



MINUTES

ORDINARY MEETING OF COUNCIL

28th November 2018
Commencing at 3:30pm

Council Chambers
28 Yougenup Road, Gnowangerup WA 6335

COUNCIL'S VISION

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

(a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and

(b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Gnowangerup for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Gnowangerup disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Gnowangerup during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Gnowangerup.

The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

Signed: 

CHIEF EXECUTIVE OFFICER

TABLE OF CONTENTS

OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS	1
2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE	1
2.1. ATTENDANCE	1
2.2. APOLOGIES	1
2.3. APPROVED LEAVE OF ABSENCE	1
3. APPLICATION FOR LEAVE OF ABSENCE	1
4. RESPONSE TO QUESTIONS TAKEN ON NOTICE	1
5. PUBLIC QUESTION TIME	1
6. DECLARATION OF FINANCIAL INTERESTS AND INTERESTS AFFECTING IMPARTIALITY	1
7. PETITIONS / DEPUTATIONS / PRESENTATIONS	2
7.1. PETITIONS	2
7.2. DEPUTATIONS	2
7.3. PRESENTATIONS	2
8. CONFIRMATION OF PREVIOUS MEETING MINUTES	2
8.1. ORDINARY MEETING OF COUNCIL MINUTES 24 TH OCTOBER 2018	2
9. USE OF THE COMMON SEAL	3
9.1. COMMON SEAL	3
10. ANNOUNCEMENTS BY ELECTED MEMBERS WITHOUT DISCUSSION	5
10.1. ELECTED MEMBERS ACTIVITY REPORTS	5

REPORTS FOR DECISION

11. COMMITTEES OF COUNCIL	7
11.1. ACCEPTANCE OF MINUTES OF AUDIT COMMITTEE MEETING 28 th NOVEMBER 2018	7
12. STRATEGY AND GOVERNANCE	91
12.1. BUDGET VARIATION	91
12.2. ELECTED MEMBER INDUCTION MANUAL	94
12.3. PROPOSED NEW OCCUPATIONAL HEALTH AND SAFETY (OSH) CONTRACTORS MANAGEMENT POLICY	109
13. CORPORATE SERVICES & COMMUNITY DEVELOPMENT	151
14. INFRASTRUCTURE AND ASSET MANAGEMENT	151
15. STATUTORY COMPLIANCE	151
16. FINANCE	151
16.1. ACCOUNTS FOR PAYMENT AND AUTHORISATION – OCTOBER 2018	151
16.2. OCTOBER 2018 MONTHLY FINANCIAL REPORT	165
17. CONFIDENTIAL ITEMS	177

OTHER BUSINESS AND CLOSING PROCEDURES

18. URGENT BUSINESS INTRODUCED BY DECISION OF COUNCIL	177
19. MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	177
20. DATE OF NEXT MEETING	177
21. CLOSURE	177

OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Shire President, Keith House welcomed Councillors, Staff and visitors and opened the meeting at 3:51pm.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Cr Keith House

Shire President

Cr Fiona Gaze

Deputy Shire President

Cr Chris Thomas

Cr Richard House

Cr Ben Moore

Cr Frank Hmeljak

Cr Greg Stewart

Cr Shelley Hmeljak

Shelley Pike

Chief Executive Officer

Vin Fordham Lamont

Deputy Chief Executive Officer

John Skinner

Asset & Waste Management Coordinator

Anita Finn

Executive Assistant

2.2 APOLOGIES

Carol Shaddick

Senior Finance Officer

Yvette Wheatcroft

Manager of Works

2.3 APPROVED LEAVE OF ABSENCE

Nil

3. APPLICATION FOR LEAVE OF ABSENCE

Cr Lex Martin 16th December 18 to 2nd January 2019.

4. RESPONSE TO QUESTIONS TAKEN ON NOTICE

NIL

5. PUBLIC QUESTION TIME

NIL

6. DECLARATION OF FINANCIAL INTERESTS AND INTERESTS AFFECTING IMPARTIALITY

NIL

7. PETITIONS / DEPUTATIONS / PRESENTATIONS

7.1 PETITIONS

NIL

7.2 DEPUTATIONS

NIL

7.3 PRESENTATIONS

NIL

8. CONFIRMATION OF PREVIOUS MEETING MINUTES

8.1 ORDINARY MEETING OF COUNCIL MINUTES 24TH OCTOBER 2018

COUNCIL RESOLUTION:

Moved: Cr G Stewart

Seconded: Cr F Gaze

1118.120 That the minutes of the Ordinary Council Meeting held on 24th October 2018 be confirmed as a true record of proceedings.

UNANIMOUSLY CARRIED: 9/0

9. USE OF THE COMMON SEAL

9.1	COMMON SEAL
Location:	Shire of Gnowangerup
Proponent:	N/A
Business Unit:	Strategy and Governance
Date of Report:	20 th November 2018
Officer:	S Pike - Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENT

- Copy of Common Seal Register

PURPOSE

This report is a standard report and for noting purposes only.

BACKGROUND

Section 2.5 of *the Local Government Act 1995* states that a Local Government is a Body Corporate with perpetual succession and a common seal. A document is validly executed by a Body Corporate when the common seal of the Local Government is affixed to it by the Chief Executive Officer, and the President/Chairman and the Chief Executive Officer attest the affixing of the seal.

The Chief Executive Officer is primarily responsible for the governance role of the Shire of Gnowangerup which includes ensuring all legislative requirements are complied with including: adopting plans and reports, accepting tenders, directing operations, setting and amending budgets. This use of the Common Seal is a Standard Report for noting by Council.

All documents validly executed will have the common seal affixed and the President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.

POLICY IMPLICATIONS

Nil

LEGISLATIVE IMPLICATIONS

Section 2.5(2) of the Local Government Act 1995. The local government is a body corporate with perpetual succession and a common seal Section 9.49. Documents, how authenticated. A document, is, unless this Act requires otherwise, sufficiently authenticated by a local government without its common seal if signed by the CEO or an employee of the local government who purports to be authorised by the CEO to so sign.

CONCLUSION

This is a standard report for Elected Members' information.



COMMON SEAL REGISTER

Register Reference No	Party (company etc.)	Description e.g. Contract Agreement	Date Signed	Resolution No.	Signed
018	Gnowangerup Heritage Group Inc.	<ul style="list-style-type: none"> Lease Agreement - Old Ram Pavilion Structure on portion of Crown Reserve 11486 commencing on the 1st October 2018, expiring on 30th September 2023 	5/11/2018	0418.32	Yes

10. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

10.1 ELECTED MEMBERS ACTIVITY REPORT

Date of Report: 28th November 2018

Councillors: Various

Attended the following meetings/events

Cr F Gaze:

- 14th November 18 - Councillor and Executive Workshop
- 6th November 18 - Borden Pavilion Committee Meeting
- 7th November 18 - Great Southern Development Commission Afternoon Tea with Hon Kim Beazley & Susie Annus
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr C Thomas:

- 14th November 18 - Councillor and Executive Workshop
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr R House:

- 14th November 18 - Councillor and Executive Workshop
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr B Moore:

- 14th November 18 - Councillor and Executive Workshop
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr L Martin:

- 14th November 18 - Councillor and Executive Workshop
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr F Hmeljak:

- 14th November 18 - Councillor and Executive Workshop
- 12th November 18 - Regional Road Group Meeting in Gnowangerup

Cr G Stewart:

- 14th November 18 - Councillor and Executive Workshop
- 5th November 18 - Meeting with Association of Volunteer Bushfire Brigade
- 22nd November 18 - Community launch of the co-operative GNP 360

Cr S Hmeljak:

- 7th November 18 - Reopening Ongerup Library
- 14th November 18 - Councillor and Executive Workshop
- 19th November 18 - Gnowangerup CRC Committee Meeting
- 27th November 18 - Gnowangerup District High School's Art Exhibition at CRC

Cr K House:

- 5th November 18 - Meeting with Association of Volunteer Bushfire Brigade
- 7th November 18 - Reopening Ongerup Library
- 12th November 18 - Regional Road Group Meeting in Gnowangerup
- 12th November 18 - Gnowangerup Aboriginal Corporation Meeting
- 14th November 18 - Councillor and Executive Workshop
- 15th November 18 - Gnowangerup Hospital-Health Service

Shire President Keith House encouraged Council to support Helen's great work and become a volunteer at the hospital.

- 19th November 18 - Visit Gnowangerup Star newspaper office with Geoff Moor
- 22nd November 18 - Community launch of the co-operative GNP 360
- 26th November 18 - Farewell to WALGA CEO Ricky Burges

REPORTS FOR DECISION

11. COMMITTEES OF COUNCIL

11.1 ACCEPTANCE OF MINUTES OF AUDIT COMMITTEE MEETING

28th NOVEMBER 2018

Location:	N/A
Proponent:	N/A
File Ref:	ADM0524
Date of Report:	28 th November 2018
Business Unit:	Corporate and Community Services
Officer:	V Fordham Lamont – Deputy CEO
Disclosure of Interest:	Nil

ATTACHMENT

- Minutes of the Audit Committee Meeting held on Wednesday 28th November 2018 (Tabled at Meeting)

PURPOSE OF THE REPORT

To advise Council of the Audit Committee Meeting held on 28th November 2018, accept the Audit Committee's recommendations and adopt the 2017/2018 Annual Financial Report.

BACKGROUND

The Audit Committee met on 28th November 2018 and made the following recommendations to Council:

That the Audit Committee Recommend to Council:

1. *Adopt the Annual Financial Report for the year ended 30th June 2018.*
2. *Accept the Audit report for the 2017-2018 financial year.*
3. *Receive the Auditors Management Report for the year ended 30th June 2018, as presented in Attachment 2, and note the comments contained therein.*

COMMENTS

Nil

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Section 6.4 of the *Local Government Act 1995* states:

6.4 Financial Report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30th September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

Regulation 51 of the *Local Government (Financial Management) Regulations 1996* states:

51. Annual financial report to be signed etc. by CEO and given to Department

- (1) *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.*
- (2) *A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

It is recommended that Council adopt the Annual Financial Report and accept the accompanying audit report for the year ended 30th June 2018.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr L Martin

1118.121 That Council accept the minutes of the Audit Committee and:

- 1. Adopt the Annual Financial Report for the year ended 30th June 2018.**
- 2. Accept the Audit report for the 2017-2018 financial year.**
- 3. Receive the Auditors Management Report for the year ended 30th June 2018, as presented in Attachment 2, and note the comments contained therein.**

UNANIMOUSLY CARRIED: 9/0



SHIRE OF GNOWANGERUP

MINUTES

Audit Committee

Wednesday 28th November 2018

Commencing at 3:00pm

**Council Chambers
28 Yougenup Road
GNOWANGERUP WA 6335**

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AUDIT COMMITTEE TERMS OF REFERENCE

Objectives of the Audit Committee

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

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

The committee is to facilitate:

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

Powers of the Audit Committee

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

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

Membership

The committee will consist of all elected members of Council. All members shall have full voting rights. The CEO and employees are not members of the committee.

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

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

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Meetings

The committee shall meet at least quarterly.

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

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the committee.

Functions of the Audit Committee

The functions of the committee, pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* will be to:

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

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Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

(a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and

(b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.

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Signed: 

CHIEF EXECUTIVE OFFICER

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TABLE OF CONTENTS

1. OPENING	1
2. ATTENDANCE / REGRETS _____	1
2.1 ATTENDANCE_____	1
2.2 APOLOGIES.....	1
3. CONFIRMATION OF PREVIOUS MEETING MINUTES _____	1
3.1 AUDIT COMMITTEE MEETING MINUTES HELD 27 th SEPTEMBER 2018_____	1
4. OFFICER ITEMS	2
4.1 2017-2018 ANNUAL FINANCIAL REPORT AND AUDIT REPORT_____	2
4.2 STRATEGIC RISK PROFILES STATUS REPORT_____	72
5. CLOSURE _____	75

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AGENDA

1. OPENING OF MEETING

Presiding Member Keith House, welcomed Members, Staff and visitors and opened the meeting at 3.15 pm.

2. ATTENDANCE/APOLOGIES

2.1 ATTENDANCE

Cr Keith House	Shire President
Cr Fiona Gaze	Deputy Shire President
Cr Chris Thomas	
Cr Richard House	
Cr Ben Moore	
Cr Frank Hmeljak	
Cr Greg Stewart	
Cr Shelley Hmeljak	
Shelley Pike	Chief Executive Officer
Vin Fordham Lamont	Deputy Chief Executive Officer
John Skinner	Asset & Waste Management Coordinator
Anita Finn	Executive Assistant

2.2 APOLOGIES

Cr Lex Martin

3. CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 AUDIT COMMITTEE MEETING MINUTES 27th SEPTEMBER 2018

COMMITTEE RESOLUTION:

Moved: Cr F Gaze

Seconded: Cr F Hmeljak

AC1118.07 That the minutes from Audit Committee meeting held on 27th September 2018 be confirmed as a true and correct record of proceedings.

UNANIMOUSLY CARRIED: 8/0

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4. OFFICER ITEMS

Presiding Member Keith House, welcomed Tim Partridge and Rebecca Broad from Council's auditors, AMD Chartered Accountants via Skype Video call at 3:20pm.

4.1	2017-2018 ANNUAL FINANCIAL REPORT AND AUDIT REPORT
Location:	Shire of Gnowangerup
Proponent:	N/A
File Ref:	ADM0047
Date of Report:	20 th November 2018
Business Unit:	Corporate and Community Services
Officer:	V Fordham Lamont - Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENT

- Attachment 1 - 2017/2018 Annual Financial Report and Auditor's Report
- Attachment 2 - Auditor's Management Report Letter for 30th June 2018

PURPOSE OF THE REPORT

For Council's Audit Committee to consider the Annual Financial Report and Auditor's Report.

BACKGROUND

Section 6.4 of the *Local Government Act 1995* requires local governments to prepare an Annual Financial Report and to submit both the report and its accounts to its auditor by 30th September each year.

The Shire of Gnowangerup has met those requirements and the Shire's auditors have completed their audit of the accounts and the Annual Financial Report for the year ended 30th June 2018.

COMMENTS

The audit has been completed and the audit report is unqualified (Attachment 1 refers). Three issues were raised, however:

- Asset sustainability ratio as reported in Note 27 of the financial report of 0.65 is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of 0.8 for the year ended 30 June 2018; and
- Operating surplus ratio as reported in Note 27 of the financial report of (0.10) is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of zero for the last three years.
- Public notice was not given for the proposal to borrow monies not included within the 2017-18 budget as required by Section 6.20 2(a) of the Local Government Act 1995.

The Auditor recommends that Council continue to consider the impact on ratios and long term sustainability when making decisions regarding budgets and operational expenditures, asset renewals and long term financial plans.

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The Operating Surplus Ratio is calculated by dividing (operating revenue minus operating expenses) by own source operating revenue.

Definitions:

- Operating Revenue is the revenue that is operating revenue for the purposes of Australian Accounting Standards, excluding –
 - (a) grants for the development or acquisition of assets; and
 - (b) contributions for the development or acquisition of assets;
- Operating Expenses are the expenses that are operating expenses for the purposes of Australian Accounting Standards; and
- Own source operating revenue is revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

This ratio effectively highlights the scale/extent of any operating surplus or deficit in relation to the overall size of the local government. It helps to measure the ability to cover operational needs and have revenues available for capital or other purposes.

In 2017/2018, Council's operating expenses were greater than its operating revenue, and therefore all operating revenue sources were consumed in covering operating expenses, leaving no operating revenue available to fund investments in capital expenditure.

Depreciation, particularly, is an operating expense which most country local governments are unable to cover through their operating revenue.

This ratio will change from year to year, depending on the amount of non-recurring (one-off) items of operating expenditure.

The Asset Sustainability Ratio measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation). This ratio is calculated by dividing capital renewal and replacement expenditure (expenditure to renew or replace existing assets) by depreciation.

The results of this ratio have been impacted upon by the introduction of Fair Value in 2013; this has seen the values of assets increase, which has in turn increased the annual depreciation charge booked.

Interpretation of this ratio is much improved if it is calculated as an average over time (say at least 5 years using Long Term Financial Plan forecasts) as this reduces skewing caused by large scale intermittent investment in renewal/replacement of major infrastructure (such as buildings and facilities).

Moving forward the Shire will need to monitor and review annual depreciation charges to ensure they are reflective of the rate of consumption of the asset portfolio; and also closely monitor its investment in the renewal and replacement of assets included in its Long Term Financial Plan, so that it is reflective of the required renewals identified in the Shire's Asset Management Plans.

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The auditor has also provided a Management Report (Attachment 2 refers) in which the auditor provides commentary on:

- Council approved by absolute Majority to exercise a power to borrow \$1,000,000 from the WATC (Council meeting 25 October 2017). Public notice was not given for the proposal to borrow these monies which were not included within the 2017-18 budget as required by Section 6.20 2(a) of the Local Government Act 1995.
- The Shire entered into a Contract with a supplier for gardening services whereby the contract total exceeded \$150,000 and Council's tender process was not followed.
- The Shire does not conduct an independent review of all changes and adjustments made to master files, including changes to payroll, inventory, fixed assets, revenue and expenditure. In particular there is no review for timeliness of changes made, errors, or any unauthorised changes. We also identified that all staff currently have access to change Masterfile details within Synergy.
- Allocation rates used for Public Works Overheads (PWO) during the 2017/2018 year were too low. As a result, PWO costs were under allocated by approximately \$151,000.
- Instances were identified whereby explanations were not noted on approved purchase orders for instances where quotes were not obtained as required by stated policies. It was also noted in respect to petty cash:
 - The petty cash policy does not specify sufficient detail in respect to review of reconciliations, process for obtaining funds, permitted uses, limits etc; and
 - A petty cash reconciliation (performed as part of the recoup process) was not signed as evidence of review.
- The Shire Investment Policy required under Paragraph 19 of the Local Government (Financial Management) Regulations 1996 was last reviewed and updated in 2015. The Investment Policy should be reviewed annually.
- The review of payroll processes identified the following:
 - Superannuation was not paid to an employee on normal hours worked within their termination pay; and
 - Payslips generated from Synergy do not correctly reflect the Council matching superannuation contributions.

Management responses to these comments are included in the Management Report. The Management Report contained no other matters for the Audit Committee's attention.

CONSULTATION

There are no legislative requirements to consult on the preparation of the Annual Financial Report, but the *Local Government Act 1995* requires an Annual General Meeting of Electors to be held and the Shire's Annual Report, incorporating the Annual Financial Report, to be made available publicly.

The Annual Financial Report will be made available on the Shire's public website. A minimal number of printed and bound copies of the Annual Financial Report will be available for viewing from the Shire's Administration Centre.

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LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

s6.4 Financial Report

Local Government (Financial Management) Regulations 1996

Regulation 51 Annual financial report to be signed etc. by CEO and given to Department

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

Statutory requirements in relation to this matter have been complied with and it is in order for the Audit Committee to recommend that Council adopt the Annual Financial Report and accept the accompanying audit report for the year ended 30th June 2018.

VOTING REQUIREMENTS

Absolute Majority

Cr L Martin entered the room at 3:40pm.

Presiding Member Keith House, thanked Tim Partridge and Rebecca Broad for their presentation highlighting some of the issues found as described in their Management Report. The Skype Video call ended at 3:47pm.

