Under budget
Furniture & Equipment	16,465	-30%	▼	Permanent	Under budget
Plant & Equipment	52,910	-25%	▼	Permanent	Under budget
Infrastructure - Roads	335,484	-9%		Permanent	Under budget
Financing					
Transfer to Reserves	(2,233)	15%	▲		

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ACTION SHEET

Health & Building Officer – Philip Swain

Dates on Site: 16 – 24 May 2018

Next site visit: 6 -14 June 2018

Date	Subject	Action Taken
17 May 2018	New Dwellings – Lots 361-365 Eighth St Warburton	The five new dwellings in Eighth St Warburton are progressing well and should be at lock up stage by next month. The building activity has been logged on the Building Commission portal and I will resolve the return for the Building Commission fees at the end of June. Action: PS to monitor progress of the dwelling construction and finalise the Building Commission return at the EOFY.
17 May 2018	Wild Dog Problem – Cassini Resources Mine Camp West Musgrave	I have made arrangements with the President and the Works Supervisor to address a wild dog problem at the Cassini Resources camp 30km south of Jameson Action: No further action
18 May 2018	Food Business Inspection – Irrunytju Store, Wingellina	I have conducted the routine inspection of the Wingellina Store. The store is operating well however there is no food production occurring in the kitchen at this stage with the new Managers. I have discussed the requirements, with the Managers, in order to undertake some low to medium risk food handling. Minor operational matters to be attended to. Action: PS to conduct routine inspections as required.
18 May 2018	Food Business Inspection – Metals X Mine Camp	I have undertaken the routine inspection of the mine-camp kitchen. There were only minor operational matters to be attended to. Action: Nil pending next inspection
19-22 May 2018	Warburton Work Camp – Improvement Notice	The kitchen is generally in good condition however the tiling issue identified 6 months ago has not been progressed. I visited the site on 19 May and was advised that tiling was commencing the next day. A revisit on the 22 May confirmed that the tiling had been undertaken and the grouting was to be completed. I have advised Corrective Services that the Notice will be lifted as soon as I have confirmed the completion of works in June. Action: Notice to be lifted pending completion of works. PS to conduct routine inspections as required.