COUNCIL'S VISION

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COMMITTEE RESOLUTION:

Moved: Cr C Thomas

Seconded: Cr R House

AC1118.08 That the Audit Committee recommend to Council that it:

- 1. Adopt the Annual Financial Report for the year ended 30th June 2018.**
- 2. Accept the audit report for the 2017-2018 financial year.**
- 3. Receive the Auditors Management Report for the year ended 30th June 2018, as presented in Attachment 2, and note the comments contained therein.**

UNANIMOUSLY CARRIED: 9/0

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	56

COMMUNITY VISION

"A thriving, inclusive and growing community built on opportunity"

Principal place of business:
28 Yougenup Road
GNOWANGERUP WA 6335

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 21st day of November 2018
Shelley Pike



Chief Executive Officer

Shelley Pike

Name of Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	20(a)	3,858,184	3,857,491	3,724,133
Operating grants, subsidies and contributions	2(a)	1,466,396	863,103	2,195,339
Fees and charges	2(a)	223,463	289,583	211,038
Interest earnings	2(a)	102,785	68,500	109,837
Other revenue	2(a)	7,941,351	6,079,291	2,011,003
		13,592,179	11,157,968	8,251,350
Expenses				
Employee costs		(2,405,761)	(2,276,669)	(2,182,154)
Materials and contracts		(9,228,386)	(8,182,912)	(3,242,984)
Utility charges		(152,816)	(169,080)	(142,256)
Depreciation on non-current assets	10(b)	(2,594,679)	(2,480,475)	(2,461,460)
Interest expenses	2(b)	(49,491)	(52,271)	(63,490)
Insurance expenses		(169,375)	(220,083)	(158,494)
Other expenditure		(191,101)	(354,417)	(217,598)
		(14,791,609)	(13,735,907)	(8,468,436)
		(1,199,430)	(2,577,939)	(217,086)
Non-operating grants, subsidies and contributions	2(a)	654,212	685,135	1,258,389
(Loss) on asset disposals	10(a)	(25,074)	0	(67,171)
(Loss) on revaluation of Infrastructure - Sewer	9(b)	(12,035)	0	0
(Loss) on revaluation of Infrastructure - Solid waste	9(b)	(46,326)	0	0
Net result		(628,653)	(1,892,804)	974,132
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(36,952,558)	0	4,419,218
Total other comprehensive income		(36,952,558)	0	4,419,218
Total comprehensive income		(37,581,211)	(1,892,804)	5,393,350

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
Revenue				
	2(a)			
Governance		182	2,100	5,964
General purpose funding		5,128,420	4,447,986	5,626,722
Law, order, public safety		75,889	53,393	85,735
Health		395	300	297
Education and welfare		12,023	11,400	14,219
Housing		79,729	72,280	75,293
Community amenities		317,181	284,192	282,639
Recreation and culture		36,259	22,955	73,102
Transport		7,721,579	6,144,100	1,863,845
Economic services		15,524	10,932	17,373
Other property and services		204,998	108,330	206,159
		13,592,179	11,157,968	8,251,348
Expenses				
	2(b)			
Governance		(679,597)	(988,233)	(681,545)
General purpose funding		(164,396)	(142,372)	(82,805)
Law, order, public safety		(288,803)	(311,336)	(292,895)
Health		(243,068)	(233,540)	(221,466)
Education and welfare		(15,828)	(22,709)	(21,222)
Housing		(43,942)	(48,629)	(50,029)
Community amenities		(512,513)	(511,465)	(389,424)
Recreation and culture		(1,403,089)	(1,390,887)	(1,244,477)
Transport		(10,762,311)	(9,760,863)	(4,888,584)
Economic services		(83,267)	(140,955)	(64,385)
Other property and services		(545,304)	(132,647)	(468,112)
		(14,742,118)	(13,683,636)	(8,404,944)
Finance Costs				
	2(b)			
General purpose funding		0	(5,000)	0
Housing		(16,094)	(16,874)	(28,622)
Community amenities		(993)	(1,078)	(1,789)
Recreation and culture		(28,905)	(29,319)	(33,079)
Transport		(3,499)	0	0
		(49,491)	(52,271)	(63,490)
		(1,199,430)	(2,577,939)	(217,086)
Non-operating grants, subsidies and contributions	2(a)	654,212	685,135	1,258,389
(Loss) on disposal of assets	10(a)	(25,074)	0	(67,171)
(Loss) on revaluation of Infrastructure - Sewer	9(b)	(12,035)	0	0
(Loss) on revaluation of Infrastructure - Solid waste	9(b)	(46,326)	0	0
		570,777	685,135	1,191,218
		(628,653)	(1,892,804)	974,132
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(36,952,558)	0	4,419,218
Total other comprehensive income		(36,952,558)	0	4,419,218
Total comprehensive income		(37,581,211)	(1,892,804)	5,393,350

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

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,579,916	3,074,039
Trade and other receivables	5	2,476,325	928,787
Inventories	6	29,548	21,203
TOTAL CURRENT ASSETS		5,085,789	4,024,029
NON-CURRENT ASSETS			
Other receivables	5	216,796	235,287
Investments	7	6,186	6,186
Property, plant and equipment	8	30,246,527	30,606,092
Infrastructure	9	89,736,973	127,087,536
TOTAL NON-CURRENT ASSETS		120,206,482	157,935,101
TOTAL ASSETS		125,292,271	161,959,130
CURRENT LIABILITIES			
Trade and other payables	12	233,001	224,247
Current portion of long term borrowings	13(a)	1,163,536	163,109
Provisions	14	324,814	316,537
TOTAL CURRENT LIABILITIES		1,721,351	703,893
NON-CURRENT LIABILITIES			
Long term borrowings	13(a)	749,852	913,388
Provisions	14	104,800	44,370
TOTAL NON-CURRENT LIABILITIES		854,652	957,758
TOTAL LIABILITIES		2,576,003	1,661,651
NET ASSETS		122,716,268	160,297,479
EQUITY			
Retained surplus		42,631,778	43,354,363
Reserves - cash backed	4	1,990,309	1,896,377
Revaluation surplus	11	78,094,181	115,046,739
TOTAL EQUITY		122,716,268	160,297,479

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

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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		42,486,763	1,789,845	110,627,521	154,904,129
Comprehensive income					
Net result		974,132	0	0	974,132
Changes on revaluation of assets	11	0	0	4,419,218	4,419,218
Total comprehensive income		974,132	0	4,419,218	5,393,350
Transfers from/(to) reserves	4	(106,532)	106,532	0	0
Balance as at 30 June 2017		43,354,363	1,896,377	115,046,739	160,297,479
Comprehensive income					
Net result		(628,653)	0	0	(628,653)
Changes on revaluation of assets	11	0	0	(36,952,558)	(36,952,558)
Total comprehensive income		(628,653)	0	(36,952,558)	(37,581,211)
Transfers from/(to) reserves	4	(93,932)	93,932	0	0
Balance as at 30 June 2018		42,631,778	1,990,309	78,094,181	122,716,268

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$	\$
Receipts				
Rates		3,856,107	3,826,158	3,685,469
Operating grants, subsidies and contributions		1,466,396	1,538,103	2,195,339
Fees and charges		223,463	289,583	211,038
Interest earnings		103,186	68,500	110,318
Goods and services tax		219,811	53,132	599,322
Other revenue		6,509,853	6,079,291	1,728,439
		12,378,816	11,854,767	8,529,925
Payments				
Employee costs		(2,336,517)	(2,228,555)	(2,121,800)
Materials and contracts		(9,242,787)	(8,333,083)	(3,196,799)
Utility charges		(152,816)	(169,080)	(142,256)
Interest expenses		(47,254)	(52,271)	(65,472)
Insurance expenses		(169,375)	(220,083)	(158,494)
Goods and services tax		(330,000)	(55,171)	(652,152)
Other expenditure		(191,101)	(354,417)	(204,938)
		(12,469,850)	(11,412,660)	(6,541,911)
Net cash provided by (used in) operating activities	15	(91,034)	442,107	1,988,014
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(b)	(667,361)	(938,439)	(812,289)
Payments for construction of infrastructure	9(b)	(1,294,628)	(1,341,535)	(1,755,875)
Non-operating grants, subsidies and contributions	2(a)	654,212	685,135	1,258,389
Proceeds from sale of fixed assets	10(a)	41,445	142,000	147,227
Net cash provided by (used in) investment activities		(1,266,332)	(1,452,839)	(1,162,548)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings	13(a)	(163,109)	(163,109)	(234,924)
Proceeds from self supporting loans	13(a)	26,352	26,352	78,621
Proceeds from new short term borrowings	13(b)	1,000,000	0	0
Net cash provided by (used in) financing activities		863,243	(136,757)	(156,303)
Net increase (decrease) in cash held		(494,123)	(1,147,489)	669,163
Cash at beginning of year		3,074,039	3,074,039	2,404,876
Cash and cash equivalents at the end of the year	3	2,579,916	1,926,550	3,074,039

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		1,560,516	1,648,385	754,796
		1,560,516	1,648,385	754,796
Revenue from operating activities (excluding rates)				
Governance		182	2,100	5,964
General purpose funding		1,510,711	829,414	2,134,524
Law, order, public safety		75,889	53,393	85,735
Health		395	300	297
Education and welfare		12,023	11,400	14,219
Housing		79,729	72,280	75,293
Community amenities		317,181	284,192	282,639
Recreation and culture		36,259	22,955	73,102
Transport		7,721,579	6,144,100	1,863,845
Economic services		15,524	10,932	17,373
Other property and services		204,998	108,330	206,159
		9,974,470	7,539,396	4,759,150
Expenditure from operating activities				
Governance		(679,597)	(988,233)	(681,545)
General purpose funding		(164,396)	(147,372)	(82,805)
Law, order, public safety		(288,803)	(311,336)	(300,725)
Health		(243,068)	(233,540)	(221,466)
Education and welfare		(15,828)	(22,709)	(21,222)
Housing		(60,036)	(65,503)	(78,651)
Community amenities		(513,506)	(512,543)	(391,213)
Recreation and culture		(1,431,994)	(1,420,206)	(1,277,556)
Transport		(10,790,884)	(9,760,863)	(4,916,519)
Economic services		(83,267)	(140,955)	(95,791)
Other property and services		(603,665)	(132,647)	(468,112)
		(14,875,044)	(13,735,907)	(8,535,605)
Operating activities excluded				
Loss on disposal of assets	10(a)	25,074	0	67,171
Loss on revaluation of infrastructure	9(b)	58,361	0	0
Movement in deferred pensioner rates (non-current)		(8,941)	0	(12,533)
Movement in employee benefit provisions (non-current)		60,430	47,144	(739)
Depreciation and amortisation on assets	10(b)	2,594,679	2,480,475	2,461,460
Amount attributable to operating activities		(610,455)	(2,020,507)	(506,300)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		654,212	685,135	1,258,389
Proceeds from disposal of assets	10(a)	41,445	142,000	147,227
Purchase of property, plant and equipment	8(b)	(667,361)	(938,439)	(812,289)
Purchase and construction of infrastructure	9(b)	(1,294,628)	(1,341,535)	(1,755,875)
Amount attributable to investing activities		(1,266,332)	(1,452,839)	(1,162,548)
FINANCING ACTIVITIES				
Repayment of long term borrowings	13(a)	(163,109)	(163,109)	(234,924)
Proceeds from new short term borrowings	13(b)	1,000,000	0	0
Proceeds from self supporting loans	13(a)	26,352	26,352	78,621
Transfers to reserves (restricted assets)	4	(322,881)	(516,057)	(182,911)
Transfers from reserves (restricted assets)	4	228,949	507,588	76,379
Amount attributable to financing activities		769,311	(145,226)	(262,835)
Surplus(deficiency) before general rates		(1,107,476)	(3,618,572)	(1,931,683)
Total amount raised from general rates	20	3,617,709	3,618,572	3,492,198
Net current assets at June 30 c/fwd - surplus/(deficit)	21	2,510,233	0	1,560,515

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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 23 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
Significant revenue		
WANDRRA Flood damage reimbursements	7,636,478	1,717,904
Other revenue		
Reimbursements and recoveries	7,761,597	1,840,105
Other	179,754	170,898
	7,941,351	2,011,003
Fees and Charges		
Governance	0	1,364
General purpose funding	14,570	15,270
Law, order, public safety	5,311	6,260
Health	240	0
Education and welfare	12,023	14,219
Community amenities	133,226	117,351
Recreation and culture	22,388	23,218
Transport	105	206
Economic services	14,782	16,773
Other property and services	20,818	16,377
	223,463	211,038

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	1,310,189	1,945,928
Law, order, public safety	70,578	79,342
Recreation and culture	1,900	25,045
Transport	83,729	142,735
Other property and services	0	2,288
	1,466,396	2,195,338
Non-operating grants, subsidies and contributions		
Recreation and culture	0	312,945
Transport	654,212	945,444
	654,212	1,258,389
Total grants, subsidies and contributions	2,120,608	3,453,727

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

- Loans receivable - clubs/institutions
- Reserve funds
- Other funds
- Other interest revenue (refer note 20(c))

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	5,141	0	15,991
- Reserve funds	40,157	27,000	42,222
- Other funds	22,129	15,000	18,357
Other interest revenue (refer note 20(c))	35,358	26,500	33,267
	102,785	68,500	109,837

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

WANDRRA Flood damage expenses

Auditors remuneration

- Audit of the Annual Financial Report

- Other services

Interest expenses (finance costs)

Long term borrowings (refer Note 13(a))

Rental charges

- Operating leases

	2018	2017
	\$	\$
	7,634,977	1,870,254
	18,680	18,100
	0	780
	18,680	18,880
	49,491	63,490
	49,491	63,490
	11,830	11,830
	11,830	11,830

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

3. CASH AND CASH EQUIVALENTS	NOTE	2018 \$	2017 \$
Unrestricted		584,970	1,153,453
Restricted		1,994,946	1,920,586
		2,579,916	3,074,039
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave	4	84,089	81,091
Plant and equipment	4	884,288	734,406
Ongerup effluent	4	54,629	88,529
Area promotion	4	29,619	29,005
Swimming pool upgrade	4	150,222	92,268
Land development	4	501,969	608,697
Computer replacement	4	7,819	7,657
Waste disposal	4	240,319	227,448
Future funds	4	15,917	15,587
Liquid waste facility	4	21,438	11,690
Unspent grants	19	4,637	24,208
		1,994,946	1,920,586

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave	81,091	2,998	0	84,089	81,091	61,155	0	142,246	69,451	11,640	0	81,091
Plant and equipment	734,406	149,882	0	884,288	734,406	220,456	0	954,862	665,686	68,720	0	734,406
Ongerup effluent	88,529	11,875	(45,775)	54,629	88,529	11,260	(80,000)	19,789	125,564	12,965	(50,000)	88,529
Area promotion	29,005	614	0	29,619	29,005	413	0	29,418	28,336	669	0	29,005
Royalty for Regions	0	0	0	0	0	0	0	0	1,167	0	(1,167)	0
Swimming pool upgrade	92,268	57,954	0	150,222	92,268	57,314	0	149,582	35,431	56,837	0	92,268
Land development	608,696	76,447	(183,174)	501,969	608,696	72,223	(427,588)	253,331	619,284	14,624	(25,212)	608,696
Computer replacement	7,657	162	0	7,819	7,657	30,109	0	37,766	7,480	177	0	7,657
Waste disposal	227,448	12,871	0	240,319	227,448	3,239	0	230,687	222,219	5,229	0	227,448
Future funds	15,587	330	0	15,917	15,587	50,222	0	65,809	15,227	360	0	15,587
Liquid waste facility	11,690	9,748	0	21,438	11,690	9,666	0	21,356	0	11,690	0	11,690
	1,896,377	322,881	(228,949)	1,990,309	1,896,377	516,057	(507,588)	1,904,846	1,789,845	182,911	(76,379)	1,896,377

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
Leave	Ongoing	to be used to fund annual and long service leave requirements
Plant and equipment	Ongoing	to be used for the purchase of major plant
Ongerup effluent	Ongoing	to be used for the maintenance of the Ongerup Effluent System
Area promotion	Ongoing	to be used for the promotion of the Gnowangerup Shire
Royalty for Regions	June 2017	to be used to hold unspent Royalties funding.
Swimming pool upgrade	Ongoing	to be used to assist with upgrade of the Gnowangerup Swimming Pool
Land development	Ongoing	to be used to fund the purchase of or development of land and buildings and building renewal
Computer replacement	Ongoing	to be used to fund the maintenance and replacement of the administration computer system
Waste disposal	Ongoing	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
Future funds	Ongoing	to be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup.
Liquid waste facility	Ongoing	to be used to fund the maintenance, renewal and upgrade of the liquid waste facility.

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	
Sundry debtors	
GST receivable	
Loans receivable - clubs/institutions	
Accrued Interest on Loans Receivable	

Non-current

Rates outstanding - pensioners	
Loans receivable - clubs/institutions	

Rates outstanding

Includes:

Past due and not impaired

Rates outstanding aged analysis

The ageing of past due but not impaired rates outstanding is as follows:

Greater than 90 days

Sundry debtors

Includes:

Past due and not impaired

Sundry debtors aged analysis

The ageing of past due but not impaired sundry debtors is as follows:

31 - 60 days

61 - 90 days

Greater than 90 days

	2018	2017
	\$	\$
Rates outstanding	183,345	178,173
Sundry debtors	2,155,204	723,706
GST receivable	110,253	64
Loans receivable - clubs/institutions	27,432	26,352
Accrued Interest on Loans Receivable	91	492
	<u>2,476,325</u>	<u>928,787</u>
Rates outstanding - pensioners	127,561	118,620
Loans receivable - clubs/institutions	89,235	116,667
	<u>216,796</u>	<u>235,287</u>
Past due and not impaired	310,906	296,793
Greater than 90 days	310,906	296,793
Past due and not impaired	5,538	22,984
31 - 60 days	1,492	22,314
61 - 90 days	291	207
Greater than 90 days	3,755	463
	<u>5,538</u>	<u>22,984</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

6. INVENTORIES

Current

Fuel & materials

2018	2017
\$	\$
29,548	21,203
29,548	21,203

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for 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.

Land held for sale (Continued)

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.

7. INVESTMENTS

Non-current

LG House Unit Trust

2018	2017
\$	\$
6,186	6,186
6,186	6,186

SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

(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) 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.

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.

Impairment (continued)

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.

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

7. INVESTMENTS (Continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

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.

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;

Classification and subsequent measurement (continued)

- (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.

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.

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

8 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2/3	1,032,500	1,032,500
- Additions after valuation at cost	250,688	0
	<u>1,283,188</u>	<u>1,032,500</u>
Total land	1,283,188	1,032,500
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,574,000	1,574,000
- Additions after valuation at cost	16,920	0
Less: accumulated depreciation	(39,773)	0
	<u>1,551,147</u>	<u>1,574,000</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	24,422,280	24,422,280
- Less Assets Transferred	(62,000)	0
- Additions after valuation at cost	53,739	0
Less: accumulated depreciation	(503,150)	0
	<u>23,910,869</u>	<u>24,422,280</u>
Total buildings	25,462,016	25,996,280
Total land and buildings	<u>26,745,204</u>	<u>27,028,780</u>
Furniture and equipment at:		
- Independent valuation 2016 - level 3	41,500	41,500
- Less Assets Transferred	(1,900)	0
- Additions after valuation at cost	66,065	47,326
Less: accumulated depreciation	(27,064)	(15,453)
	<u>78,601</u>	<u>73,373</u>
Plant and equipment at:		
- Independent valuation 2016 - level 3	3,425,050	3,516,300
- Additions after valuation at cost	673,729	346,455
Less: accumulated depreciation	(676,057)	(358,816)
	<u>3,422,722</u>	<u>3,503,939</u>
Total property, plant and equipment	<u>30,246,527</u>	<u>30,606,092</u>

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	1,143,000	0	1,143,000	1,698,779	22,388,419	24,087,198	25,230,198	42,250	3,723,300	28,995,748
Additions	25,212	0	25,212	43,939	349,357	393,296	418,508	47,326	346,455	812,289
(Disposals)	0	0	0	0	(35,764)	(35,764)	(35,764)	0	(178,633)	(214,397)
Revaluation increments/ (decrements) transferred to revaluation surplus	(135,712)	0	(135,712)	(425,690)	4,980,619	4,554,929	4,419,217	0	0	4,419,217
Depreciation (expense)	0	0	0	(32,727)	(335,219)	(367,946)	(367,946)	(16,203)	(387,183)	(771,332)
Transfers	0	0	0	289,699	(2,925,132)	(2,635,433)	(2,635,433)	0	0	(2,635,433)
Carrying amount at 30 June 2017	1,032,500	0	1,032,500	1,574,000	24,422,280	25,996,280	27,028,780	73,373	3,503,939	30,606,092
Additions	250,688	0	250,688	16,920	53,739	70,659	321,347	18,739	327,275	667,361
(Disposals)	0	0	0	0	0	0	0	0	(66,519)	(66,519)
Depreciation (expense)	0	0	0	(39,773)	(505,642)	(545,415)	(545,415)	(13,511)	(341,973)	(900,899)
Transfers	0	0	0	0	(59,508)	(59,508)	(59,508)	0	0	(59,508)
Carrying amount at 30 June 2018	1,283,188	0	1,283,188	1,551,147	23,910,869	25,462,016	26,745,204	78,601	3,422,722	30,246,527

8. 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
Land and buildings					
Land - freehold land	Level 2/3	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology; Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Price per hectare/market borrowing rate; Improvements to land using construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per hectare/market borrowing rate
Buildings - specialised	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment					
	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
	Level 2/3	Market approach using recent observable market data for similar assets, or Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs for similar assets (Level 2); current condition, 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.

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

9 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	114,340,023
- Management valuation 2018 - level 3	74,692,757	0
- Additions after valuation at cost	0	2,869,837
Less: accumulated depreciation	0	(21,128,258)
	<u>74,692,757</u>	<u>96,081,602</u>
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	0	461,040
- Management valuation 2018 - level 3	743,644	0
- Additions after valuation at cost	0	21,798
Less: accumulated depreciation	0	(147,450)
	<u>743,644</u>	<u>335,388</u>
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	3,191,960
- Management valuation 2018 - level 3	3,672,772	0
- Additions after valuation at cost	0	3,740
Less: accumulated depreciation	0	(1,174,773)
	<u>3,672,772</u>	<u>2,020,927</u>
Infrastructure - Parks & ovals		
- Management valuation 2015 - level 3	0	6,549,640
- Management valuation 2018 - level 3	6,534,200	0
- Additions after valuation at cost	0	2,639,582
Less: accumulated depreciation	0	(2,348,237)
	<u>6,534,200</u>	<u>6,840,985</u>
Infrastructure - Other		
- Management valuation 2018 - level 3	523,800	0
- Asset Reclassifications	0	4,443
- Additions after valuation at cost	17,500	16,751
Less: accumulated depreciation	0	(1,853)
	<u>541,300</u>	<u>19,341</u>
Infrastructure - Airports		
- Management valuation 2015 - level 3	0	21,595,698
- Management valuation 2018 - level 3	3,282,900	0
- Additions after valuation at cost	0	40,742
Less: accumulated depreciation	0	(655,254)
	<u>3,282,900</u>	<u>20,981,186</u>
Infrastructure - Sewer		
- Management valuation 2015 - level 3	0	967,790
- Management valuation 2018 - level 3	200,600	0
- Additions after valuation at cost	0	144,941
Less: accumulated depreciation	0	(427,942)
	<u>200,600</u>	<u>684,789</u>

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

9 (a). INFRASTRUCTURE

Infrastructure - Solid waste

- Management valuation 2015 - level 3

- Management valuation 2018 - level 3

- Additions after valuation at cost

Less: accumulated depreciation

	2018	2017
	\$	\$
	0	135,973
	68,800	0
	0	28,996
	0	(41,651)
	68,800	123,318
Total infrastructure	89,736,973	127,087,536

9. 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & ovals	Infrastructure - Other	Infrastructure - Airports	Infrastructure - Sewer	Infrastructure - Solid waste	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	95,628,241	342,112	2,084,766	4,494,347	16,751	21,156,098	562,335	101,706	124,386,356
Additions	1,580,537	2,875	0	0	0	0	143,702	28,761	1,755,875
Depreciation (expense)	(1,127,176)	(9,599)	(63,839)	(284,530)	(1,675)	(174,912)	(21,248)	(7,149)	(1,690,128)
Transfers	0	0	0	2,631,168	4,265	0	0	0	2,635,433
Carrying amount at 30 June 2017	96,081,602	335,388	2,020,927	6,840,985	19,341	20,981,186	684,789	123,318	127,087,536
Additions	1,218,668	0	0	9,586	17,500	3,099	45,775	0	1,294,628
Revaluation increments/ (decrements) transferred to revaluation surplus	(21,448,726)	417,913	1,715,759	(57,852)	439,715	(17,526,474)	(492,893)	0	(36,952,558)
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0	0	0	0	(12,035)	(46,326)	(58,361)
Depreciation (expense)	(1,158,787)	(9,657)	(63,914)	(251,519)	(1,764)	(174,911)	(25,036)	(8,192)	(1,693,780)
Transfers	0	0	0	(7,000)	66,508	0	0	0	59,508
Carrying amount at 30 June 2018	74,692,757	743,644	3,672,772	6,534,200	541,300	3,282,900	200,600	68,800	89,736,973

9. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & ovals	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Airports	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Sewer	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Solid waste	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

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

Land under control

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

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

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings								
Community amenities								
Police Station and Court House	0	0	0	0	15,000	15,000	0	0
11 & 13 Bell Street	0	0	0	0	5,000	5,000	0	0
Lot 560 Cuneo Close	0	0	0	0	80,000	80,000	0	0
Plant and Equipment								
Transport								
Isuzu Tipper Truck	35,000	22,727	0	(12,273)	20,000	20,000	0	0
Holden Colorado Single Cab Utility	19,743	9,263	0	(10,480)	11,000	11,000	0	0
Holden Colorado Single Cab Utility	10,000	9,455	0	(545)	11,000	11,000	0	0
Other property and services								
CCTV System	1,776	0	0	(1,776)	0	0	0	0
	66,519	41,445	0	(25,074)	142,000	142,000	0	0

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

10. FIXED ASSETS (Continued)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	39,773	32,727
Buildings - specialised	505,642	335,219
Furniture and equipment	13,511	16,203
Plant and equipment	341,973	387,183
Infrastructure - Roads	1,158,787	1,127,176
Infrastructure - Footpaths	9,657	9,599
Infrastructure - Drainage	63,914	63,839
Infrastructure - Parks & ovals	251,519	284,530
Infrastructure - Other	1,764	1,675
Infrastructure - Airports	174,911	174,912
Infrastructure - Sewer	25,036	21,248
Infrastructure - Solid waste	8,192	7,149
	2,594,679	2,461,460

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

10. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

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

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

Depreciation rates

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
Formed roads (unsealed)	
- formation	not depreciated
- pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Airport infrastructure	13 to 100 years
Parks & ovals infrastructure	2 to 100 years
Other infrastructure	10 to 50 years

11. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	2018	Opening	Revaluation	Revaluation	Total	2017
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Land - freehold land	814,452	0	0	0	814,452	950,164	0	(135,712)	(135,712)	814,452
Revaluation surplus -Buildings - non-specialised	9,113	0	0	0	9,113	434,803	0	(425,690)	(425,690)	9,113
Revaluation surplus -Buildings - specialised	18,463,939	0	0	0	18,463,939	13,483,320	4,980,619	0	4,980,619	18,463,939
Revaluation surplus -Plant and equipment	503,077	0	0	0	503,077	503,077	0	0	0	503,077
Revaluation surplus - Infrastructure - Roads	70,265,613	0	(21,448,726)	(21,448,726)	48,816,887	70,265,613	0	0	0	70,265,613
Revaluation surplus - Infrastructure - Footpaths	0	417,913	0	417,913	417,913	0	0	0	0	0
Revaluation surplus - Infrastructure - Drainage	1,692,771	1,715,759	0	1,715,759	3,408,530	1,692,771	0	0	0	1,692,771
Revaluation surplus - Infrastructure - Parks & ovals	1,960,965	0	(57,852)	(57,852)	1,903,113	1,960,965	0	0	0	1,960,965
Revaluation surplus - Infrastructure - Other	0	439,715	0	439,715	439,715	0	0	0	0	0
Revaluation surplus - Infrastructure - Airports	20,843,916	0	(17,526,474)	(17,526,474)	3,317,442	20,843,916	0	0	0	20,843,916
Revaluation surplus - Infrastructure - Sewer	492,893	0	(492,893)	(492,893)	0	492,893	0	0	0	492,893
Revaluation surplus - Infrastructure - Solid waste	0	0	0	0	0	0	0	0	0	0
	115,046,739	2,573,387	(39,525,945)	(36,952,558)	78,094,181	110,627,522	4,980,619	(561,402)	4,419,217	115,046,739

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued interest on long term borrowings
Accrued salaries and wages
Rates received in advance
Accrued expenses

	2018	2017
	\$	\$
	145,688	188,969
	10,130	7,893
	12,220	11,683
	15,078	3,042
	49,885	12,660
	233,001	224,247

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

13. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Borrowing Institution	Interest Rate %	Principal 1 July 2017	Principal New Loans	Principal Repayments		Interest 30 June 2018		Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$	\$	\$
Housing										
L 277 - GROH Housing	WATC*	4.20%	420,902	0	77,332	77,332	343,570	343,570	16,094	16,874
Community amenities										
L 270 - Yongergnow	WATC*	6.34%	19,957	0	13,092	13,092	6,865	6,865	993	1,078
Recreation and culture										
L 273 - Gnp Community Centre	WATC*	6.18%	176,126	0	15,153	15,152	160,973	160,974	10,542	10,654
L 278 - Borden Pavilion	WATC*	4.29%	105,307	0	15,742	15,743	89,565	89,564	4,188	4,351
L 279 - Gnp Complex Synthetic Turf	WATC*	4.23%	211,185	0	15,438	15,438	195,747	195,747	8,724	8,772
Other property and services										
Loan 280 Short Term Loan	WATC*	0	0	1,000,000	0	0	1,000,000	0	3,499	0
			933,477	1,000,000	136,757	136,757	1,796,720	796,720	44,040	41,729

Particulars	Borrowing Institution	Interest Rate %	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$	\$	\$
Self Supporting Loans										
Recreation and culture										
L 275 - Gnp Sporting Complex	WATC*	4.06%	99,014	0	18,244	18,244	80,770	80,770	3,774	3,837
L 276 - Borden Pavilion	WATC*	4.06%	44,006	0	8,108	8,108	35,898	35,898	1,677	1,705
			143,020	0	26,352	26,352	116,668	116,668	5,451	5,542
			1,076,497	1,000,000	163,109	163,109	1,913,388	913,388	49,491	47,271

Self supporting loans are financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	1,163,536	163,109
Non-current	749,852	913,388
	1,913,388	1,076,497

13. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Short Tem Loan	1,000,000	0	WATC	Fixed	1	1,015,000	2.41%	1,000,000	0	0
	0	1,000,000				1,015,000		1,000,000	0	0

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

	2018	2017
	\$	\$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(710)	(1,599)
Total amount of credit unused	509,290	508,401
Loan facilities		
Loan facilities - current	1,163,536	163,109
Loan facilities - non-current	749,852	913,388
Total facilities in use at balance date	1,913,388	1,076,497
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

14. PROVISIONS

	Provision for Annual & Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	211,680	104,857	316,537
Non-current provisions	0	44,370	44,370
	<u>211,680</u>	<u>149,227</u>	<u>360,907</u>
Additional provision	159,029	77,594	236,623
Amounts used	(161,687)	(6,229)	(167,916)
Balance at 30 June 2018	<u>209,022</u>	<u>220,592</u>	<u>429,614</u>
Comprises			
Current	209,022	115,792	324,814
Non-current		104,800	104,800
	<u>209,022</u>	<u>220,592</u>	<u>429,614</u>
Assessments indicate that actual settlement of the above liabilities is expected to occur as follows:			
Within 12 months of the end of the reporting period	116,535	31,439	147,974
More than 12 months after the end of the reporting period	92,487	189,153	281,640
	<u>209,022</u>	<u>220,592</u>	<u>429,614</u>

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	2,579,916	1,926,550	3,074,039
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(628,653)	(1,892,804)	974,132
Non-cash flows in Net result:			
Depreciation	2,594,679	2,480,475	2,461,460
(Profit)/loss on sale of asset	25,074	0	67,171
Fair value adjustments to fixed assets at fair value through profit or loss	0	0	0
Loss on revaluation of infrastructure assets	58,361	0	0
Reversal of loss on revaluation of fixed assets	0	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(1,555,399)	718,132	(312,574)
(Increase)/decrease in inventories	(8,345)	0	(692)
Increase/(decrease) in payables	8,754	(226,675)	1,858
Increase/(decrease) in provisions	68,707	48,114	55,047
Non-operating grants and contributions for the development of assets	(654,212)	(685,135)	(1,258,389)
Net cash from operating activities	(91,034)	442,107	1,988,013

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
General purpose funding	310,906	296,793
Law, order, public safety	1,721,658	1,769,429
Health	561,113	547,636
Education and welfare	15,000	15,000
Housing	1,792,512	1,736,500
Community amenities	1,468,250	2,011,940
Recreation and culture	27,832,344	28,565,765
Transport	86,282,185	122,977,881
Economic services	325,534	94,076
Other property and services	1,524,184	1,355,327
Unallocated	3,458,585	2,588,783
	125,292,271	161,959,130

17. LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2018	2017
	\$	\$
	13,050	11,831
	30,450	0
	0	0
	43,500	11,831

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	72,000	80,000	72,000
President's allowance	15,000	15,000	15,000
Deputy President's allowance	3,000	3,000	3,000
Travelling expenses	4,178	6,500	2,896
Telecommunications allowance	5,940	5,940	5,940
	100,118	110,440	98,836

Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	270,493	284,575
Post-employment benefits	46,423	38,307
Other long-term benefits	6,625	6,550
	323,541	329,432

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits and annual leave benefits accruing during the year.

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods and services	0	0

18. RELATED PARTY TRANSACTIONS

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Close family members of key management personnel

Family members who may be expected to influence, or be influenced by that KMP in their dealings with Council.

iii. Entities that are controlled, or jointly controlled by key management personnel or their close family members

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

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received	Expended	Closing	Received	Expended	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
Bushfire Operational Grant	14,621	40,200	(43,814)	11,007	45,622	(55,934)	695
SES Operational Grant	4,833	39,143	(37,649)	6,327	21,209	(26,459)	1,077
Recreation and culture							
ICCWA - Stay On Your Feet	476	0	0	476	0	0	476
DSR - KidzSports Grant	0	9,000	(4,116)	4,884	0	(4,884)	0
CLGF - Youth Dev Scholarship	0	1,514	0	1,514	875	0	2,389
Total	19,930	89,857	(85,579)	24,208	67,706	(87,277)	4,637

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.

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2018 Rate Revenue \$	2018 Interim Rates \$	2018 Back Rates \$	2018 Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$	2017 Total Revenue \$
Differential general rate / general rate											
Gross rental valuations											
GRV - Residential	0.152730	339	2,552,449	392,703	1,192	469	394,364	389,835	0	389,835	376,652
GRV - Commercial	0.152730	36	515,246	78,694	3,818	0	82,512	78,694	0	78,694	76,032
GRV - Industrial	0.152730	17	180,748	27,606	0	0	27,606	27,606	0	27,606	26,672
GRV - Amelup Tourism	0.152730	4	130,780	19,972	0	0	19,972	19,973	0	19,973	19,299
Unimproved valuations											
Rural	0.010794	355	279,618,496	3,018,202	(6,033)	111	3,012,280	3,018,200	1,430	3,019,630	2,912,788
Mining	0.010794	0	0	0	0	0	0	0	0	0	0
Sub-Total		751	282,997,719	3,537,177	(1,023)	580	3,536,734	3,534,308	1,430	3,535,738	3,411,443
Minimum payment											
Gross rental valuations											
GRV - Residential	714	77	130,257	54,978	714	0	55,692	57,834	0	57,834	56,000
GRV - Commercial	714	14	22,423	9,996	0	0	9,996	9,996	0	9,996	10,381
GRV - Industrial	714	9	19,336	6,426	0	0	6,426	6,426	0	6,426	6,300
GRV - Amelup Tourism	714	1	4,160	714	0	0	714	714	0	714	700
Unimproved valuations											
Rural	714	20	734,204	14,280	0	0	14,280	14,280	0	14,280	14,000
Mining	714	5	53,229	3,570	186	97	3,853	3,570	0	3,570	3,023
Sub-Total		126	963,609	89,964	900	97	90,961	92,820	0	92,820	90,404
		877	283,961,328	3,627,141	(123)	677	3,627,695	3,627,128	1,430	3,628,558	3,501,847
Discounts/concessions (refer note 20(c))							(9,986)			(9,986)	(9,649)
Total amount raised from general rate							3,617,709			3,618,572	3,492,198
Specified Area Rate (refer note 20(b))							208,898			208,419	201,425
Ex-gratia rates							31,577			30,500	30,509
Totals							3,858,184			3,857,491	3,724,132

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

20. RATING INFORMATION (Continued)

(b) Specified Area Rate/ Waste Collection Rate

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value	Revenue	Interim Rate Revenue	Back Rate Revenue	Total Specified Area Rate Revenue	Budget Rate Revenue	Budget Back Rate Revenue	Budget Interim Rate Revenue	Total Budget Revenue
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gnp Sporting Complex	GRV	0.004012	2,624,853	10,531	0	0	10,531	10,531	0	0	10,531
Gnp Sporting Complex	UV	0.000156	124,977,500	19,556	(68)	0	19,488	19,556	0	0	0
Borden Pavilion	GRV	0.001999	259,124	518	0	0	518	518	0	0	0
Borden Pavilion	UV	0.000100	98,138,500	9,814	(20)	0	9,794	9,814	0	0	0
Ongerup Effluent	GRV	0.077996	448,743	35,000	0	0	35,000	35,000	0	0	35,000
Waste Collection Rate	GRV	0.000001	3,555,399	56,000	0	0	56,000	56,000	0	0	0
Waste Collection Rate	UV	0.000001	280,405,929	77,000	567	0	77,567	77,000	0	0	77,000
				208,419	479	0	208,898	208,419	0	0	122,531

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	Rate Applied to Costs	Rate Set Aside to Reserve	Reserve Applied to Costs	Budget Rate Applied to Costs	Budget Rate Set Aside to Reserve	Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Gnp Sporting Complex	To meet part of the loan repayments for the Gnowangerup Sporting Complex Facility.	Applied to all properties in the Old Gnowangerup Townsite Ward and Gnowangerup Rural Ward.	30,019	0	0	30,087	0	0
Borden Pavilion	To meet the loan repayments for the Borden Pavilion Facility.	Applied to all properties of the Old Borden Townsite Ward and the Borden Rural Ward.	10,312	0	0	10,332	0	0
Ongerup Effluent	To contribute towards the maintenance, renewal and replacement of the Ongerup Effluent System.	Applied to all properties in the Ongerup Townsite.	35,000	0	0	35,000	0	0
Waste Collection Rate	To assist Council meet some of the costs associated with managing waste within the Shire	Applied to all properties within the district	133,567	0	0	133,000	0	0
			208,898	0	0	208,419	0	0

20. RATING INFORMATION (Continued)

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
General rates on Assessment A213	Concession	50.00%	N/A	2,978	2,978
General rates on Assessment A293	Concession	50.00%	N/A	5,003	5,003
General rates on Assessment A314	Concession	50.00%	N/A	814	814
General rates on Assessment A556	Concession	50.00%	N/A	1,191	1,191
				9,986	9,986

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General rates on Assessment A213	General rates on Assessment A213	To assist promote the tourist industry in the Amelup Tourism	To assist promote the tourist industry in the Amelup Tourism Precinct.
General rates on Assessment A293	General rates on Assessment A293	To assist promote the tourist industry in the Amelup Tourism	To assist promote the tourist industry in the Amelup Tourism Precinct.
General rates on Assessment A314	General rates on Assessment A314	To assist promote the tourist industry in the Amelup Tourism	To assist promote the tourist industry in the Amelup Tourism Precinct.
General rates on Assessment A556	General rates on Assessment A556	To assist promote the tourist industry in the Amelup Tourism	To assist promote the tourist industry in the Amelup Tourism Precinct.

20. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	29-Sep-17	0	0.00%	11.00%
Option Two				
First instalment	29-Sep-17	0	0.00%	11.00%
Second instalment	01-Dec-17	10	5.50%	11.00%
Third instalment	02-Feb-18	10	5.50%	11.00%
Fourth instalment	02-Apr-18	10	5.50%	11.00%

	2018		
	2018	Budget	2017
	\$	\$	\$
Interest on unpaid rates	22,428	13,000	21,122
Interest on instalment plan	12,014	11,500	12,145
Interest on deferred pensioner rates	916	2,000	0
Charges on instalment plan	4,740	4,500	4,780
	40,098	31,000	38,047

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

21. NET CURRENT ASSETS

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

	2018 (30 June 2018 Carried Forward)	2017 (1 July 2017 Brought Forward)
	\$	\$
Surplus/(Deficit) 1 July 17 brought forward	2,510,233	1,560,516
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	584,970	1,153,453
Restricted	1,994,946	1,920,586
Receivables		
Rates outstanding	183,345	178,173
Sundry debtors	2,155,204	723,706
GST receivable	110,253	64
Loans receivable - clubs/institutions	27,432	26,352
Accrued Interest on Loans Receivable	91	492
Inventories		
Fuel & materials	29,548	21,203
LESS: CURRENT LIABILITIES		
Trade and other payables		
Sundry creditors	(145,688)	(188,969)
Accrued interest on long term borrowings	(10,130)	(7,893)
Accrued salaries and wages	(12,220)	(11,683)
Rates received in advance	(15,078)	(3,042)
Accrued expenses	(49,885)	(12,660)
Current portion of long term borrowings	(1,163,536)	(163,109)
Provisions		
Provision for annual leave and sick leave	(209,022)	(211,680)
Provision for long service leave	(115,792)	(104,857)
Unadjusted net current assets	3,364,438	3,320,136
Adjustments		
Less: Reserves - restricted cash	(1,990,309)	(1,896,377)
Less: Loans receivable - clubs/institutions	(27,432)	(26,352)
Add: Current portion of long term borrowings	1,163,536	163,109
Adjusted net current assets - surplus/(deficit)	2,510,233	1,560,516

Difference

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

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

22. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,579,916	3,074,039	2,579,916	3,074,039
Receivables	2,693,121	1,164,074	2,693,121	1,164,074
	5,273,037	4,238,113	5,273,037	4,238,113
Financial liabilities				
Payables	233,001	224,247	233,001	224,247
Borrowings	1,913,388	1,076,497	1,913,388	1,076,497
	2,146,389	1,300,744	2,146,389	1,300,744

Fair value is determined as follows:

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

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	25,799	30,740
- Statement of Comprehensive Income	25,799	30,740

Notes:

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	100.00%	97.00%
- Overdue	0.00%	3.00%

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	233,001	0	0	233,001	233,001
Borrowings	1,204,221	661,907	199,670	2,065,798	1,913,388
	1,437,222	661,907	199,670	2,298,799	2,146,389
2017					
Payables	224,247	0	0	224,247	224,247
Borrowings	211,306	795,628	270,170	1,277,104	1,076,497
	435,553	795,628	270,170	1,501,351	1,300,744

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	1,006,864	0	0	460,238	89,563	356,724	1,913,389	3.44%
Weighted average Effective interest rate	2.44%	0.00%	0.00%	4.16%	4.29%	5.11%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	19,556	0	0	0	1,056,941	1,076,497	4.56%
Weighted average Effective interest rate	0.00%	6.34%	0.00%	0.00%	0.00%	4.53%		

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

23. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Builders Registration Board	0	2,185	(2,185)	0
BCITF	0	1,378	(1,378)	0
Hall Hire Bonds	0	610	(610)	0
Agricultural Society	4,436			4,436
Early Morning Swimming Bonds	0			0
Gnp Airstrip Donation	1,266	0	(1,266)	0
Housing Bonds	9,324	1,000	(1,019)	9,305
GESB Trust	0			0
Unclaimed Rates	56	528	(528)	56
Micro-Chip Deposits	0	330	(330)	0
Police Licensing	0	594,407	(594,407)	0
Cat Trap Bonds	0	200	(50)	150
Nomination Deposits	0	400	(400)	0
Other - Interest	0	59	0	59
MRWA - Overpayment	0	210,801	(210,801)	0
Superannuation Payments Returned	0	169	(169)	0
	<u>15,083</u>			<u>14,007</u>

24. 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	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

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

24. 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	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.