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

21 May 2018	Food Business Inspection – Tjukurla Store	<p>I have conducted the routine inspection of the Tjukurla Store. The store is operating well and there is no food handling other than heated pies and sausage rolls. The repairs/replacements to air conditioners have been undertaken and the community is awaiting repair of the second freezer unit. There are now about 50 people living in Tjukurla. I have some concerns about the transportation of food to the Store from Warakurna and the amount of turnover required to reduce a backlog of ordered stock. This issue is the subject of discussions between the CSM and NATS.</p> <p>Action: Nil – PS to conduct routine inspections as required.</p>
21 May 2018	Tjukurla Community – Waste Issues	<p>Having conducted a site visit of the community I have some specific concerns about the waste management in Tjukurla as there are no bin lids and the waste site itself is close to the community with about 50-60m of exposed tipping face. I have asked the EHFSO to make arrangements to get bin lids and brackets to the NG Health EH Manager in Warakurna, who has agreed to make arrangements to install the same. There is limited ability to get the waste site modified as there is no machinery available in Tjukurla, so I will continue to liaise with the Works Supervisor to make some alterations to the site when equipment allows.</p> <p>Action: EHFSO to arrange 20-30 bin lids for installation in Tjukurla. PS to pursue machinery time/budget for waste site improvements.</p>
24 May 2018	Goldfields EH Forum Kalgoorlie	<p>I attended this 3 monthly forum in Kalgoorlie which included a workshop with staff from Housing WA to try and clarify procedures and wastage that is occurring with the maintenance contracts and ways of reducing the same. This included the current problem with septage pump-outs being transported to Leonora to satisfy Housing WA policy and various housing maintenance issues being charged largely for travel to site.</p> <p>Action: Housing WA to advise on Policy improvements and other matters following the forum</p>
24 May 2018	Car Body Removal – Communities	<p>I have been liaising with Simsmetal now that there is a reasonable price for waste metal, to plan a further vehicle body removal from the "lands". I have had Managers from Simsmetal address the regional forum in Kalgoorlie and will continue to pursue this issue with a view to removing a large portion of the bodies currently in and around communities in the next year.</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		Action: PS to arrange Simsmetal site visit to progress car body removal.
24 May 2018	Waste Oil Transportation	<p>I have specific concerns regarding the amount of waste oil (200 litre drums) stored in communities and am exploring options to get the product back to Perth for recycling. Most waste oil is from the power stations and there is currently several thousand litres in most communities. The Shire of Laverton have a regular collection of their waste oil and have offered to accept the product and crush and dispose of drums. I am looking at all options with the obvious difficulty being transport cost.</p> <p>Action: PS to liaise with CEO regarding removal of waste oil from communities.</p>
May 2018	EHW Programme Contract	<p>With the departure of one of the EH Workers, I have directed the EH Field Support Officer to try and recruit another worker within the community. I have continued drafting a Community Environmental Health Action Plan based on the previous submission by the Shire to the Department of Health. I have submitted records relating to current insurances to the Department of Health. The 6 monthly report to the Department for the period ending 30 June will be commenced shortly, to be submitted in July</p> <p>Action: PS to liaise with CEO to develop the Community Environmental Health Action Plan.</p>
May 2018	Ng Health HACC Food Business Facilities – Improvement Notices	<p>I have met with the HACC coordinator regarding the Improvement Notices on the HACC facilities in Jameson Blackstone, Warakurna and Warburton. I have been working with the HACC Coordinator to try and bring the facilities to an acceptable standard and to establish a Food Safety Plan as the centres produce food for “vulnerable people” (i.e. the elderly), as defined under the Food Act 2008. This issue has now dragged on for nearly two (2) years since I was made aware of it. The Improvement Notices are now in technical breach and slow progress is being made to improve the structural requirements. I was compelled to reject the first draft Food Safety Plan as I could not verify the same against the Food Standards and the Manager has been asked to undertake more work on the Plan and resubmit it as soon as possible. I have made arrangements for the Wanarn Aged Care audit in September however the HACC audits will not be able to be undertaken in conjunction as they require 6 months of records before first audit.</p> <p>Action: PS to liaise with the HACC Manager regarding improvements to the Centres and Food Safety Plans. PS to pursue further action in consultation with the CEO.</p>
May 2018	Warburton Pool Operation	<p>The Warburton Pool is now closed</p> <p>Action: Nil pending next season opening procedures.</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