Adoption of New and Revised Accounting Standards

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

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

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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

26. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources	Administration and operation of members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services	To collect revenue in the form of rates, interest and general purpose Government grants to allow for the provision of services.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services
HEALTH	To provide an operational framework for environmental and community health	Inspection of food outlets and their control, noise control and waste disposal compliance
EDUCATION AND WELFARE	To provide services to the elderly, children and youth	The provision of pre-school facilities to relevant community groups and the support of youth in the community.
HOUSING	To provide and maintain staff and other housing	Provision and maintenance of staff and other housing
COMMUNITY AMENITIES	To provide services required by the community	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social well being of the community	Maintenance of public halls, civic centres, swimming pool, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities
TRANSPORT	To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control
OTHER PROPERTY AND SERVICES	To monitor and control Shire's overheads operating accounts	Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services

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

27. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.89	3.67	2.08
Asset consumption ratio	0.80	0.86	0.86
Asset renewal funding ratio	0.66	0.67	0.81
Asset sustainability ratio	0.65	0.96	1.59
Debt service cover ratio	6.68	7.51	3.48
Operating surplus ratio	(0.10)	(0.07)	(0.41)
Own source revenue coverage ratio	0.81	0.51	0.60

The above ratios are calculated as follows:

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

INDEPENDENT AUDITOR'S REPORT

To the Electors of the Shire of Gnowangerup

Report on the Audit of the Financial Report

Opinion

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

In our opinion the annual financial report of the Shire of Gnowangerup:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire of Gnowangerup for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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 of Gnowangerup in accordance with the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. 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.

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In our opinion, the following matters indicate significant adverse trends in the financial position or the financial management practices of the Shire of Gnowangerup:
 - a. Asset sustainability ratio as reported in Note 27 of the financial report of 0.65 is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of 0.8 for the year ended 30 June 2018; and
 - b. Operating surplus ratio as reported in Note 27 of the financial report of (0.10) is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of zero for the last three years.

- (ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law was identified during the course of our audit:
 - a. Public notice was not given for the proposal to borrow monies not included within the 2017-18 budget as required by Section 6.20 2(a) of the *Local Government Act 1995*.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

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

AMD Chartered Accountants



TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia Dated this 20th day of November 2018

20 November 2018

Mr K House
President
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335

Dear Keith

SHIRE OF GNOWANGERUP
30 JUNE 2018 MANAGEMENT REPORT

Following completion of our 30 June 2018 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of the Shire of Gnowangerup. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist Council in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate Shire of Gnowangerup's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of Shire of Gnowangerup's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what the Shire of Gnowangerup perceives should be tested.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of Council and management. As a result, it is important that management with the oversight of Council place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Significant Difficulties Encountered during the Audit

During the course of our audit, there were no areas where we experienced significant difficulties.

4.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of the Shire of Gnowangerup since 30 June 2017 in respect of the preparation of the 30 June 2018 financial report other than those changes required under Australian Accounting Standards and the Local Government Act and Regulations which are adequately disclosed.

5.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of the Shire of Gnowangerup, apart from those already disclosed.

6.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of the Shire of Gnowangerup, apart from those already disclosed.

6.0 Financial Ratio Performance Measures

A review of Shire of Gnowangerup's financial ratio as included within Note 27 of the financial report indicates the following adverse trend based on Department of Local Government and Communities guidelines:

- Operating surplus ratio calculated at -0.10 as at 30 June 2018 (-0.07 at 30 June 2017), recommended to be above zero.
- Asset sustainability ration calculated at 0.65 as at 30 June 2018 (0.96 at 30 June 2017), recommended to be 0.8.

We recommend Council continue to consider the impact on ratios and long term sustainability when making decisions regarding budgets and operational expenditures, asset renewals and long term financial plans.

We would like to acknowledge the following Shire of Gnowangerup ratios were within the guidelines:

- Current ratio;
- Debt service ratio;
- Own source revenue ratio;
- Asset consumption ratio; and
- Asset renewal funding ratio.

7.0 Audit Findings

7.1 Local Government Act Compliance Measures

In conjunction with our review of the financial statements, we also perform a review of the Shire of Gnowangerup's compliance with the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

Our review of compliance with the Local Government Act and Financial Management Regulations did not indicate any issues of non-compliance which required reporting with exception that public notice was not given for the proposal to borrow monies not included within the 2017-18 budget as required by Section 6.20 2(a) of the Local Government Act 1995.

7.2 Audit Adjustments and Unadjusted Audit Differences

As a result of discussions held during the onsite exit meeting, various adjustments were made by management to the figures initially presented for audit to the final audited financial statements including cash at bank, depreciation expense, employee provisions and classification of loan liabilities.

We confirm there were no material unadjusted audit differences identified from our audit processes.

7.3 Specific Comments and Recommendations

Please refer to Appendix 1 for specific comments and recommendations arising from our 30 June 2018 audit.

7.4 Other Matters

In accordance with the terms of our engagement letter, we have a responsibility to provide an opinion in respect to the Shire of Gnowangerup's annual financial report as to whether it is free from material misstatement. Our audit report for 30 June 2018 is unqualified with our opinion stating the financial report presents fairly the financial position of the Shire of Gnowangerup, as at and for the year ending 30 June 2018.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems. We would like to take this opportunity to thank Vin, Carol and the administration and finance team for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants



TIM PARTRIDGE FCA

Director

cc Shelley Pike
Chief Executive Officer

APPENDIX 1
Audit Recommendations for the year ended 30 June 2018

GUIDANCE TO FINDINGS RATING / IMPLICATION

Findings identified during the final audit have been weighted in accordance with the following scale:

Significant: Those findings where there is potentially a significant risk to the entity should the finding not be addressed promptly.

Moderate: Those findings which are of sufficient concern to warrant action being taken by the entity as soon as possible.

Minor: Those findings that are not of primary concern however still warrant action being taken.

AUDIT FINDINGS

1. POWER TO BORROW

Finding Rating: Significant

The Shire of Gnowangerup Council approved by absolute Majority to exercise a power to borrow \$1,000,000 from the WATC (Council meeting 25 October 2017). Public notice was not given for the proposal to borrow these monies which were not included within the 2017-18 budget as required by Section 6.20 2(a) of the Local Government Act 1995.

Implication

Non-compliance with Section 6.20 2(a) of the Local Government Act 1995.

Recommendation

We recommend one month's local public notice of the proposal to borrow be completed prior to the approval / draw down loans not budgeted.

Management Comment

This was an oversight of officers which was possibly due to the fact that the borrowing related to a cash flow facility that was needed because of the time lag between spending funds on flood damaged road works and being reimbursed by WANDRRA. Because the expenditure and revenue was already included in the 17/18 budget, officers neglected to advertise as required.

2. TENDER PROCESS

Finding Rating: Significant

We identified the Shire of Gnowangerup entered into a Contract with a supplier for gardening services whereby the contract total exceeded \$150,000 and Council's tender process was not followed.

Implication

Non-compliance with Part 11 (1) of the Local Government (Functions and General) Regulation 1996.

Recommendation

We recommend the tender process be followed in respect to contracts and purchases which exceed or is expected to exceed \$150,000 as required.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2018

Management Comment

The event of non-compliance referred to was referred to the Department of Local Government, Sport and Cultural Industries. Purchasing staff subsequently attended WALGA procurement training and an updated Purchasing Policy and procedures have almost been completed. It is anticipated that the increased focus of procurement activities will ensure similar occurrences are not repeated.

3. MASTERFILE ACCURACY AND VALIDITY

Finding Rating: Significant

We noted the Shire of Gnowangerup does not conduct an independent review of all changes and adjustments made to master files, including changes to payroll, inventory, fixed assets, revenue and expenditure. In particular there is no review for timeliness of changes made, errors, or any unauthorised changes.

We also identified that all staff currently have access to change Masterfile details within Synergy.

Implication

There is an increased risk that:

1. Required changes to the master-files are untimely;
2. Erroneous changes made to master-files have a low chance of being detected in a timely manner; and
3. Suspicious / fraudulent changes made to master-files have a low chance of being detected in a timely manner.

Recommendation

We recommend access be limited to only employees who are required to make the Masterfile changes.

We also recommend an independent review of all changes made to master files be conducted periodically. The review should involve:

- A download of all changes (new / old / modify) made to each master-file;
- A representative sample then be tested and traced to originating / supporting documentation to assure validity and timeliness; and
- A review for suspicious master-file changes (e.g. changes to bank details, unusual variations to pay-rates and amendments to existing supplier bank account details) should be performed.

Management Comment

Management appreciates this feedback from AMD and will be following up with our auditor to obtain a full list of master files that require audit tracking. Changes will then be made to SynergySoft master file permissions where possible. Additional reviews will be carried out to those that are already done periodically. We have already put in place audit trails for creditors, debtors and payroll. These reports are printed off monthly and any significant changes are identified and investigated.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2018

4. WORKS COSTING

Finding Rating: Moderate

We noted allocation rates used for Public Works Overheads (PWO) during the 2017/2018 year were too low.

As a result, PWO costs were under allocated by approximately \$151,000.

Implication

Incorrect costing's for in respect to public works overheads used during the year.

Recommendation

We recommend allocation rates and allocations to jobs be reviewed periodically during the year, to ensure there are no major under or over allocations of PWO or POC costs.

We suggest it may be appropriate to review allocation rates 3 times during the year - possibly in October/November, February/March, and May each year.

Management Comment

The reallocation percentages for PWOH and POC accounts are generally reviewed three times per year; once in November, once in February during the budget review process, and the last one generally in June where an allocation adjustment is normally made – the June allocation adjustment was overlooked and did not occur this year. The major contributor to the under-allocation was the additional leave paid out (annual, long service, sick and general duties) of \$124,000, which have no overhead percentage charged on the hours expense as they are overhead costs themselves.

It must be noted that Public Works Overheads and Plant Operation Costs are merely a reallocation of costs from one functional area to another and have no impact on the financial or cash position of the Shire.

5. PURCHASING AND PETTY CASH

Finding Rating: Minor

We identified instances whereby explanations were not noted on approved purchase orders for instances where quotes were not obtained as required by stated policies.

Furthermore, we noted the following in respect to petty cash:

- The petty cash policy does not specify sufficient detail in respect to review of reconciliations, process for obtaining funds, permitted uses, limits etc; and
- A petty cash reconciliation (performed as part of the recoup process) was not signed as evidence of review.

Implication

Non-compliance with standard Council purchasing policies.

Recommendation

Although we consider the above items to be isolated instances, we recommend purchasing policies are followed.

Furthermore, we recommend:

- the petty cash policy be enhanced to include details in respect to permitted uses, limits, process for obtaining petty cash funds, reconciliation process etc; and
- all petty cash reconciliations / recoups are signed as evidence of review and approval.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2018

Management Comment

Council's Policy Manual is due to be substantially reviewed and updated in 2018/2019. AMD's recommendations will be included in the updated petty cash policy. Purchasing policy is being updated and staff will be reminded to follow it.

6. INVESTMENT POLICY

Finding Rating: Minor

We noted that the Shire of Gnowangerup Investment Policy required under Paragraph 19 of the Local Government (Financial Management) Regulations 1996 was last reviewed and updated in 2015.

Implication

Risk that policy may be out of date or require amendment.

Recommendation

We suggest that the Investment Policy be reviewed annually to ensure it reflects current investment strategies and that Council are aware of the investment strategies adopted.

Management Comment

Council's Policy Manual is due to be substantially reviewed and updated in 2018/2019. Once this project is completed, all policies will be updated on an annual basis.

7. PAYROLL

Finding Rating: Minor

During review of payroll processes, we identified the following;

- Superannuation was not paid to an employee on normal hours worked within their termination pay; and
- Payslips generated from Synergy do not correctly reflect the Council matching superannuation contributions.

Implication

Risk of misstatement in payroll transactions going undetected.

Recommendation

We recommend a review of individual employee payroll setup be conducted when contract conditions change, to ensure the necessary updates are made.

Management Comment

IT Vision was contacted to have the Council matching contribution changed from percentage amount to dollar amount. This has been in place since May, following our interim audit.

The employee referred to in point 2 of the findings above had signed off agreeing to all amounts to be paid on termination. Staff have subsequently adjusted the termination checklist accordingly.

A note will be added to the Performance Review checklist to review the setup of individual payroll setups when contract conditions change.

4.2	STRATEGIC RISK PROFILES STATUS REPORT
Location:	N/A
Proponent:	N/A
File Ref:	
Date of Report:	20 th November 2018
Business Unit:	Corporate and Community Services
Officer:	V Fordham Lamont - Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENT

- Attachment 1 – Strategic Risk Profiles Dashboard

PURPOSE OF THE REPORT

To provide Council's Audit Committee with an update on the organisation's strategic risk management status.

BACKGROUND

Officers presented a new Risk Management Policy and Procedure to Council at its ordinary meeting of 27th September 2018. The policy was adopted at this meeting. The procedure document states:

"...the Risk Management dashboard for Strategic Risk Profiles should be presented to the Audit Committee on at least a 6-monthly basis."

Officers have provided the dashboard report to comply with this statement.

COMMENTS

Executive staff identified a number of strategic risks and a profile was created for each. The Dashboard report provides the following information for each risk profile:

- A brief description of the risk.
- A list of current actions to mitigate the risk.
- A rating as to what degree the risk can be influenced.
- A risk rating.
- A rating of how successful existing controls are.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Risk Management Policy

FINANCIAL IMPLICATIONS

Nil

COUNCIL'S VISION

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity

STRATEGIC IMPLICATIONS

Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

See Comments section above.

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Strategic Risk Profile Dashboard report is provided for noting by the Audit Committee.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION:

Moved: Cr Fiona Gaze

Seconded: Cr Richard House

AC1118.09 That the Audit Committee:

Note the Strategic Risk Profiles Dashboard.

UNANIMOUSLY CARRIED: 9/0

**Shire of Gnowangerup
Risk Dashboard Report
November 2018**

Strategic Risks

<u>Population Decline</u>	Influence	Risk	Control
	Low	Extreme	Inadequate
Inability to control or stem a decline in the Shire's population.			
Actions	Due Date	Responsibility	
<i>Consider options for resource sharing with neighbouring Shires</i>	<i>Ongoing</i>	<i>CEO</i>	
<i>Implement Digital Work Plan (1st Pillar - Internet Service) - EOI first phase</i>	<i>Dec-19</i>	<i>DCEO</i>	
<i>Continue to re-zone land to meet demand (Checkpoint)</i>	<i>Dec-19</i>	<i>CEO</i>	
<i>Develop a Housing Strategy</i>	<i>Aug-19</i>	<i>CEO</i>	
<i>Continue to encourage existing businesses to expand</i>	<i>Ongoing</i>	<i>Manex</i>	
<i>Finalise the build of two staff homes</i>	<i>Jan-20</i>	<i>DCEO</i>	

<u>Adverse Regulatory Change</u>	Influence	Risk	Control
	None	High	Inadequate
Potential changes to the regulatory landscape that will have an adverse affect on the Shire's ability maintain adequate compliance. The main area of concern (at present) is the potential legislative obligations on local governments from changes to the Local Government Act and other relevant legislation.			
Actions	Due Date	Responsibility	
<i>Continue lobbying activities</i>	<i>Ongoing</i>	<i>CEO</i>	

<u>Ineffective Leadership</u>	Influence	Risk	Control
	High	High	Inadequate
Ineffective strategic leadership of Council. This includes the relationship between Council and the CEO.			
Actions	Due Date	Responsibility	
<i>Engage Recruitment Consultant for the replacement of CEO role</i>	<i>Apr-19</i>	<i>CEO / Council</i>	
<i>Identify possible candidates for election to Council</i>	<i>Oct-19</i>	<i>Councillors</i>	
<i>Conduct change management activities to prepare for new leadership</i>	<i>Jun-19</i>	<i>CEO / Council</i>	
<i>Develop training calendar for Councillors</i>	<i>Jan-19</i>	<i>CEO</i>	
<i>Facilitate a workshop for perspective Councillors</i>	<i>Apr-19</i>	<i>CEO</i>	

<u>Financial Sustainability</u>	Influence	Risk	Control
	Medium	Moderate	Adequate
Inability to maintain service and infrastructure levels for the Shire.			
Actions	Due Date	Responsibility	
<i>Complete Asset Management Plans (Sewerage Plan) - staged approach</i>	<i>Dec-18</i>	<i>AWMC</i>	

<u>Community disruption</u>	Influence	Risk	Control
	Low	Moderate	Inadequate
Failure to adequately prepare and respond to events that cause disruption to the local community.			
Actions	Due Date	Responsibility	
<i>Review currency of Bushfire Risk Management Plan</i>	<i>Feb-19</i>	<i>DCEO</i>	
<i>Investigate options for Incident Management Training for Senior Shire Staff (CEO / DCEO)</i>	<i>Mar-19</i>	<i>CEO</i>	

COUNCIL'S VISION

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity

5. CLOSURE

There being no further business, Presiding Member Keith House closed the meeting at 3:50 pm

12. STRATEGY AND GOVERNANCE

12.1 BUDGET VARIATION
Location: N/A
Proponent: N/A
File Ref: ADM040
Date of Report: 21st November 2018
Business Unit: Strategy and Governance
Officer: R Seneviratne - Project Officer
Disclosure of Interest: Nil

ATTACHMENTS

Nil

PURPOSE OF THE REPORT

That council endorse the following budget amendments.

Account No	Description	Increase/(Decrease) Budget Allocation By
50062	Bendigo Bank contribution, No longer required	(7,180.00)
32024	Decommission of swimming pool land and buildings capital expenditure	7,180.00

BACKGROUND

The old swimming pool that was closed had to be decommissioned and filled in. A request for a quote (RFQ) was put out and advertised for a contractor to do the work.

A scope of works was included in the RFQ. According to the RFQ process it was advertised for a period of two weeks and the closing date was the 31/10/18. It was advertised in the Albany Advertiser, Facebook and the Shire’s website. There were 10 enquires from across the state and four put in submissions.

An evaluation was done based on value for money and consideration for local content. The contract was awarded to Downright Demolition (DD), Albany, which met all the requirements and was the most competitive.

The quote came in at \$37,180.00 less GST. \$30,000.00 was set aside to cover the cost of the demolition. There is a shortfall of \$7,180.00.

COMMENTS

This amendment is required to cover the shortfall of \$ 7,180.00 for the cost of the demolition. The current budget has \$21,000.00 allocated to the Bendigo Bank project and it is recommended that the shortfall comes from this account.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Part 6 Financial Management

Division 4 General financial provisions

6.8. Expenditure from municipal fund not included in annual budget

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
- (a) *is incurred in a financial year before the adoption of the annual budget by the local government; or*
 - (b) *is authorised in advance by resolution*; or*
 - (c) *is authorised in advance by the mayor or president in an emergency.*

** Absolute majority required*

(1a) In subsection (1) —

additional purpose means a purpose for which no expenditure estimate is included in the local government's annual budget.

(2) *Where expenditure has been incurred by a local government —*

- (a) *pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
- (b) *pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

[Section 6.8 amended by No. 1 of 1998 s. 19.]

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil - no negative impact to the 2018/19 Budget

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Council could decline the budget variation and request the RFQ be readvertised.

A consequence of this would be a significant delay in the decommissioning of the old pool and it would be unlikely that more competitive quotes would be received.

CONCLUSION

Supporting the recommendation will result in the 2018/19 Budget having the correct descriptions and account allocations for the completion of the demolition of the old swimming pool.

VOTING REQUIREMENTS

Absolute majority

COUNCIL RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr F Gaze

1118.122 That Council:

Approve the following budget amendments to correct the 2018/19 budget allocations:

Account No	Description	Increase/(Decrease) Budget Allocation By
50062	Bendigo Bank contribution, economic development Expenditure	(\$7,180.00)
32024	Decommission of the Swimming pool Land and Buildings capital expenditure	\$7,180.00

UNANIMOUSLY CARRIED: 9/0

12.2	ELECTED MEMBER INDUCTION MANUAL
Location:	Shire of Gnowangerup
Proponent:	N/A
File Ref:	ADM0423
Date of Report:	16 th November 2018
Business Unit:	Strategy & Governance
Officer:	S Pike – Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

Shire of Gnowangerup Elected Member Induction Manual

PURPOSE OF THE REPORT

To adopt the Shire of Gnowangerup Elected Member Induction Manual.

BACKGROUND

The Elected Member Induction Manual has been prepared to assist newly Elected Members to familiarise themselves with their role and responsibilities.

COMMENTS

The Induction Manual provides information on a range of matters including Council policies, Elected Member training, IT, meeting procedures and dates and times of relevant meetings. The manual also contains all the Shire of Gnowangerup's strategic documents on a USB stick.

Elected Members were provided with a draft copy and asked for comment. All comments received have been incorporated into the revised Induction Manual.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Nil

LEGAL AND STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Shire of Gnowangerup Elected Member Induction Manual will assist in improving the introduction to Council for future Elected Members.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr G Stewart

Seconded: Cr S Hmeljak

**1118.123 That Council:
Formally adopts the Elected Member Induction Manual.**

UNANIMOUSLY CARRIED: 9/0

Shire of Gnowangerup

Elected Member Induction Manual



Document Approval			
Document Development Officer:		Document Owners:	
Chief Executive Assistant		Chief Executive Assistant Deputy Chief Executive Assistant	
Document Control			
File Number - Document Type:	– Guideline		
Document Reference Number:			
Meta Data: Key Search Terms	Elected Member Induction Manual		
Status of Document:	not approved		
Quality Assurance:	Chief Executive Assistant, Executive Management Team		
Distribution:	Public Document		
Document Revision History			
Version	Author	Version Description	Date Completed
1.0	CEO	1 manual developed	17/11/2018

CONTENTS

Purpose	1
Scope	1
Primary Point of Contact	1
Declaration of Office.....	1
Induction Training.....	1
Councillor Professional Development Program.....	1
Code of Conduct.....	1
Communications and Social Media Policy.....	1
Disclosure of Financial Interest in Returns	2
Gifts.....	2
Access to Council Offices and Council Chambers.....	2
Councillor access to the Yougenup Road Administration Office.....	2
Security Access	2
Parking	3
How to arrange meetings with members of the Senior Staff & CEO	3
Use of Council Offices & Equipment	3
Smoking	3
Refreshments.....	3
Travel Arrangements & Reimbursement of Expenses.....	3
IPad.....	3
Email	3
Business Cards	4
Dress Standards	4
Seating Arrangements in the Council Chamber.....	4
Media Comment.....	4
Access to Information.....	4
Elected Member Fees and Expenses	5
Contact Details	5
Insurance.....	5
Record Keeping	5
Defamation and Limited Privilege Protection	6
Role of Council.....	7
Role of Chief Executive Assistant	7
Council Organisation.....	7
Main Functions of Local Government	7
Council Meetings.....	8
Council Meeting Calendar.....	8
Committee Terms of Reference:.....	8
Council Workshops and Briefing Sessions	8
Annual General Meeting of Electors	8
Standing Orders Local Law (Meeting Procedures).....	8
Drafting Councillor Alternate Motion and Amendments.....	8
Agenda Papers	8
Leave of Absence	8

Council Operations.....	8
Community Strategic Plan	8
Corporate Business Plan	8
Council Policies.....	9
Annual Report	9
Review Position and Date	9
Associated Documents/Attachments	9

Attachments:

1. Annual Budget
2. Annual Report
3. Long Term Financial Plan
4. Manual: Governance Manual
5. Form: Councillor Personal Details Form
6. Form: Declaration of Interest Form & Financial Interests Handbook
7. Form: Gift & Travel Disclosure Form & Instruction Sheet
8. Form: Primary Return Form & Instruction Sheet
9. Form: Annual Return Form
10. Form: Travel Expenses Claim & Quarterly Mileage Claim Forms
11. Info Sheet: Contact List – President & Councillors
12. Info Sheet: Council Meeting Calendar
13. Info Sheet: Effective Committee Chairing and Support
14. Info Sheet: Guide to Local Government
15. Info Sheet: Records: Which records to capture? – Information Sheet
16. Info Sheet: Shire Map
17. Local Law: Meeting Procedures (Standing Orders)
18. Policy: Code of Conduct (Council Members, Committee Members, Staff and Volunteers) Policy
19. Policy: Elected Member Communications Policy
20. Policy: Governance & Meeting Framework (*Terms of Reference for Council Committees*)
21. Policy: Governance Charter
22. Policy: Handling of Complaints by or against Elected Members Policy
23. Policy: Handling of Complaints by or against the Chief Executive Assistant Policy
24. Policy: Mobile Devices Supplied to Staff and Elected Member Guideline
25. Policy: Risk & Opportunity Management Framework & Policy
26. Policy: Communications and Social Media Policy
27. Strategy: Community Strategic Plan
28. Strategy: Corporate Business Plan

Purpose

This guideline has been prepared to assist Elected Members in fulfilling their role and responsibilities.

Scope

This guideline is applicable to both current serving and newly Elected Members.

Primary Point of Contact

Should you have any questions regarding your induction, please contact the [Executive Assistant](#) on 9827 1007.

Declaration of Office

As a Councillor Elect, you will be required to make your Declaration following your election.

This will be held on a designated evening post the election in the Council Chambers located at the Shire of Gnowangerup Administration Building, 28 Yougenup Road Gnowangerup.

Please note: An offence will be committed should a Councillor Elect act as an elected member prior to making the necessary Declaration of Office.



Induction Training

An initial administrative induction will be held post the election with individuals in the Ante Room with the [Chief Executive Officer](#).

Attendance on training course and briefings assists in building a strong Council team, both as a governance body and as a “social” team.

Professional development training courses will also be made available throughout the year and an annual Councillor Training Calendar will be developed.

The Western Australian Local Government Association ([WALGA](#)) runs a series of training programs specifically designed for elected members.

WALGA training sessions will be conducted for all elected members in Albany following the election.

Whilst attendance at organised training sessions is not mandatory, it is strongly encouraged.

A budget line exists for the provision of training and associated costs, such as meals, accommodation and travel.

Please contact the [Executive Assistant](#) on 9827 1007 to register for training.



Councillor Professional Development Program

A councillor professional development program is being planned and we are hoping to involve other Councils in the Great Southern. Further information will be provided in the near future.

Code of Conduct

It is essential that at all times elected members act with the utmost integrity, honesty, transparency and accountability.

The Code of Conduct for elected members, as required by section 5.103 of the *Local Government Act 1995* (the Act), provides guidance to elected members of the acceptable standard of professional conduct required.

A copy of the Code of Conduct is attached and available on the Shire’s website

Communications and Social Media Policy

Council has a Communications and Social Media Policy which establishes protocols for the Shire of Gnowangerup’s official communications to ensure the Shire is professionally and accurately represented and to maximise a positive public perception of the Shire.

Disclosure of Financial Interest in Returns

Elected Members are required to submit Primary and Annual Financial Interest Returns.

Your Primary Return must be lodged within three months of your start date to the Chief Executive Assistant.

This means that your Primary Return must be lodged with the Shire **no later than the second week of January following the election.**

Written acknowledgement of the receipt of your return will be provided and your return will be placed on the Financial Interests Register.

A Primary Return Form and Instruction Sheet is available in your [welcome pack](#).

Gifts

Notifiable Gifts and Travel Contributions are to be disclosed in accordance with the *Local Government (Rules of Conduct) Regulations 2007*.

Under regulation 12 of the *Local Government (Rules of Conduct) Regulations 2007*, when a council member is given or offered a gift by anyone who is undertaking, or may be intending to undertake, certain dealings with the Shire of Gnowangerup, the member is required to:

- Notify the local government's CEO within 10 days of any gift accepted with a value between \$50 and \$300; and
Refuse to accept any gift or contribution to travel valued at \$300 or more. When council member is given more than one gift by the same person in a six-month period, all those gifts become 'notifiable' at any point that their total value is between \$50 and \$300, and further gifts from that person become 'prohibited' at the point that the total value of gifts accepted will be \$300 or more.

Please refer to the Code of Conduct attached for further details on your obligations (attached).

Note: If, during your election campaign, you received assistance in excess of \$200 in value, whether cash or services, it must also be declared by you.

A Gift & Travel Contribution Disclosure Form is attached.

Access to Council Offices and Council Chambers

Normal office hours at the Shire of Gnowangerup Administration building are 9.00am to 4.30pm.

Councillor access to the Administration Office

Security Access:

Councillor access is through the front door and signing in during office hours. After 5.00pm Councillors can buzz the backdoor and staff will attend to open the door.

Parking:

Parking is provided at the front of the Council Chambers. Please use this parking when attending Council or Committee meetings.



How to arrange meetings with members of the Senior Staff & CEO

Should you wish to book a meeting with any of the Senior Management Team (excluding the Chief Executive Officer) please contact the [Executive Assistant on 9827 1007](#) to make an appointment.

Should you wish to book a meeting with the Chief Executive Officer, please contact the [Executive Assistant to the CEO on 9827 1007](#).

Use of Council Offices & Equipment

The Ante room adjacent to Council Chambers is available for any informal meetings. Bookings can be made by contacting the [Executive Assistant to the CEO on 9827 1007](#).

Use of and access to the President's office is at the discretion of the President.

For administrative support such as photocopying, please contact the [Executive Assistant on 9827 1007](#).

Smoking:

As a general rule Smoking is prohibited in all Shire of Gnowangerup buildings and grounds, however, there is a designated smoking area, outside, provided at the rear of the Administrative Building.

Refreshments:

Refreshments are provided following the Briefing Session and Council meetings. A meal will be provided following the Executive and Councillor Workshop.

Travel Arrangements & Reimbursement of Expenses:

Elected members can be reimbursed for travel costs associated meeting attendance such as travel, child care and meal expenses. Receipts for

this expenditure must be provided at the time of making the claim.

The Travel Expenses Claim & Councillor Quarterly Mileage Claim Forms are attached. Additional copies are available upon request.

The [Executive Assistant](#) will provide assistance with training and travel arrangements, and also reimbursement of claims.



IPad:

All elected members are provided with an iPad for use in their role as an elected member. A limit of 4 GB download per month is included at no cost to elected members. This iPad remains the property of the Shire and must be returned at the end of an elected member's term in office.

Assistance with your iPad can be provided, please contact the [Executive Assistant on 9827 1007](#)

Email:

Your personal email address will be used in your role as an elected member. An iPad will be provided to elected members for Council business.

Use of mobile devices supplied by the Shire is covered by the Mobile Devices Supplied to Staff & Elected Members Guideline (attached).

Business Cards:

Business cards can be provided on request, with your preferred name, and contact details i.e. telephone numbers and email address. These business cards are provided for use in your role as an elected member only, and are not for use for electioneering or private business.

Please refer to section 8 of the *Local Government (Rules of Conduct) Regulations 2007* for your responsibilities under the Act with regards to direct or indirect use of local government resources.

Dress Standards

For Council meetings and functions men should wear smart business attire i.e. trousers, jacket and tie for men, and the equivalent for women.

Other civic engagements and functions may require different standards of attire. Official invitations will specify dress standards, but if you are unsure the [Executive Assistant](#) will be happy to provide assistance in this matter.

Seating Arrangements in the Council Chamber

The seating position of Elected Members in the Council Chamber is determined by the President at the first meeting after each Election Day.

Each Member is to occupy their allotted position at each Council Meeting.

Media Comment

Under the provisions of the *Local Government Act 1995*, the President is the spokesperson to the media on Council matters.

The President may, at his or her discretion, authorise an elected member or the CEO to speak on his or her behalf.

Access to Information

Elected members may access certain documents beyond that which the general public can access; including the right to inspect any Council document dealing with Council business, providing it is relevant to a matter being discussed by Council.

The member who obtains such information is not to use the information for their own interests, unconnected with Council activities, or to detriment of Council.

In deciding what is proper and reasonable access, a legal opinion on this issue states:

“The Council has a right to determine for itself what documents and correspondence a Councillor is entitled to inspect. In the absence however of such a decision, whether such a right exists, is properly determined by the Councillor’s need to know the information contained in the correspondence or document.

Whilst there are no Australian court decisions directly on this point, the position in England is quite clear. The appropriate test has been dubbed the “need to know” test, which was examined by the House of Lords in R v Birmingham Shire District Council 1983 1 All ER 497 where it was held that:

- *A Councillor was entitled to have access to documents that were relevant to a particular committee of which he was a member provided that he had a good reason for such access; and*
- *A Councillor has no automatic right of access to documents of a committee of which he is not a member but could gain access to that information if he established that the information sought was needed by him to enable him to properly discharge his duties as a Councillor.*

The Chief Executive Officer must ensure that in granting elected members access to information there is compliance with the law, including State and Federal Privacy laws.

This requires the Chief Executive Officer to ascertain why the elected member is seeking access, the precise nature of the request and the particular papers sought, together with any required consents from individuals the subject of the information, which is being requested.

If the request establishes motivation outside the general guideline of assisting the member in the proper discharge of their responsibilities, or is otherwise unlawful, the Chief Executive Officer is entitled to refuse such a request

Elected Member Fees and Expenses

Under law, elected members receive fees for attendance at Council and Committee meetings, and reimbursement for the cost of travel and meals where applicable.

The President and Deputy President receive additional allowances with the Deputy President receiving a payment equivalent to 25% of the Presidential allowance.

Elected members receive an annual IT allowance.

This is to pay for any IT requirements such as computer, printer, internet access or telephone.

Elected member's allowances are paid directly into their bank accounts twice a year in arrears.

Your bank account details should be provided by you on the [Councillor Personal Details Form](#) attached.

Elected Member allowances are prescribed by the Salaries and Allowances Tribunal. Further information can be sourced from the Salaries and Allowances Tribunal website: www.sat.wa.gov.au



DEDICATED MEMBER
WEBPAGES

Contact Details

Please ensure that you complete the [Councillor Personal Details Form](#) attached and return to the [Executive Assistant](#) as soon as possible.

Insurance

The elected members and their spouse/partner are covered by personal accident insurance whilst engaged in any engagement directly or indirectly connected with or on behalf of Council, including while travelling directly to and from the engagement.

Elected members are also generally covered by insurance against liability to pay civil damages, claimant's legal costs and the costs incurred in defending a claim.

To ensure they have the benefit of insurance cover, elected members have a duty to act prudently while performing duties connected with or on behalf of the Council.

Record Keeping

Mail addressed to elected members will be opened by the Shire's Records staff and registered on the Shire's record management system. The only exception to this is mail marked "*Personal*", "*Private*" or "*Confidential*".

The [Executive Assistant](#) is available to provide advice on recording keeping compliance in accordance with the State Records Act.

Defamation and Limited Privilege Protection

Elected members should be aware that no Parliamentary Privilege exists in local government.

As an elected member you have both legislative and general obligations at law. An unfounded allegation made by an elected member which damages the reputation of another person may be defamatory. Most defamation actions are conducted as civil proceedings in which an award of damages is sought as compensation.

Section 345(1) of the Criminal Code of Western Australia establishes an offence of criminal defamation, specifically:

(1) A person who, without lawful excuse, publishes matter defamatory of another living person (the victim) —

- a. knowing the matter to be false or without having regard to whether the matter is true or false; and*
- b. intending to cause serious harm to the victim or any other person or without having regard to whether such harm is caused, is guilty of a crime and is liable to imprisonment for 3 years.*

Summary conviction penalty: imprisonment for 12 months and a fine of \$12 000.

(For defamation purposes, “publishes” simply means to communicate to another person.)

It is necessary to understand that an allegation made by an elected member because they believe it to be true and in the public interest may not protect the member from legal action. An allegation is a very serious matter and will only be considered true when the proper investigating authority, or a court, makes a finding to that effect.

If an elected member has evidence of improper conduct by another person (such as dishonesty or corruption) their responsibility is to report the matter to the Corruption and Crime Commission, not to make any allegation about the matter in the absence of investigative findings by the appropriate authority.

Other actions which may be unlawful may also be investigated by the Corruption and Crime Commission. Under the *Corruption and Crime Control Act* misconduct occurs where a public officer whilst acting or purporting to act in his or her official capacity commits an offence punishable by two or more years' imprisonment.



Role of Council

Under the *Local Government Act 1995* the role of Council is focused on decision making. Implementing the decisions of Council, service delivery and general administration is the role of the Chief Executive Officer. In its decision making role, Council is responsible for setting Council policy and strategic direction, actively shaping the community and ensuring the Chief Executive Officer is effectively running the Shire through good stewardship of assets, transparent arrangements and in line with legislative obligations.

The role of President or Councillor involves a commitment to constituents to achieve effective local government which improves the Shire of Gnowangerup community.

The *Local Government Act 1995*, Section 2.8 explains the role and the President and Section 2.10 that of Councillors.

Under the provisions of the *Local Government Act 1995*, the President is the spokesperson to the media on Council matters. Individual elected members are not permitted to speak about or on behalf of Council unless authorised by the President.

Role of Chief Executive Officer

The Chief Executive Officer is responsible for making recommendations to Council and implementing Council decisions, providing they are legal.

The Chief Executive Officer has delegated powers and responsibilities to do this. The specific delegations are detailed in the Delegations Register. The role and functions of the Chief Executive Officer are set out in the Act.

Council Organisation

The Shire of Gnowangerup currently nine Councillors representing our three towns and wider community. The President is elected by the Councillors at the first meeting following election day which is in October every second year.

Main Functions of Local Government

Details of functions are detailed in the Shire of Gnowangerup organisation chart attached.

Council Policies

Council policies are reviewed every two years or earlier if required.

Council policies can be sourced from the Shire of Gnowangerup [website](#).

Annual Report

The Shire of Gnowangerup is required to produce an annual report each year, and this must contain the audited accounts. The Shire's financial statements are audited in the first quarter of each financial year, and the annual report is presented to Council as soon as practicable after the conclusion of the audit.

A copy of the Shire of Gnowangerup Annual Report is [attached](#). Past annual reports can be sourced from the Shire of Gnowangerup website.

Review Position and Date

This guideline was approved Council on 28th November 2018.

This guideline is to be reviewed by the document owner prior to an ordinary local government election.

- Annual Budget
- Annual Report
- Long Term Financial Plan
- Manual: Governance Manual
- Form: Councillor Personal Details Form
- Form: Declaration of Interest Form & Financial Interests Handbook
- Form: Gift & Travel Disclosure Form & Instruction Sheet
- Form: Primary Return Form & Instruction Sheet
- Form: Annual Return Form
- Form: Travel Expenses Claim & Quarterly Mileage Claim Forms
- Info Sheet: Contact List – President & Councillors
- Info Sheet: Council Meeting Calendar
- Info Sheet: Effective Committee Chairing and Support
- Info Sheet: Guide to Local Government
- Info Sheet: Records: Which records to capture? – Information Sheet
- Info Sheet: Shire Map
- Local Law: Meeting Procedures (Standing Orders)
- Policy: Code of Conduct (Council Members, Committee Members, Staff and Volunteers) Policy
- Policy: Elected Member Communications Policy
- Policy: Governance & Meeting Framework (Terms of Reference for Council Committees)
- Policy: Governance Charter
- Policy: Handling of Complaints by or against Elected Members Policy
- Policy: Handling of Complaints by or against the Chief Executive Assistant Policy
- Policy: Mobile Devices Supplied to Staff and Elected Member Guideline
- Policy: Risk & Opportunity Management Framework & Policy
- Policy: Communications and Social Media Policy
- Strategy: Community Strategic Plan
- Strategy: Corporate Business Plan

**12.3 PROPOSED NEW OCCUPATIONAL HEALTH AND SAFETY (OSH)
CONTRACTORS MANAGEMENT POLICY**

Location:	N/A
Proponent:	N/A
File Ref:	ADM0175
Date of Report:	20 th November 2018
Business Unit:	Strategy and Governance
Officer:	A van Zyl – Corporate Support Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Occupational Safety and Health (OSH) Contractors Management Policy

PURPOSE OF THE REPORT

For Council to adopt the “OSH Contractors Management Policy” and approve its inclusion in the Shire of Gnowangerup Policy Manual.

BACKGROUND

In October 2016, the Shire undertook a Tier 1, Safety Assessment, performed by Emma Horsefield from LGIS. Even though the Shire had achieved an overall score of 88% in safety, it was concluded that the Shire does not currently consult with Contractors on OSH related issues. The assessor advised that the Shire would benefit from having processes and procedures in place to assist in the management of contractors.

COMMENTS

This document was developed to assist Officers in addressing the issue of managing contractor safety. It is provided as a guide for both Contractors and Officers.

The aim of the Policy for Contractors is to advise them of their responsibilities and liabilities in respect to safety and health, insurances, licence requirements, etc. prior to the commencement and for the duration of the contract.

The aim of the Policy for Officers is to assist them in defining the correct scope of works and identifying the associated risk classification for the contract, and the requirements for managing the Contractor according to the risk classification during and upon completion of the contract.

By developing and implementing an OSH Contractors Management Policy, Council will ensure a pass mark in the “Consultation and Communication” category in the Tier 2 Risk Assessment due to take place in October of 2019.

CONSULTATION

- Monty Archdale, Regional Risk Coordinator, Great Southern, LGISWA

LEGAL AND STATUTORY REQUIREMENTS

Council has a statutory obligation to fulfil its primary duty of care under the *Occupational Safety and Health Act 1984*, the *Occupational Safety and Health Regulations 1996*, and extending to the *Worker’s Compensation and Injury Management Act 1981*, to provide a healthy, safe and productive working environment for all workers, and other people (including Contractors) that may be exposed to Council’s undertakings.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Community Plan

Theme: A Sustainable and Capable Council

Objective: Provide accountable and transparent leadership

Strategic Initiative: Continue to develop a policy framework that guides decision making

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The aim of the proposed policy is to provide a “toolkit” to Officers to assist them in defining the correct scope of works and the associated risk classification for the contract, and the requirements for managing the Contractor according to the risk classification during and upon completion of the contract. The Officer believes this objective is met with the proposed policy.