May 2018	Squeaky Clean Kids Programme	<p>The cake soap supply distribution to communities is still progressing well. The liquid soap for schools and the Shire's Early Childhood Centres is now in operation. The EHFSO has undertake some initial trial bathroom inspections and the feedback has been generally positive.</p> <p>Action – MC to commence the bathroom inspection programme with new staff member asap.</p>
May 2018	Warburton Oxidation Ponds	<p>The ponds in Warburton are badly overgrown and require significant maintenance. The vegetation has been sprayed and is now dying off, however requires a re-treatment to fully control the situation. I had referred this matter to Ng Services for action last month and am advised that a mower is being obtained to cut back vegetation on the angled banks. I have also requested that services repair fencing to the ponds.</p> <p>Action: PS to continue to liaise with NG services to ensure vegetation around the ponds is brought under control.</p>
May 2018	Community Service Summary – Public Health Plan	<p>I have continued to develop a community service summary for Environmental Health status and services within the Shire. With the enactment of the Public Health Act 2016 the Shire will, in due course, need to develop a Public Health Plan (PHP). The community service summary can be used in determining appropriate service levels for the future plan. I have received the second draft of the baseline report from the consultant and am reviewing the same.</p> <p>Action: Public Health Plan development to be included in the Corporate Business Plan and baseline report to be prepared for submission to Council.</p>
May 2018	Blackstone Waste Site relocation	<p>I am waiting on the Breakaway contracting to have machinery in close proximity to Blackstone to enable the construction of the new waste trench about 1 km from the community. The temporary trench has not been very successful as people have continued dumping where the now pushed over trench used to be. Temporary signage has been installed to prevent this but the new trench is urgently needed.</p> <p>Action: PS to continue liaising with the Works Supervisor to construct the new waste trench. EHFSO to arrange signage for permanent installation once the trench is constructed.</p>
Pending	Blackstone Pool Operation	<p>The Blackstone Pool closed at the end of the April with the departure of the relief Pool Manager. There was also a large-scale power failure in the community just before he left and the Manager believes there may have been some damage to the Chemigem/pumps as a result but was unable to fully test this before leaving. The relief Manager has expressed an interest in assisting with pool</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		<p>maintenance in Blackstone and possibly other communities in the future. Upgrading of his qualifications in Brisbane at the Shire's cost has been discussed with a view to providing such relief in the future but needs to be approved by the CEO/Youth Manager</p> <p>Action: Administration to assess damage to existing equipment. PS to discuss qualifications of relief Manager with the new Youth Manager.</p>
Pending	Warakurna Swimming Pool Operation	<p>The situation at Warakurna is unchanged. The CSM in Warakurna has advised that the Chemigem unit is operational but there has been no one with adequate pool operation qualifications with the Shire since the departure of the Youth Manager. The pool is currently closed.</p> <p>Action: Review plant and equipment staffing and youth worker qualifications for next season with the new Youth Manager.</p>
Pending	Issue of Occupancy Certifications for Buildings approved under the 2011 Building Act and the 2012 Regulations	<p>A temporary Occupancy Certificate for the Warburton NG Council Store has been issued. The Store was constructed without compliant toilet facilities and has since had the addition of office space within the stores. Whilst the offices are not of sufficient size to require dual classification (Class 7 & 5) of the building, they still require the construction of a Universal Access Toilet facility. NCAMS have determined to refurbish the caretaker dwelling directly behind the store to make provision for a UAT, however this will need to be completed within 12 months to maintain the Occupancy Certification.</p> <p>Action: PS to liaise with NCAMS regarding the long term resolution of the OC at the Warburton Stores.</p>
Pending	Waste Services Warakurna	<p>I have discussed the shortcomings of the Warakurna Landfill with the Works Supervisor and he will endeavour to have machinery divert to modify the trench by lifting the floor by 500mm when the contractors are next in the area (estimated – April/May)</p> <p>Action: PS to liaise with CSM and Elves Brites for machinery time to modify the trench.</p>
Ongoing	NATS deliveries to Communities	<p>The management of refrigerated and frozen loads appears to be now under better control with data logging records showing the truck temperatures were adequate. Following complaints, I had previously written to NATS and requested that they ensure proper logistics are in place for the cold chain and that temperature records be made available. I will periodically request temperature records for transportation of goods to the lands.</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		Action: PS to periodically follow up with NATS and the contract driver to ensure that proper monitoring and records are being maintained.
Pending	Warburton Roadhouse – Proposed Caravan Park Extensions	<p>I have advised NCAMS of the approval in principle issued by Council last month for the proposed alterations and extension of the Caravan Park within the roadhouse area. The proposal involves the addition of 15 new powered bays, a camping area and additional universal access ablution block.</p> <p>Action: PS to progress Building Permit when application details are received.</p>
Pending	Swimming Pool Sampling and Procedures	<p>I have reviewed the previous documentation on the pools and located procedure manuals for the Blackstone and Warakurna pools with the help of the Youth Services Manager. I have advised of the need to ensure a current procedures manual is located at each site and am reviewing the existing materials to ensure they are current. I have provided advice regarding first aid requirements at the pools which the Managers are currently reviewing.</p> <p>Action: PS to provide updated manuals to pool managers. Pool Managers to open facilities when weather is suitable. Pool Managers to confirm current first aid facilities are adequate at each pool.</p>
Pending	Container Deposit Legislation	<p>Although the issue is some way off, the Shire and Ngaanyatjarra Council need to plan for the eventuality as there will be infrastructure requirements to provide for the service in 2018. I have made enquiries with DER and will prepare a report in relation to this matter for consideration in the new year.</p> <p>Action: PS to prepare report on CDA transportation and infrastructure requirements</p>
Pending	Warburton Drainage Issues	<p>Previously I had been unable to locate any surveys of the drainage network, or contour surveys for the settlement. These are needed to develop improvements to the current drainage scheme. This issue has not been progressed since March 2015, but its need has been highlighted with various rain events</p> <p>Action: Issue to be prioritised by Health Building Officer pending corporate plan and budget</p>