VOTING REQUIREMENTS

Absolute majority

COUNCIL RESOLUTION

Moved: Cr C Thomas

Seconded: Cr F Hmeljak

1118.124 That Council:

- 1. Adopts the new Occupational Safety and Health (OSH) Contractor Management Policy; and**
- 2. Approves its inclusion in the Shire of Gnowangerup Policy Manual.**

UNANIMOUSLY CARRIED: 9/0



OSH CONTRACTORS MANAGEMENT POLICY



SHIRE OF GNOWANGERUP

.....	1
OSH CONTRACTORS MANAGEMENT POLICY	1
1. Introduction.....	1
2. Legal Responsibility	1
3. Determining the Level of Risk – High, medium or Low?	1
LOW RISK CONTRACTS FLOWCHART	2
MEDIUM RISK CONTRACT FLOWCHART	3
Prior to selecting contractor	
HIGH RISK CONTRACTS FLOWCHART	4
4. Contractor Occupational, Safety and Health Responsibilities.....	5
4.1 Demonstrated evidence of OSH Management System.....	5
4.2 Managing the Risks of Plant	10
4.3 Safe Work Method Statements (SWMS) for High Risk Construction Work	10
4.4 Skills and Competencies	11
4.5 Induction.....	12
4.6 Site Safety Talk Toolbox Meetings.....	12
4.7 Electrical	13
4.8 Hazardous Substances.....	13
4.9 Lifting Gear and Equipment.....	13
4.10 Plant and Equipment Register	13
4.11 Personal Protective Equipment (PPE)	13
4.12 First Aid.....	14
4.13 Emergency Procedures.....	14
4.13.1 Contractors Working Autonomously.....	14
4.13.2 Contractors Working in Staffed Shire Facilities	15
4.14 Amenities.....	15
4.15 Motor Vehicle Movement Plans & TCP’s.....	15
4.16 Subcontractors	15
4.17 Warning Signage and Public Safety	16
4.18 Permits to Work.....	16

4.19	Visitors to Work Sites	16
5.	Incident/Injury Notification	16
6.	Occupations Safety and Health Questionnaire (Appendix 1).....	17
8.	Contractor Site Specific Health and Safety Management Plan Content Checklist.....	17
7.	OSH Responsibilities for Contractors (Appendix 2)	17
9.	Insurance	18
10.	Contractor Safety Sign-On Checklist (Appendix 5)	18
11.	Disability Considerations	18
	APPENDIX 1: PRE-QUALIFICATION OCCUPATIONAL SAFETY AND HEALTH QUESTIONNAIRE	20
	APPENDIX 2: OSH RESPONSIBILITIES FOR CONTRACTORS	24
	APPENDIX 3: CONTRACT DEFINITION AND RISK CLASSIFICATION FORM.....	26
	APPENDIX 4: CONTRACTOR SAFETY AND HEALTH MANAGEMENT PLAN CONTENT CHECKLIST FOR MEDIUM AND HIGH RISK ACTIVITIES	27
	APPENDIX 5: CONTRACTOR SAFETY SIGN-ON CHECKLIST	29
	APPENDIX 6: CONTRACTOR OCCUPATIONAL SAFETY AND HEALTH ASSESSMENT	30
	APPENDIX 7: POST CONTRACT EVALUATION	33
	APPENDIX 8: DISABILITY ACCESS AND INCLUSION PLAN (DAIP) CONTRACTOR PROGRESS REPORTS ...	34

1. Introduction

This document was developed to assist Shire of Gnowangerup (SOG) Officers in addressing the issue of managing contractor safety. This document is provided for Contractors and SOG Officer's use as a guide on the information to be provided by Contractors and items to be placed within the contractual tender or arrangement.

The Shire of Gnowangerup has a statutory obligation to fulfil its primary duty of care under the *Occupational Safety and Health Act 1984*, the *Occupational Safety and Health Regulations 1996*, and extending to the *Worker's Compensation and Injury Management Act 1981*, to provide a healthy, safe and productive working environment for all employees, and other people (including Contractors) that may be exposed to SOG's undertakings.

2. Legal Responsibility

As stated in the introduction of this document, the SOG has a Primary duty of care, as prescribed in section 23D of the *Occupational Safety and Health Act 1984*, to ensure that any person, while engaged in undertaking CONTRACT WORKS¹ for the Shire, suffers no harm.

Contractors have an equal safety legal responsibility to ensure they, and their employees and subcontractors employees work in a safe manner, and comply with Occupational Safety and Health (OSH) legislation and Shire policies and procedures.

It is important to remember that:

- Assigning by contract does not remove the individual statutory duty of care obligations under the OSH legislation, i.e. OSH cannot be outsourced.
- More than one party may have duty of care obligations for OSH at any one time.
- It is no defence to argue that other parties have compromised your capacity to adequately address OSH responsibilities.

Throughout this document there are many procedures that SOG Manager's and Contractors need to follow to ensure that they are fulfilling their OSH statutory duty of care obligations.

Shire of Gnowangerup (SOG)	Contractor
Advise contractors on identifying and elimination of site risks, review contractor project safety plan, Induct contractor and conduct regular checks	Identify, assess and manage project risks, induct all visitors and employees, train, brief and supervise all project employees and report and record all incident(s) as soon as possible as per legislative requirements
Appoint a principal Contractor for high-risk construction projects, if required.	Ensure all projects employees to have appropriate construction tickets/licenses and comply with project safety rules as per legislative requirements.

3. Determining the Level of Risk – High, medium or Low?

SOG manages a very broad range of contracts. The contracts vary in the level of risk, the duration of the contract and the value of the contract. There is a need to distinguish between high, medium and low risk contracts and develop a practical approach to managing contractors. Irrespective of the elements of the

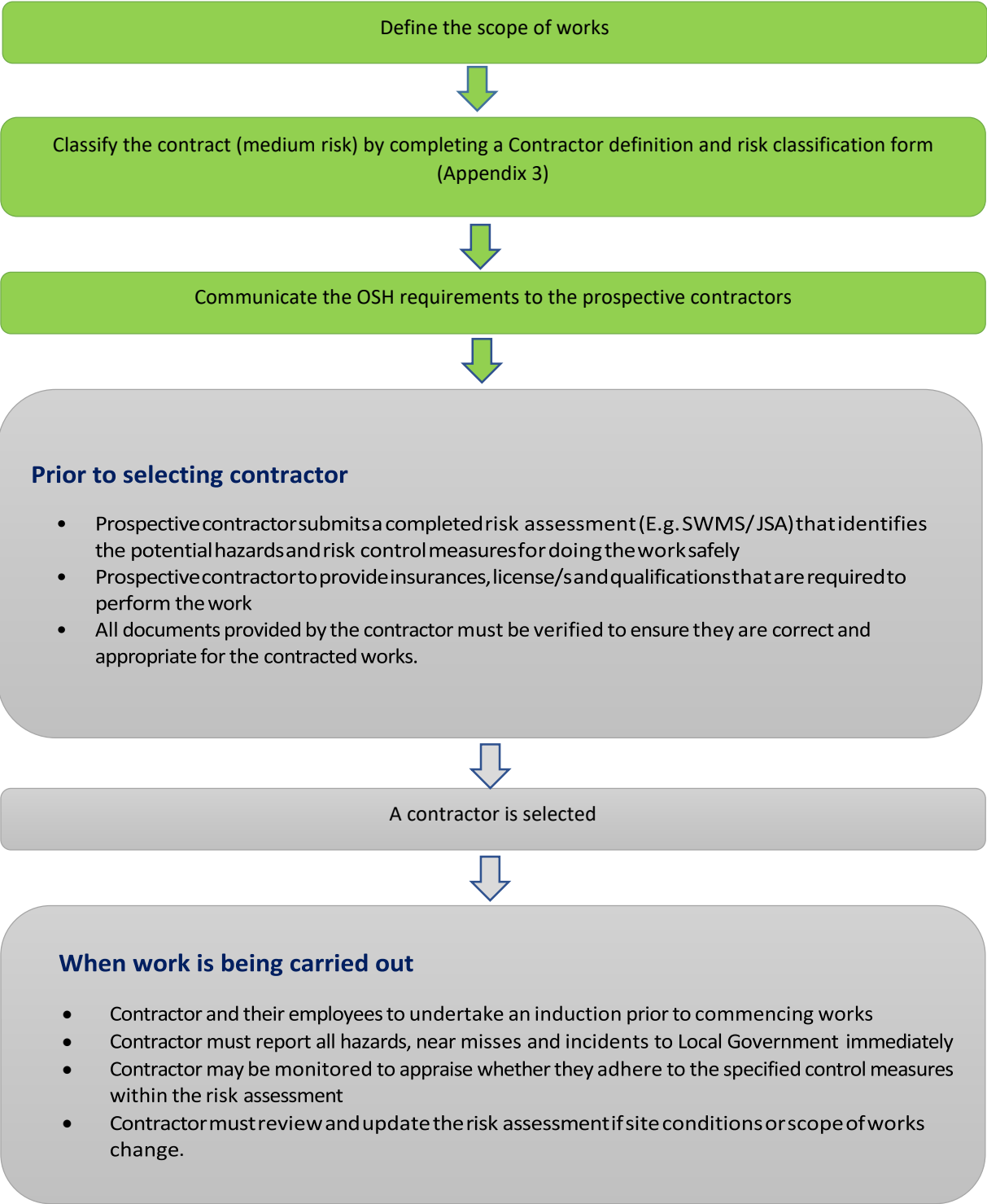
¹ *CONTRACT WORKS*, will have the meaning throughout this document as being specific works that the Contractor has been engaged to complete on behalf of the Shire of Gnowangerup

contract, the defined difference between the types of contracts does not reduce the safety and health obligations on Contractors or the SOG under the OSH legislation.

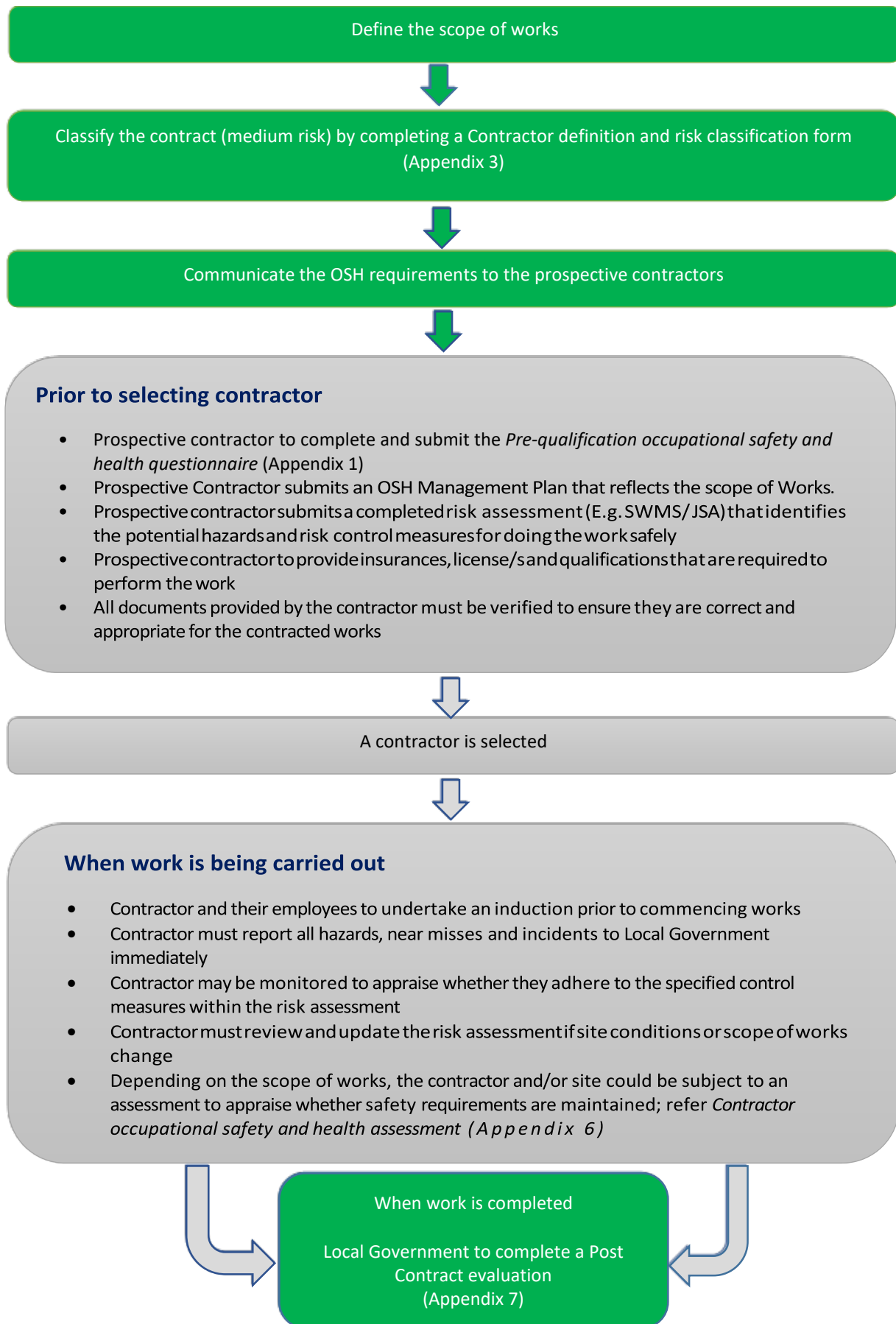
It is imperative to establish the level of risk associated with a contract. The level of risk associated with the contract will determine what documentation the SOG is required to receive from the contractor **before** the contract commences. The level of risk will also have potential implications upon public liability and Workers' Compensation responsibilities.

The following risk flowcharts should be used to establish the level of risk and which documentation is to be provided by the Contractor to the SOG.

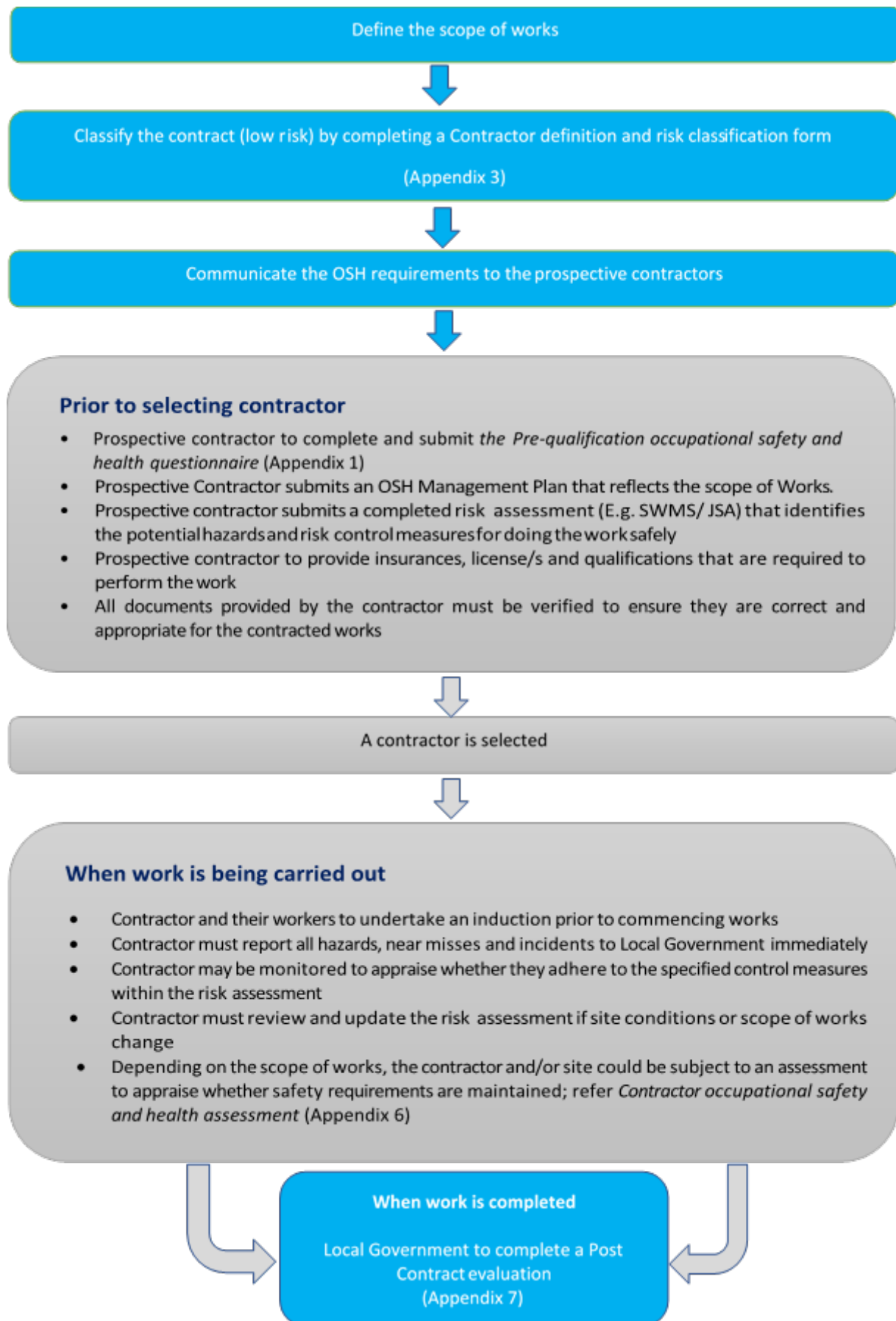
LOW RISK CONTRACTS FLOWCHART



MEDIUM RISK CONTRACT FLOWCHART



HIGH RISK CONTRACTS FLOWCHART



It is important to clearly define the contract type. If you are not sure how to define a contract, please contact the Shire's Risk Coordinator.

Also, at the completion of the contract term, the contractor is required to sign an incident record form or provide a declaration letter with company letterhead stating that there were no incidents or injuries throughout the duration of the contract. Or, if there were incidents or injuries, a copy of the incident report must be forwarded to the Manager responsible and the Shire's Risk Coordinator. This record must be kept in case a contractor returns to the SOG to claim Workers' Compensation.

4. Contractor Occupational, Safety and Health Responsibilities

All contractors need to undergo and follow the safety and health procedures contained within this document, and in compliance with the *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996*, and the *Worker's Compensation and Injury Management Act 1981*.

Most of the procedures below will apply to all contracts. However, there will be circumstances where some procedures will not need to be fulfilled. For example, if someone was to tender for a cleaner to clean an administration building, they will not need to adhere to a Motor Vehicle Movement Plan.

4.1 Demonstrated evidence of OSH Management System

4.1.1 OSH Management Plan

The successful Contractor for a medium or high-risk contract will be required to submit an Occupational Safety and Health Management Plan for the work *prior* to commencing the contract, addressing site specific OSH issues relevant to the contract. The OSH Management Plan will document the safe work methods to effectively manage the identified risks.

It is the duty of the principal contractor to prepare an OSH Management Plan for construction projects in accordance with Regulation 3.142 of the *OSH Regulations 1996*. **THE SHIRE OF GNOWANGERUP REQUIRES THIS INFORMATION FOR ALL MEDIUM AND HIGH-RISK CONTRACTS.**

4.1.2 Risk Assessments

SOG will require the contractor to undertake work site risk assessment(s) for the described works prior to commencement. The initial risk assessment should be undertaken in consultation with the Shire Officer deemed to be responsible for the contract.

This process needs to be documented stating who undertook the risk assessment. The assessment is to help identify the hazards and the controls that needs to be implemented to control the associated risk of the identified hazards. In addition to this requirement the risk assessments are to be used to develop Safe Work Method Statements (SWMS) See 4.3.

Please complete the **CONTRACT DEFINITION AND RISK CLASSIFICATION FORM** (Appendix 3) as part of your risk assessment. The Risk Matrix below should be used when completing Risk Classification Form.

The following Risk Matrix should be used to classify your risk

Risk Matrix

RISK MATRIX						
CONSEQUENCE						
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
LIKELIHOOD						
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria

Risk rank	Description	Criteria
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedure and subject to semi-annual monitoring
HIGH (10-16)	Urgent attention required	Risk acceptable with excellent controls, managed by senior management/executive and subject to monthly monitoring
EXTREME (17-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring

Consequence Table

The following is a guide to determining consequence.

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

Likelihood Table

The following can be used as a guide for determining likelihood.

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

4.1.3 Hazard Identification

During risk assessment Contractors will need to identify the hazards associated with all tasks to be undertaken and continually undertake risk assessments for the duration of the CONTRACT WORKS. The following is a guide of hazards that may be identified:

- Physical hazards: noise, manual handling, working from heights, excavations,
- Chemical hazards: possible inhalation, absorption by skin contact, indigestion,
- Electrical hazards: underground cabling, overhead power lines,
- Biological hazards: needle stick injury, handling of wastes, infections,
- Radiation hazards: UVR from the sun, UV lights, lasers,
- Psychological hazards: conditions that may lead to stress.

4.1.4 Hazard Identification and Reporting

Contractors are required to identify and eliminate any hazard that may cause harm to an employee, so far as reasonably practicable, and if elimination is not reasonably practicable, then minimise this hazard so far as reasonably practicable for any hazards that may arise during the CONTRACT WORKS.

Contractors must report and communicate all new significant hazards that arise whilst undertaking CONTRACT WORKS to the relevant SOG Officer immediately.

As per regulation 3.141 of the *Occupational Safety and Health Regulation 1996* the Contractor must keep record of the following:

- Information relating to:
 - identification of hazards to which a person at the construction site is likely to be exposed to; and
 - assessing the risk of injury or harm to a person resulting from those hazards; and
 - considering the means by which the risk may be reduced.
- The level of detail to be recorded must be appropriate for the nature of the hazard and the degree of risk.
- All information recorded under Regulation 3.141 is kept until the construction work has been completed.

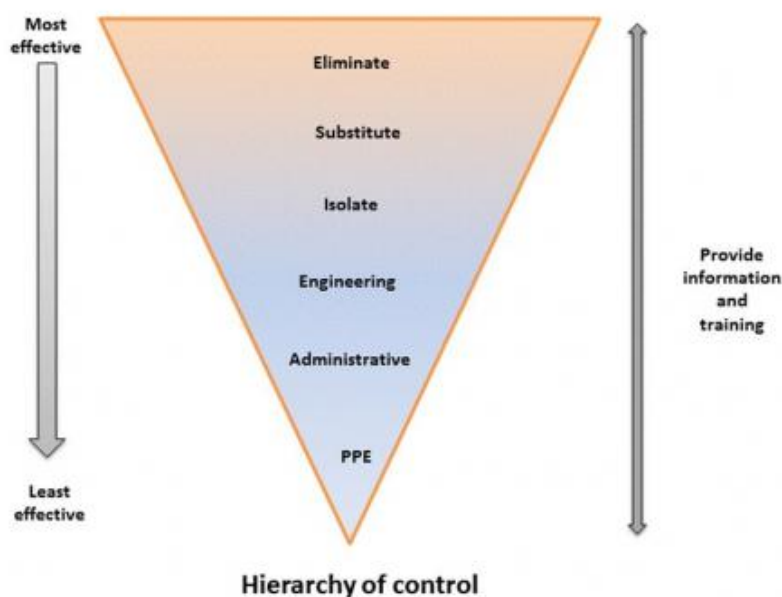
Contractors will need procedures in place to assess, record, report and investigate hazards that occur on or to and from the worksite.

Contractors are required to inform their employees and subcontractors of the identified hazards associated with the CONTRACT WORKS and will ensure employees and subcontractors are competent in implementing correct controls when hazards arise. This should be addressed and documented during the initial induction and toolbox meetings throughout the contract.

It is the responsibility of the Contractor to ensure that they comply with the *Occupational Safety and Health Act 1984 and the Occupational Safety and Health Regulations 1996*, and any other relevant Federal and State Acts governing the contract work.

4.1.5 Hazard Control

The ways of controlling risks/hazards are ranked from the highest level of protection and reliability to the lowest as shown in the figure below. This ranking is known as the hierarchy of risk control.



The aim by the Contractor should always be to eliminate the hazard, which is the most effective method of control. If this is not reasonably practicable, then the risk should be minimised by working through the other alternatives in the hierarchy.

If a hazard is identified, the Contractor shall immediately take all practicable steps to:

- ***Eliminate*** it, or if not reasonably practicable to eliminate it;
- ***Substitute*** it with a less risky alternative; or
- ***Isolate*** it, or if not reasonably practicable to isolate it; minimise the risk by
- Adding in ***Engineering*** (e.g. guard or barricade) measures or;
- Use ***Administrative*** (SWMS or further training) controls; or
- Use ***Personal Protective Equipment*** (PPE).

A combination of the above measures may be required to minimise the risk to the lowest level reasonably practicable if no single measure is sufficient for that purpose.

4.2 Managing the Risks of Plant

Contractors will provide the Plant and Equipment necessary for the performance of the CONTRACT WORKS. All tools and machinery will be maintained in good working order in accordance with the OSH Legislation and Regulations and the Shire's requirements.

4.3 Safe Work Method Statements (SWMS) for High Risk Construction Work

All Contractors must provide the Shire of Gnowangerup with copies of the site specific SWMS for all tasks associated with the contract, which have been identified as having safety risks. SWMS should be derived from the risk assessment undertaken (refer 4.1.2 Risk Assessment)

All Contractors undertaking CONTRACT WORKS for the SOG are required to comply with the relevant Parts of the *Occupational Safety and Health Act 1984, Occupational Safety and Health Regulations 1996* and associated Codes of Practice, safety guidelines or other documentation. In particular, Contractors are responsible for providing SOG with SWMS for all activities of the proposed contract.

Prior to the commencement of any CONTRACT WORKS, the SOG must be satisfied that all functions undertaken by the Contractor are covered by an appropriate SWMS. It is the Contractor's responsibility to make available to the responsible Shire Officer, a signed and dated copy of their SWMS's.

Works must **NOT** commence until the responsible Shire Officer has given authorisation for the works to commence.

4.4 Skills and Competencies

Where plant, equipment or vehicle operation is required under the CONTRACT WORKS, the successful contractor must produce their original certificates of competency (training records as required) and any relevant licenses to the Shire. SOG will require a copy of these certificates **prior** to the work commencing.

PLANT OPERATOR COMPETENCY ACCREDITATION EVIDENCE

Contractors should be able to demonstrate evidence that plant operator training and assessment has been delivered by a Registered Training Organisation or Institute.

Plant requiring accredited training and assessment qualifications/licenses includes, but are not limited to, operators of

- Cranes (all types)
- Forklift Trucks (LF & LO)
- Hoists (WP, BP, HM & HP)
- Dogging (DG)
- Rigging (RB, RI & RA)
- Scaffolding (SB, SI & SA)
- Pressure Equipment (BB, BI, BA, ES & TO)
- Demolition Work
- Asbestos Removal

Contractors that are unable to provide evidence of accredited plant operator training and assessment qualifications will not be allowed to carry out work on SOG worksites or facilities.

If it is found that a contractor provided certificates or licences that are fraudulent, expired or not appropriate for use on the contract then he CEO has the right to take action against the contractor. Such actions include but are not limited to:

- Directing the Contractor to remove an individual from the contract who may be operating under a fraudulent, expired or inappropriate certificate or license.
- Suspension or termination of the contract.
- Reporting the matter to the relevant authorities.

It is the responsibility of the Contractor onsite to ensure that their employees are appropriately supervised, trained and instructed when operating plant. Appropriate PPE should also be supplied as stipulates in section 3.32 – 3.36 of the *Occupational Safety and Health Regulations 1996*.

The Contractor must inform the responsible Shire Officer of any suspension or expiration of any licenses.

Electrical Work: All electricians must provide their licenses which will be checked with Energy Safety for validity.

4.5 Induction

Prior to carrying out work for the SOG, Contractors, contractor employees and sub-contractors must undergo the SOG'S General Induction. Participation in the induction course is mandatory for all persons required to work on a SOG facility or construction site.

It is the responsibility of the Contractor to ensure that all their employees have undergone the relevant OSH induction training and to carry their appropriate licenses with them at all times.

A copy of all relevant Contractor employee licences and certificates relevant to the works to be undertaken by an individual employee must be provided prior to attendance of a Contractor employee at induction. This condition applies to all Contractor Managers, Supervisors and Employees who will be engaged on the Contract.

The CEO or another officer as designated by the CEO can request the evidence of induction and appropriate licences of Contractor employees at any time during the contract term to verify on going validity. Contractors are required to ensure their employees have been inducted onto the specific work site where they will be working and that they are wearing the appropriate PPE and hold the relevant licenses/tickets. This induction will be documented, stating the employee name, the site they have been inducted on to, and a copy of the risk assessment attached.

- Refer to *OSH Regulations 1996, Division 11, Sections 3.135 – 3.136 - Construction Industry Induction Training*

4.6 Site Safety Talk Toolbox Meetings

Contractors are required to undertake Site Safety Talk Toolbox meetings with their employees. These meetings are to be undertaken in conjunction with the Risk Assessment and Site Induction process.

Site Safety Talk Toolbox Meetings must be undertaken as a minimum when job situations or employees/contactors change.

Records of all Toolbox meetings must be documented stating the employees who attended the meeting and the topics discussed.

SOG has the authority to request this information at any time during the contract term.

Contractors shall keep a register of all ongoing workplace/site audits undertaken during the course of the CONTRACT WORKS. This register shall also contain actions undertaken to eliminate or control hazards.

4.7 Electrical

In addition to the *Occupational Safety and Health Act 1984* and the *Occupational Safety and Health Regulations 1996*, Contractors must also comply with the Australian Standard (AS) 300:2000 Electrical installations (known as the Australian/New Zealand Wiring Rules) and the Code of Practice for Safe Low Voltage Work Practices by Electricians.

Contractors shall ensure all employees are appropriately trained in the use of all electrical equipment they will be using during the contract term and ensure equipment is inspected and tested by a suitably qualified person.

Contractors must keep record of the relevant testing data of all electrical equipment and ensure this record is kept up to date.

All portable electrical equipment and leads used on construction sites must be tested as required and tagged in compliance with AS/NZS 3012, 3108.

4.8 Hazardous Substances

Contractors are required to provide a list of hazardous substances that will be utilised throughout the contract term in accordance with the *Occupational Safety and Health Regulations 1996 Part 5, Division 2 – Hazardous substances generally*.

In addition to this, the Contractor, as required under Regulation 5.13, will keep a register of the substances and all the relevant Material Safety Data Sheets (MSDS). The Contractor must ensure all MSDS's are current and ensure hazardous substances are stored in accordance with the MSDS.

Contractors are encouraged to use chemicals with lower hazard/risk levels without compromising the technical requirements of the CONTRACT WORKS.

4.9 Lifting Gear and Equipment

Contractors are required to keep a register of all lifting gear (chains, slings, wire ropes, shackles, hooks etc.) used and ensure their employees are suitably trained in the safe use of all lifting gear they will be using whilst undertaking CONTRACT WORKS for the Shire of Gnowangerup.

All lifting gear is to undergo as a minimum, an annual inspection by a competent person and inspection records are to be provided **before** commencing the contract work.

4.10 Plant and Equipment Register

Contractors shall keep a register of all plant and equipment hazard inspections carried out and any alterations or repairs undertaken in accordance with the OSH legislation whilst undertaking CONTRACT WORKS for the Shire of Gnowangerup.

4.11 Personal Protective Equipment (PPE)

Whilst undertaking a CONTRACT or TENDER WORKS² for SOG, Contractors and their employees are required to wear appropriate PPE in accordance with the relevant Australian Standards and / Codes of Practice. The Contractor must provide their employees with the appropriate PPE, maintained to the respective Australian Standards, to undertake the CONTRACT WORKS safely and ensure they are trained in the correct use of PPE.

² TENDER WORKS, will have the meaning throughout this document meaning an offer to do work or supply goods at a fixed price

Where hazards are identified on the worksite, Contractors will implement corrective controls and inform people of the hazards and ensure that they are equipped with the correct PPE.

Contractors have the right (and responsibility) to instruct people not suitably protected by PPE to leave the area.

Refer to *Occupational Safety and Health Regulations 1996, Division 2 – General duties in relation to personal protective clothing and equipment, Regulation 3.32 – 3.36.*

4.12 First Aid

Contractors shall ensure that a fully stocked first aid kit, meeting WorkSafe requirements, and a list containing emergency contact numbers, is available at the workplace/site with a designated first aid person clearly identified to their employees (<https://www.commerce.wa.gov.au/worksafe/first-aid-0>).

If the CONTRACT WORK is of such a nature that specialised first aid equipment or materials may be needed, it is the Contractor's responsibility to provide it.

EMERGENCY NUMBERS

All emergencies call:	000	Mobiles	112
WorkSafe:	1300 307 877	safety@commerce.wa.gov.au	

4.13 Emergency Procedures

Contractors will provide adequate fire protection and fire extinguishers relevant to the CONTRACT WORK'S hazards and risks being undertaken, and are to ensure they are available at the workplace site.

Contractors need to ensure all firefighting equipment is supplied, maintained and inspected in compliance with Australian Standard 1851:2012.

In addition to this, Contractors need to keep a register of fire protection equipment available whilst undertaking CONTRACT WORKS.

Contractors must have emergency procedures in place and ensure their employees and subcontractors are familiar with these procedures.

Contractors will inform Shire Officers through induction, of the hazard or emergencies that may arise from the CONTRACT WORKS, and what to do if an emergency incident occurs.

Where Contractors are working on Shire worksites, Contractors will ensure that their employees and subcontractors know the Shire's emergency procedures relevant to that particular workplace/site.

4.13.1. Contractors Working Autonomously

Contractors will have procedures in place to deal with emergency situations that may arise whilst undertaking CONTRACT WORKS.

Contractors, their employees and any subcontractors are required to be trained in these procedures and have the necessary equipment available to carry out the procedures.

4.13.2 Contractors Working in Staffed Shire Facilities

A Designated Shire Officer³ will inform Contractors about any emergency and evacuation procedures during site inductions.

Once Contractors have been informed of these procedures, it is their responsibility to ensure their employees or subcontractors are also informed.

If the CONTRACT WORKS introduces any hazard or risk that may create an emergency not covered by the normal procedures, i.e. introducing a toxic gas or oxidising agent, the Contractor must inform the designated Shire Officer and ensure relevant persons that may be affected are informed about what to do if the emergency situation arises. This should be addressed **prior** to the commencement of the CONTRACT WORKS.

4.14 Amenities

Contractors will provide suitable hygienic facilities or ensure amenities are available for their employees and subcontractors. Employee amenities must comply with the Code of Practice for Workplace Amenities and Facilities.

4.15 Motor Vehicle Movement Plans & TCP's

Contractors shall ensure that a Vehicle Movement Plan (VMP) and/or Traffic Control Plan (TCP) are in operation prior to and during any CONTRACT WORKS associated with road works. Traffic Control Plans must be designed by a MRWA qualified person and must be regularly reviewed and updated when necessary.

4.16 Subcontractors

Contractors are responsible for:

- Selection of suitably qualified/trained subcontractors.
- Ensure that subcontractors have the relevant insurance policies
- Induction of subcontractors
- Supervision, of any subcontractors they may engage
- Ensuring that your subcontractors work in a safe manner and have adequate safety and health procedures and safe systems of work that are equivalent to the Contractors OSH Management System.

If your company intends to engage subcontractors to undertake or support Shire works on behalf or in conjunction with your company, you must obtain authorisation from the CEO or authorised designated Shire officer prior to the subcontractor commencing works. In addition to this, contractors must be able to provide evidence of the subcontractor induction and verify subcontractors hold the relevant licenses/tickets appropriate for the task and risk being performed.

³ DESIGNATES SHIRE OFFICER, shall have the meaning throughout this document as a person or persons appointed by the CEO to oversee the CONTRACT WORKS or specific aspects of that work.

4.17 Warning Signage and Public Safety

Contractors shall ensure that the required warning signs and warning systems as defined in relevant OSH Legislation, Code of Practices and/or Shire instructions are used accordingly.

Contractors shall at all times ensure that people are adequately warned by way of signs, barriers and/or other means where the work is likely to present potential hazards.

Contractors shall ensure that a Motor Vehicle Movement Plan covers all road works and/or TCP designed by suitable qualified personnel.

4.18 Permits to Work

Contractors will need to ensure that they have provided the correct and current permits to work.

All Contractors are required to report to the responsible person for their work activities and complete a Permit to Work Authorisation Form for the specific works to be under taken e.g. Hot Works Permit, Confined Spaces Permit, etc.

Permits to work are required for the following types of High Risk Activities:

- Confined Spaces
- Hot Works
- Ground Breaking / Penetration
- Work in Isolation
- Working at Heights

In addition to these, where the contractor is working within an area covered by or near power supply lines, or where they may come within 3m of power lines, it is the Contractors responsibility to inform Western Power of the time and date they will be undertaking this work and request assistance to locate power cables.

4.19 Visitors to Work Sites

The Contractor is required to induct and maintain a record of all visitors to the site.

This must be documented on the induction checklist or visitors sign-on register.

5. Incident/Injury Notification

The obligations laid out in this document form part of and are inclusive to the standard Conditions of Contract relative to all CONTRACT WORKS and TENDER WORKS performed by the Contractor for the Shire of Gnowangerup and the CEO or designated Shire Officer is to be notified by the Contractor of any incident, injury, damage to property or plant, and near misses associated with the provision of the contract.

It is also the responsibility of the contractor to inform WorkSafe of any matter required under the *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996* and the *Workers' Compensation and Injury Management Act 1981* and within the specified time frames. Contractors are to report any incidents to the CEO or designated Shire Officer responsible for the contract.

Contractors are required to have an incident reporting system whereby all incidents, accidents and near misses are recorded. This system must include an incident investigation procedure.

At the completion of the contract, the Contractor is to sign a statement declaring that no incidents occurred whilst completing the CONTRACT WORK. Or, in the case where incidents/injuries/near misses/dangerous occurrences occurred, the Contractor is required to provide the CEO or designated Shire Officer with copies of all Incidents Reports and accident investigations undertaken.

It is the responsibility of the designated Shire Officer to ensure that the contractor has signed this declaration.

NOTE: *The Incident Declaration is an important document in regards to Workers' Compensation and Shire's possible exposure to liability. This must be signed **before** the contractor receives final payment for the contract.*

Contractors shall use their own reporting procedures for OSH compliance. If any harm occurs to the Contractor, their employee, or subcontractor, or any other person, Contractors shall use their own procedures to record, report and investigate the event as legally required.

IMPORTANT: It is the Contractors responsibility to ensure that no person/s disturb the scene of a serious incident until permission to do so have been obtained from the Worksafe Inspector, and/or Police. The only exception is when it is necessary to render aid and prevent further harm to the injured person/s.

6. Occupations Safety and Health Questionnaire (Appendix 1)

The SOG is committed to ensuring a high standard of safety within the workplace. To assist the SOG in evaluating the tender or contract, an OSH questionnaire must be completed and submitted with the tender/contract works officer for all medium and high risk contracts.

The initial objective of the questionnaire is to provide the SOG with information on the Contractor's management of OSH and their level of commitment to an OSH system. All information provided within the questionnaire is confidential and will not be used for any other purpose other than the intended verification purposes and not made available to any other party.

Please complete **Pre-Qualification Occupational Safety and Health Questionnaire – Appendix 1**

8. Contractor Site Specific Health and Safety Management Plan Content Checklist

Contractors engaged to conduct "Medium" and "High Risk" work activities must provide the SOG with evidence of a site specific Safety Management Plan (SMP) in line with the requirements of Regulation 3.142 of the *Occupational Safety and Health Regulations 1996* and provide a copy of the SMP to the SOG for review and verification.

The minimum content elements required for an SMP are provided in Appendix 4.

Contractors are required to complete the site specific SMP checklist and submit the completed checklist with their Pre-Qualification Questionnaire to the designated OSH Officer.

7. OSH Responsibilities for Contractors (Appendix 2)

Contractors that require annual or repeat access to SOG worksites, where the work is of a low risk nature, and where contractors are working autonomously, or where the contractor has not been previously inducted into the worksite, shall be required to complete an OSH Responsibilities for Contractors record in conjunction with General Induction.

Contractors and their employees must complete individual OSH Responsibilities Records and sign in acknowledgement of their understanding and commitment to Occupational Safety and Health Management Practices.

The OSH Responsibilities for Contractors Record must be counter signed by the employee's senior manager in recognition of the employee's commitment and involvement of SOG's OSH responsibilities for contractors' process.

A copy of the OSH Responsibilities for Contractors Record is found at Appendix 2.

9. Insurance

It is a requirement under the Worker's Compensation Act for SOG to ensure that all Contractors have the correct Workers' Compensation Insurance and have paid all Workers' Compensation premiums associated with that work.

Contractors are also to supply evidence to SOG of

- current Worker's Compensation, as appropriate
- Public Liability Policy to the value to be determined by SOG
- Current Personal Accident Illness Insurance or Income Protection Insurance if a Sole Trader
- current Third Party Motor Vehicle/Machinery insurance of an amount to be determined by SOG
- Professional Indemnity Insurance to the value of the project undertaken.

Both the Workers' Compensation and Public Liability Certificates of Currency must be provided to SOG before the contract commences. Any and all changes to coverage or continuation of insurance must be immediately notified to the CEO.

10. Contractor Safety Sign-On Checklist (Appendix 5)

All contractors engaged or offered a contract for tender, provided work or service for the SOG, regardless of their level of risk rating, must complete the Contractor Safety Sign-On Checklist prior to commencing any work activities for the SOG.

Sign-On Checklists shall be completed and signed at the end of the final induction process undertaken by the Contractor's senior manager or business owner/proprietor.

A copy of the Contractor Safety Sign-On Checklist is contained in Appendix 5 of this document.

11. Disability Considerations

In planning the safety procedure for any work on SOG premises, Contractors are required to consider the special needs of people with disabilities.

For example:

- a warning sign may not be sufficient to protect people with sight impairments against danger (fencing or barricades may be necessary)
- parking across a path or other access route, even for a few minutes, could cause difficulties for people in wheelchairs or mobility scooters

Contractors should consult with the Shire's Representative if they require any further information regarding disability issues.

In addition to the above, Contractors will be required to complete the DAIP Contractors Progress Report, on completion of their contract. An example of the Progress Report can be found as Appendix 8 at the back of this document. Additional information can also be obtained at www.disability.wa.gov.au

APPENDIX 1: PRE-QUALIFICATION OCCUPATIONAL SAFETY AND HEALTH QUESTIONNAIRE

This form used to assess a contractor's ability to work in a safe manner when undertaking contracted works.