ACTION SHEET

Health & Building Officer – Philip Swain

Dates on Site: 6 -14 June 2018

Next site visit: 18 -26 July 2018

Date	Subject	Action Taken
8 June 2018	Food Business Inspection – Mantamaru HACC Jameson	I have conducted the routine inspection of the HACC Centre in Jameson. The structural improvements have not been undertaken and the Food Safety Plan is still outstanding. Action: PS to continue liaising with Ng Health regarding the technical breaches of the Improvement Notice issued earlier this year.
9 -26 June 2018	Warburton Work Camp – Improvement Notice	I visited and confirmed the completion of the works with the freezer condensate pipe only recently being repaired. I have advised Corrective Services that the Notice will now be lifted. Action: Notice to be lifted. to conduct routine inspections as required.
11 June 2018	Warakurna HACC Inspection	I have conducted the routine inspection of the HACC Centre in Warakurna. The structural improvements have not been undertaken and the Food Safety Plan is still outstanding. Action: PS to continue liaising with Ng Health regarding the technical breaches of the Improvement Notice issued earlier this year.
11 June 2018	Wanarn Store Inspection	I have conducted the routine inspection of the Store in Wanarn. The store is well maintained and operated. The paving to rear dock area is yet to be completed. Action: PS to liaise with CSM regarding long outstanding paving install. Routine inspection as required.
11 June 2018	Wanarn Aged Care Inspection	I have conducted the routine inspection of the Aged Care Centre in Wanarn. The store is well maintained and operating well with a current food safety plans. Action: Routine inspection as required. The next audit of the FSP will be conducted in September.
14 June 2018	Rheumatic Heart Disease Forum - Kalgoorlie	I travelled to Kalgoorlie to attend this forum. This disease has been included on the Notifiable Diseases register under the Health Act and is of

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		<p>major concern for the communities within the Shire. I am seeking additional information and case data for inclusion in the Shire's Health Plan.</p> <p>Action: PS to include appropriate data in the Shire Baseline report for the Health Plan development.</p>
June 2018	New Dwellings - Lots 361-365 Eighth St Warburton	<p>The five new dwellings in Eighth St Warburton are now at lock up stage and internal fit-out has commenced. The septic tanks have been installed</p> <p>Action: PS to monitor progress of the dwelling construction and finalise the Building Commission return at the EOFY.</p>
June 2018	Tjukurla Community – Waste Issues	<p>Last month I identified concerns about the waste management in Tjukurla as there are no bin lids and the waste site itself is close to the community with about 50-60m of exposed tipping face. The EHFSO has confirmed that there are enough bin lids and brackets in stock and is making arrangements to get these to Tjukurla for NG Health staff to install. As before, there is limited ability to get the waste site modified as there is no machinery available in Tjukurla, so I will continue to liaise with the Works Supervisor to make some alterations to the site when equipment allows and for the inclusion of funding in the 2018-19 budget if possible.</p> <p>Action: EHFSO to arrange 20-30 bin lids for installation in Tjukurla. PS to pursue machinery time/budget for waste site improvements.</p>
June 2018	Car Body Removal – Communities	<p>I have been liaising with Simsmetal now that there is a reasonable price for waste metal, to plan a further vehicle body removal from the "lands". I have had Managers from Simsmetal address the regional forum in Kalgoorlie and Matt Chambers from the company is planning to travel to the 'lands' in July to document the quantities of vehicles in the main communities. It is hoped that stockpiles in Warburton, Jameson, Blackstone Wingellina, Warakurna and Wanarn can be removed if transport can be obtained at a viable price.</p> <p>Action: PS to progress car body removal if possible.</p>
June 2018	Waste Oil Transportation	<p>I have specific concerns regarding the amount of waste oil (200 litre drums) stored in communities and am exploring options to get the product back to Perth for recycling. Most waste oil is from the power stations and there are currently several thousand litres in most communities. The Shire of Laverton have a regular collection of their waste oil and have offered to accept the product and crush and dispose of drums. I am looking at all options with the obvious difficulty being transport cost.</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		Action: PS to liaise with CEO and NATS regarding removal of waste oil from communities.
June 2018	EHW Programme Contract	<p>The Shire has recruited another worker within the community and Rosequeen Ward joined the team this month. I have continued drafting a Community Environmental Health Action Plan based on the previous submission by the Shire to the Department of Health. I have submitted records relating to current insurances to the Department of Health. The 6 monthly report to the Department for the period ending 30 June will be commenced shortly, to be submitted in July</p> <p>Action: PS to liaise with CEO to develop the Community Environmental Health Action Plan.</p>
June 2018	Squeaky Clean Kids Programme	<p>The new EH Worker has commenced bathroom inspections with the EHFSO and the complimentary health packs and liaison to repair facilities is being well received. The cake soap supply distribution to communities is still progressing well. The liquid soap for schools and the Shire's Early Childhood Centres is now in operation. The EHFSO has undertake some initial trial bathroom inspections and the feedback has been generally positive.</p> <p>Action – MC to commence the bathroom inspection programme with new staff member asap.</p>
June 2018	Ng Health HACCFood Business Facilities – Improvement Notices	<p>I have again met with the HACCFood coordinator regarding the Improvement Notices on the HACCFood facilities in Jameson Blackstone, Warakurna and Warburton. I have been working with the HACCFood Coordinator to try and bring the facilities to an acceptable standard and to establish a Food Safety Plan as the centres produce food for "vulnerable people" (i.e. the elderly), as defined under the Food Act 2008. This issue has now dragged on for nearly two (2) years since I was made aware of it. The Improvement Notices are now in technical breach and slow progress is being made to improve the structural requirements. I was compelled to reject the first draft Food Safety Plan as I could not verify the same against the Food Standards and the Manager has been asked to undertake more work on the Plan and resubmit it as soon as possible. I have made arrangements for the Wanarn Aged Care audit in September however the HACCFood audits will not be able to be undertaken in conjunction as they require 6 months of records before first audit.</p> <p>Action: PS to liaise with the HACCFood Manager regarding improvements to the Centres and Food Safety Plans. PS to pursue further action in consultation with the CEO.</p>
June 2018	Community Service Summary – Public Health Plan	<p>I have continued to develop a community service summary for Environmental Health status and services within the Shire. With the enactment of the Public Health Act 2016 the Shire will, in due course, need to develop a Public Health Plan (PHP). The</p>

PUBLIC AGENDA ATTACHMENTS - ORDINARY MEETING OF COUNCIL 11 JULY 2018

		<p>community service summary can be used in determining appropriate service levels for the future plan. I have received the second draft of the baseline report from the consultant and am reviewing the same.</p> <p>Action: Public Health Plan development to be included in the Corporate Business Plan and baseline report to be prepared for submission to Council.</p>
June 2018	Blackstone Waste Site relocation	<p>I am waiting on the Breakaway contracting to have machinery in close proximity to Blackstone to enable the construction of the new waste trench about 1 km from the community. The temporary trench has not been very successful as people have continued dumping where the now pushed over trench used to be. Temporary signage has been installed to prevent this but the new trench is urgently needed.</p> <p>Action: PS to continue liaising with the Works Supervisor to construct the new waste trench. EHFSO to arrange signage for permanent installation once the trench is constructed.</p>
29 June 2018	Warburton Roadhouse – Proposed Caravan Park Extensions	<p>I have received application from NCAMS for the proposed alterations and extension of the Caravan Park within the roadhouse area. The proposal involves the addition of 15 new powered bays, a camping area and additional universal access ablution block.</p> <p>Action: PS to progress Building Permit application.</p>
29 June 2018	Building Permits	<p>I have received permit applications for six (6) new dwellings, (3 in Warakurna, 1 in Mantamaru 1 in Papulankutja and 1 in Wanarn. The housing is to be construct through NCAMS.</p> <p>Action : PS to progress Building Permits for signing and issue by the CEO.</p>
Pending	Warburton Pool Operation	<p>The Warburton Pool is now closed</p> <p>Action: Nil pending next season opening procedures.</p>
Pending	Blackstone Pool Operation	<p>The Blackstone Pool closed at the end of the April with the departure of the relief Pool Manager. There was also a large-scale power failure in the community just before he left and the Manager believes there may have been some damage to the Chemigem/pumps as a result but was unable to fully test this before leaving. The relief Manager has expressed an interest in assisting with pool maintenance in Blackstone and possibly other communities in the future. Upgrading of his qualifications in Brisbane at the Shire's cost has been discussed with a view to providing such relief</p>

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		<p>in the future but needs to be approved by the CEO/Youth Manager</p> <p>Action: Administration to assess damage to existing equipment. PS to discuss qualifications of relief Manager with the new Youth Manager.</p>
Pending	Warakurna Swimming Pool Operation	<p>The situation at Warakurna is unchanged. The CSM in Warakurna has advised that the Chemigem unit is operational but there has been no one with adequate pool operation qualifications with the Shire since the departure of the Youth Manager. The pool is currently closed.</p> <p>Action: Review plant and equipment staffing and youth worker qualifications for next season with the new Youth Manager.</p>
Pending	Issue of Occupancy Certifications for Buildings approved under the 2011 Building Act and the 2012 Regulations	<p>A temporary Occupancy Certificate for the Warburton NG Council Store has been issued. The Store was constructed without compliant toilet facilities and has since had the addition of office space within the stores. Whilst the offices are not of sufficient size to require dual classification (Class 7 & 5) of the building, they still require the construction of a Universal Access Toilet facility. NCAMS have determined to refurbish the caretaker dwelling directly behind the store to make provision for a UAT, however this will need to be completed within 12 months to maintain the Occupancy Certification.</p> <p>Action: PS to liaise with NCAMS regarding the long term resolution of the OC at the Warburton Stores.</p>
Pending	Waste Services Warakurna	<p>I have discussed the shortcomings of the Warakurna Landfill with the Works Supervisor and he will endeavour to have machinery divert to modify the trench by lifting the floor by 500mm when the contractors are next in the area (estimated - April/May)</p> <p>Action: PS to liaise with CSM and Elves Brites for machinery time to modify the trench.</p>
Pending	Swimming Pool Sampling and Procedures	<p>I have reviewed the previous documentation on the pools and located procedure manuals for the Blackstone and Warakurna pools with the help of the Youth Services Manager. I have advised of the need to ensure a current procedures manual is located at each site and am reviewing the existing materials to ensure they are current. I have provided advice regarding first aid requirements at the pools which the Managers are currently reviewing.</p> <p>Action: PS to provide updated manuals to pool managers. Pool Managers to open facilities when weather is suitable. Pool Managers to</p>

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		confirm current first aid facilities are adequate at each pool.
Pending	Container Deposit Legislation	<p>Although the issue is some way off, the Shire and Ngaanyatjarra Council need to plan for the eventuality as there will be infrastructure requirements to provide for the service in 2018. I have made enquiries with DER and will prepare a report in relation to this matter for consideration in the new year.</p> <p>Action: PS to prepare report on CDA transportation and infrastructure requirements</p>
Pending	Warburton Drainage Issues	<p>Previously I had been unable to locate any surveys of the drainage network, or contour surveys for the settlement. These are needed to develop improvements to the current drainage scheme. This issue has not been progressed since March 2015, but its need has been highlighted with various rain events</p> <p>Action: Issue to be prioritised by Health Building Officer pending corporate plan and budget</p>
Ongoing	NATS deliveries to Communities	<p>The management of refrigerated and frozen loads appears to be now under better control with data logging records showing the truck temperatures were adequate. Following complaints, I had previously written to NATS and requested that they ensure proper logistics are in place for the cold chain and that temperature records be made available. I will periodically request temperature records for transportation of goods to the lands.</p> <p>Action: PS to periodically follow up with NATS and the contract driver to ensure that proper monitoring and records are being maintained.</p>