CONTRACT DETAILS			
DATE OF EVALUATION		DURATION OF THE WORKS:	
BUSINESS NAME		CONTRACT SCOPE OF WORKS:	
CONTRACTOR NAME		CONTACT NUMBER:	
CURRENT POSITION		CONTRACT MANAGER	

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
1. Do you have a Safety Policy that demonstrates a commitment to safety? <ul style="list-style-type: none"> It is subject to regular reviews? Encourage corporation at all levels 				
Contractor response:				
2. Do you have a Safety Plan? <ul style="list-style-type: none"> Are roles and responsibilities outlined? Does it demonstrate how you manage OSH and ensure compliance with the legislation? 				
Contractor response:				
3. Do you have Public Liability Insurance? <ul style="list-style-type: none"> Is it current and relevant to the scope of work? 				
Contractor response:				
4. Do you have workers' compensation insurance? (Note: Sole traders require Personal Accident Illness Insurance or Income Protection Insurance) <ul style="list-style-type: none"> Is it current and relevant to the scope of work? 				
Contractor response:				
5. Have all training qualifications been submitted? <ul style="list-style-type: none"> Are all qualifications current and relevant to the scope of work? Is there a formal Induction training program in place that outlines OSH responsibilities? 				
Contractor response:				

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
6. Do you have relevant experience to undertake the scope of works? <ul style="list-style-type: none"> How long have you worked in the industry 				
Contractor response:				
7. What is your previous 12-month work history? <ul style="list-style-type: none"> Were there any workplace injuries/workers' compensation claims? How many workplace incidents occurred? Were any incidents required to be reported to WorkSafe? 				
Contractor response:				
8. Do you have systems in place to identify and manage workplace hazards? <ul style="list-style-type: none"> A workplace inspection program? A safety management system that tracks hazard management? 				
Contractor response:				
9. Do you have safe work procedures /JSA's/SWMS to manage potential workplace hazards and risks? <ul style="list-style-type: none"> Manual tasks, fatigue, work at height, plant movement etc.? 				
Contractor response:				
10. Is there a formalised process in reference to the reporting of incidents and injuries? <ul style="list-style-type: none"> An incident and injury management form? An incident and injury management procedure? 				
Contractor response:				

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
11. Do you have trained first aiders and adequate first aid kits? <ul style="list-style-type: none"> All first aid kit products present and in date? Current first aid competency? 				
Contractor response:				
12. Do you have an Emergency Response Plan and Procedure? <ul style="list-style-type: none"> Are procedures specific to the scope of works? Is the emergency response plan current, inclusive of contact details and identified wardens? 				
Contractor response:				
13. Do you have a Traffic Management Plan? <ul style="list-style-type: none"> Does it outline required speed limits? Is there adequate signage to manage traffic flow? (Stop and give way signs etc.) Is there mandatory signage clearly visible? (PPE requirements etc.) Is there dedicated pedestrian zones to segregate traffic, plant and people etc,? 				
Contractor response:				
<p>I certify that the information provided in this questionnaire is true and correct and agree to comply with the Shire of Gnowangerup's Safety, Quality and Environmental requirements.</p> <p>Signed: _____ Date: _____</p> <p>Contractor Company Representative</p>				
Shire of Gnowangerup use only		Signed: _____ Date _____		
Is approval recommended?		Name: _____ Position: _____		

CONTRACTOR EVALUATION OUTCOME	
Contractor safety plan and other submitted documentation approved?	Yes/No
EVALUATORS COMMENTS	
Date:	Evaluator signature:

APPENDIX 2: OSH RESPONSIBILITIES FOR CONTRACTORS

Name of Employee			
Position/Job Title		Company	
Signature		Date	
Department		Location	

Responsibilities:

1. Take reasonable care for your own safety and health.
2. Take reasonable care that you do not adversely affect the safety and health of other persons.
3. Comply with the Shire of Gnowangerup's OSH policy, procedures and rules and follow safe work practices.
4. Comply with your employer's OSH policy, procedures and rules and follow safe work practices.
5. Carry out work in compliance with relevant OSH legislation and safe work methods and demonstrate an acceptable level of safety performance.
6. Ensure that the right person is engaged in each job, taking into account the type of work to be performed, the licenses, certificates and qualifications required.
7. Conduct relevant job safety analyses whenever it is appropriate to do so.
8. Provide OSH Risk Assessments for the work to be completed as requested by the Shire of Gnowangerup.
9. Prepare and follow authorised Safe Work Method Statements for all High Risk Construction Work and provide signed and dated copies to the Shire of Gnowangerup.
10. Conduct and provide site specific risk assessments as requested by the Shire of Gnowangerup.
11. Participate in OSH consultation meetings to discuss workplace safety in the workplace.
12. Ensure appropriate equipment is used for the job and it has been tested, maintained, calibrated where required, and is safe to use.
13. Ensure that approved PPE has been provided and is used whilst on site.
14. Ensure the MSDS's are complied with and made available for hazardous substances used on site.
15. Report any new or arising hazards to the Shire of Gnowangerup's designated officers as soon as you notice them.
16. Report all incidents (including near misses) to the Shire of Gnowangerup 's designated officer, whether or not someone was injured or not.
17. Report any incidents of bullying and/or harassment in the workplace to the Shire's CEO or designated officer.
18. Assist in the identification of control measures to eliminate or minimise the risk of injury.
19. Correctly use tools and equipment.
20. Report any worn out or defective tools or equipment or problems you have with tools and equipment provided by the Shire.
21. Wear PPE as required.
22. Operate equipment and machinery with guards and safety controls operating and, in place at all times.
23. Report all problems with manual tasks, including signs of discomfort, in the provision of the services immediately.
24. Participate in OSH activities such as inspections, investigations, evacuations drills, OSH meetings and risk assessments as required.

25. Report any physical or psychological conditions that may affect your ability to safely provide services.
26. Demonstrate respect, courtesy and special attention to hazards arising from your work that may affect the public or community.
27. Consult, cooperate and coordinate with the Shire of Gnowangerup's designated officers in respect of work safety and health issues.

Contractor Company Name:		ABN	
Manager/Supervisors Name:			
Position			
Signature		Date	

APPENDIX 3: CONTRACT DEFINITION AND RISK CLASSIFICATION FORM

CONTRACT DEFINITION	
Contract Name:	
Contract scope of works:	
Approximate contract cost:	
Contract Manager	
Contract duration:	Contract evaluation date:
Contract hazards	Risk hazard poses
E.g. construction works, hazardous processes, contractor type, duration of work, amount of contractors, safety hazards	(refer to your risk management framework or risk matrix provided in this document)
Contract risk classification	
Low <input type="checkbox"/>	Medium <input type="checkbox"/>
	High <input type="checkbox"/>
Comments:	

APPENDIX 4: CONTRACTOR SAFETY AND HEALTH MANAGEMENT PLAN CONTENT CHECKLIST FOR MEDIUM AND HIGH RISK ACTIVITIES

No.	Description	Requirement	Provided/Not Provided
1	Document Control Process	Preferred	
2	Project Details & Introduction	Mandatory	
3	OSH Policy	Mandatory	
4	Hazard Identification & Risk Assessment & Control	Mandatory	
5	Hazard Categories	Mandatory	
6	Risk Matrix	Mandatory	
7	Site Specific Safe Work Method Statements	Mandatory	
8	Objectives and Targets	Preferred	
9	Personal Protective Equipment (PPE)	Mandatory	
10	Roles and Responsibilities	Mandatory	
11	Training and Competency Register	Mandatory	
12	Consultation	Mandatory	
13	Toolbox/Pore-Start Talks	Mandatory	
14	Workplace Inspections	Mandatory	
15	Plant & Equipment	Mandatory	
16	Plant & Equipment Register	Mandatory	
17	Plant & Equipment Pre-Start Checklist	Mandatory	
18	Plant & Equipment Regular Checklist	Mandatory	
19	Hazardous Substance/Dangerous Goods	Mandatory	
20	Hazardous Substance/Dangerous Goods Register	Mandatory	
21	Electrical Equipment	Mandatory	
22	Electrical Equipment Register	Mandatory	
23	Hazard Reporting	Mandatory	
24	Hazard Report Form	Mandatory	
25	Injury and Incident Investigation	Mandatory	
26	Register of Injuries	Mandatory	

27	Incident Investigation	Mandatory	
28	OSH Management Plan Checklist	Preferred	
29	Injury Management & Return to Work Policy	Preferred	
30	Environmental Management Policy	Preferred	
31	Quality Management Policy and Procedures	Preferred	

APPENDIX 5: CONTRACTOR SAFETY SIGN-ON CHECKLIST

The Shire of Gnowangerup is committed to maintaining the safety and health of all persons on the premises, in compliance with the *Occupational Safety and Health Act 1984* and the *Occupational Safety and Health Regulations 1996*.

Your support in complying with Shire safety practices and rules are required to promote and maintain our safety standards. Therefore, you agree that:

- The Safety of all persons will have the highest priority whilst working at the Shire of Gnowangerup.
- You will supply a Safety Data Sheet if any chemicals are to be used, transported or stored at the Shire.
- Personal protective equipment is to be worn at appropriate times. All appropriate signage is to be displayed and in place before commencement of work.
- The use of warning and safety signs in hazardous areas at all times is obligatory. This includes barriers around scaffolding, holes, excavations or other structures needed in the construction phase.
- You will apply safe work practices at all times. This will include discussing the safety plan for the task with the relevant manager and seeking approval before commencement of any works. Where necessary a Safe Work Method Statement is to be provided for approval **prior** to commencement of work.
- You are to ensure that you are aware of emergency routines and where to obtain first aid if required.
- All electrical equipment i.e. power tools etc. must have been tested & tagged and in date as per legislative requirements.
- Fibreglass or timber ladders are to be used when carrying out electrical work.
- All relevant licenses are to be sighted and recorded by the relevant department
- When burning, welding or grinding is to take place, a hot work permit is to be completed and approved by the Senior Contract Manager.

Signed: Contractor

Signed: Shire of Gnowangerup

Date

Date

APPENDIX 6: CONTRACTOR OCCUPATIONAL SAFETY AND HEALTH ASSESSMENT

Date of assessment:	
Site location:	
Contractor:	
Auditor:	

Audit Assessment		Verification of Compliance	Yes	No	Observations/Action Comments
1	Have all personnel been inducted to the site?	Sighted Induction Record.			
2	Are there safe work procedures/JSA/SWMS for the tasks conducted?	Sighted safe work procedure/JSA/SWMS reflect the task/s conducted.			
3	Have all the hazards been identified, assessed and controlled?	All associated hazards are identified within the safe work procedure/JSA			
4	Are emergency procedures in place and communicated?	Emergency procedures on display that consider all potential emergency situations			
5	Are plant hazards assessments (PHA's) available for all items of plant?	Each item of plant has a plant hazard assessment that identifies associated hazards and controls.			

6	Are plant inspections conducted on a regular basis?	Each plant has a complete plant inspection			
7	Is plant regularly maintained?	Plant maintenance records available			
8	Is there adequate segregation between plant and people?	Communication methods and plant movements observed on site?			
9	Are lifting chains/slings inspected and tagged within date?	Lifting chains/slings are tagged within date.			
10	Are electrical cords and equipment inspected and tagged within date?	Electrical cords and equipment are tagged within date.			
11	Are incidents, near misses and hazards being reported?	Documented incident, near misses and hazard reports.			
12	Are corrective actions being closed out within the specified time frame?	Documented action closeout within the specified timeframe			
13	Are regular meetings held with the Contractors?	Documented regular meetings conducted.			
14	Are site inspections being undertaken by the Contractor?	Documented evidence of completed site inspections.			
15	Are MSDS's available for all hazardous substances?	Sighted MSDS's coincide with kept hazardous substances.			

16	Are PPE requirements being adhered to?	Required PPE being worn by site personnel/visitors			
17	Is housekeeping on site of a high standard?	Work site is clean and tidy.			
18	Are first aid kits available on site?	Sighted first aid kits.			
19	Are first aid kits adequately stocked? Items within date?	All first aid kit items within date and available if required.			
20	Are all personnel trained in the tasks conducted?	Sighted tickets/qualifications.			

APPENDIX 7: POST CONTRACT EVALUATION

RFQ/RFT Number:			
Scope of Works:			
Shire Manager of this Contract:			
Contractor:			
Contractor Contact:			
Contract Start Date:			
Contract Finish Date:			
Review Questions	Yes	No	Comments
Was the work completed as per the terms and conditions of this contract?			
Did the Contractor receive an Occupational Health and Safety induction prior to the start of the Contract?			
Were there any incidents recorded or safety breaches observed?			
Were there any WorkSafe notices issued?			
Did the contractor appear to comply with our safety policy and procedures?			
Were there any other issues with the completion of this Contract?			
Would we consider engaging the contractor in the future?			
Is a Cost Benefit Analysis re contractor v employee required? See attached if required.			
Comments:			
Person completing form:		Date:	
CEO Approval:	Yes:		No:
Signature:			Date:

APPENDIX 8: DISABILITY ACCESS AND INCLUSION PLAN (DAIP) CONTRACTOR PROGRESS REPORTS

Name of contracted service: _____

Name of contact person: _____

Phone number: _____

Email: _____

Purpose

This reporting sheet assists contractors to show how they have contributed to a public authority's DAIP. It is noted that the services you provide may not be applicable to all seven DAIP outcomes.

On completion please forward this progress report back to the public authority that you are contracted to by requested return date.

Actions by contractors consistent with DAIP outcome areas:

DAIP Outcome	Example of actions (Please mark if appropriate)	
1. People with disability have the same opportunities as other people to access services and events.	Ensured contracting and procurement staff were aware of DAIP responsibilities	<input type="checkbox"/>
	Ensured events organised and or promoted were accessible for people with disability	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
2. People with disability have the same opportunities as other people to access buildings and other facilities	When carrying out work on public buildings or facilities we ensure public access is not obstructed	<input type="checkbox"/>
	Ensured entry and exit ways remain obstruction free	<input type="checkbox"/>
	Ensured the correct signage was displayed when work was being undertaken	<input type="checkbox"/>
	Other actions (please describe):	

	Not applicable	<input type="checkbox"/>
3. People with disability receive information in a format that will enable them to access information as readily as other people are able to access it	Comply with the State Government Access Guidelines for Information, Services and Facilities to ensure information is delivered in an accessible format.	<input type="checkbox"/>
	Ensured information was made available in alternative formats upon request.	<input type="checkbox"/>
	Reviewed our website to ensure it was accessible	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
4. People with disability receive the same level and quality of service from staff as other people receive.	Improved staff awareness of disability and access issues and improve skills to provide a good service to people with disability.	<input type="checkbox"/>
	Staff was provided with training to assist with customer service.	<input type="checkbox"/>
	Accessibility information is regularly reviewed and readily available to staff.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
5. People with disability have the same opportunities as other people to make complaints .	Accept complaints in a variety of formats such as by telephone, email, written or in person.	<input type="checkbox"/>
	Have grievance mechanism processes available to meet the needs of people with disability.	<input type="checkbox"/>
	Ensured that complaints policy and procedure are accessible for people with disability.	
	Other actions implemented (please describe):	<input type="checkbox"/>

	Not applicable	<input type="checkbox"/>
6. People with disability have the same opportunities as other people to participate in any public consultation.	Making sure the consultation process is held in an accessible venue	<input type="checkbox"/>
	Ensure information is available in alternative formats (if required) including Auslan interpreters.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.	Providing job related information in alternative formats upon request.	<input type="checkbox"/>
	Holding the interview in an accessible venue.	<input type="checkbox"/>
	Continue to improve the attraction, recruitment and retention of employees with disability.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable.	<input type="checkbox"/>

13. CORPORATE SERVICES & COMMUNITY DEVELOPMENT

Nil

14. INFRASTRUCTURE AND ASSET MANAGEMENT

Nil

15. STATUTORY COMPLIANCE

Nil

16. FINANCE

16.1 ACCOUNTS FOR PAYMENT AND AUTHORISATION – OCTOBER 2018

Location: Shire of Gnowangerup
Proponent: N/A
File Ref: ADM0451
Date of Report: 16th November 2018
Business Unit: Corporate and Community Services
Officer: CA Shaddick – Senior Finance Officer
Disclosure of Interest: Nil

ATTACHMENTS

- October 2018 Cheque Listing

PURPOSE OF THE REPORT

To provide Council with a list of payments processed in the month of October 2018.

BACKGROUND

Nil

COMMENTS

The October 2018 cheque list for the period 01/10/2018 to 31/10/2018 is attached as follows:

FUND	AMOUNT
Municipal Fund	\$ 1,627,141.74
Trust Fund	\$ 00.00
Credit Card	\$ 1,822.32
TOTAL	\$ 1,628,964.06

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government (Financial Management) Regulations 1996

Regulation 12 states that:

- (1) *A payment may only be made from the municipal fund or the trust fund*
-
- (a) *if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or*
- (b) *otherwise, if the payment is authorised in advance by a resolution of the council.*

POLICY IMPLICATIONS

Purchasing Policy 4.1

Corporate Credit Card Policy 4.7

FINANCIAL IMPLICATIONS

All payments are in line with the Adopted Budget or have been approved by Council as a Budget Amendment.

STRATEGIC IMPLICATIONS

Strategic Community Plan

Theme: Sustainable and Capable Council

Objective: Provide accountable and sustainable leadership

Strategic Initiative: Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Strategic Risk Category	Financial Sustainability
Consequence Rating	Catastrophic
Likelihood Rating	Unlikely
Acceptance Rating	Acceptable
Risk Acceptance Criteria	Risk Acceptable with adequate controls

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

This is a standard item in the Ordinary Council Meeting Agenda.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr F Gaze

Seconded: Cr S Hmeljak

1118.125 That Council:

Approve the Schedule of Accounts:

Municipal Fund Cheques 27352 – 27387, EFT 14004 – EFT 14127, Superannuation and Direct Deposits totalling \$1,627,141.74 and Trust Fund Cheques 000–000 totalling \$0.00 and Corporate Credit Card totalling \$1,822.32.

UNANIMOUSLY CARRIED: 9/0

Chq/EFT	Date	Name	Description	Amount
EFT14004	2/10/2018	AA CONTRACTORS	AGRN743 RESTORATION WORKS TOOMPUP ROAD SOUTH 10/9/18 - 21/9/18	\$ 148,819.00 W
EFT14005	2/10/2018	AFGRI EQUIPMENT AUSTRALIA PTY LTD	OIL FILTER & BLADE FOR JOHN DEERE MOWER GN.0029	\$ 276.41
EFT14006	2/10/2018	AIR LIQUIDE	CYLINDER HIRE FEE	\$ 144.87
EFT14007	2/10/2018	BECKS TRANSPORT	FREIGHT	\$ 121.29
EFT14008	2/10/2018	BGL SOLUTIONS	VERTY MOWING, AERATION& FERTILISE COMPLEX AND POOL AREA	\$ 3,080.00
EFT14009	2/10/2018	COURIER AUSTRALIA	FREIGHT	\$ 164.50
EFT14010	2/10/2018	ENVIRONMENTAL MONITORING SYSTEMS PTY LTD	ENVIRONMENTAL HEALTH SERVICES FOR AUGUST 2018	\$ 9,306.14
EFT14011	2/10/2018	GNOWANGERUP FUEL SUPPLIES	FUEL FOR FLEET	\$ 883.72
EFT14012	2/10/2018	GNOWANGERUP NEWSAGENCY	NEWSPAPERS FOR SEPTEMBER	\$ 70.10
EFT14013	2/10/2018	HANSON CONSTRUCTION MATERIALS	104.54 TONNE OF ARMOUR ROCK AT \$54.29 FOR RESTORATION WORKS AGRN743	\$ 12,223.31 W
EFT14014	2/10/2018	J.E. & K.N. DAVIS	AGRN743 STOCKPILING GRAVEL AT HEMLEY PIT FOR RESTORATION WORKS 13/9/18 - 16/9/19	\$ 8,162.22 W
EFT14015	2/10/2018	MESSAGEMEDIA	1642 MESSAGES SENT SEPTEMBER	\$ 234.81
EFT14016	2/10/2018	OFFICEWORKS	A4 PAPER	\$ 199.24
EFT14017	2/10/2018	OLUMAYOKUN OLUYEDE	CASH SUBSIDY AS PER CONTRACT FOR SEPTEMBER 2018	\$ 11,000.00
EFT14018	2/10/2018	PAPERBARK MERCHANTS	BOOKS FOR GNOWANGERUP LIBRARY	\$ 145.75
EFT14019	2/10/2018	QUREMED PTY LTD	SERVICE INSPECTION FEE FOR OXY VIVA AT SWIMMING POOL	\$ 171.76
EFT14020	2/10/2018	RIVER HILL CONTRACTING	AGRN743 RESTORATION ROAD WORKS FOR HINKLEY ROAD 17/9/18 - 27/9/2018	\$ 299,822.60 W
EFT14021	2/10/2018	WA CONTRACT RANGER SERVICES	RANGER SERVICES 15/08, 16/08, 20/08, 21/08	\$ 2,057.00
EFT14022	2/10/2018	WINC. (WORK INCORPORATED)	STATIONERY ITEMS	\$ 78.77
EFT14023	10/10/2018	AA CONTRACTORS	AGRN743 FLOOD DAMAGE RESTORATION WORKS	\$ 144,391.50 W
EFT14024	10/10/2018	ADMIN SOCIAL CLUB	PAYROLL DEDUCTIONS	\$ 70.00

EFT14025	10/10/2018 ADRIENNE JOYCE	RENT 17/10/2018-13/11/2018 26 JAEKEL STREET, ONGERUP GRADER DRIVER	\$	520.00	R
EFT14026	10/10/2018 ASHLEIGH ANNE NUTTALL	RENT 22/10/2018-18/11/2018 GNP GRADER DRIVER	\$	1,019.60	R
EFT14027	10/10/2018 AUSTRALIA POST	POSTAGE FOR SEPTEMBER	\$	180.97	
EFT14028	10/10/2018 B P HARRIS & SON	MATERIALS FOR MODIFICATIONS TO WATER CART	\$	392.10	
EFT14029	10/10/2018 BEST OFFICE SYSTEMS	PHOTO COPIES 28/8/18 - 28/9/18	\$	107.59	
EFT14030	10/10/2018 BGL SOLUTIONS	VERTY MOW, AERATION & FERTILISE CRC, ADMIN AREA & NOBARAH PARK GROUNDS MAINTENANCE AS PER CONTTRACT	\$	3,022.25	
EFT14031	10/10/2018 BLACK AND GOLD SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	130.00	
EFT14032	10/10/2018 CANCELLED	CANCELLED	\$	0.00	
EFT14033	10/10/2018 COUNTRY WOMENS ASSOCIATION OF WA (INC.)	COMMUNITY GRANT 2018/19	\$	5,500.00	
EFT14034	10/10/2018 CS LEGAL	LEGAL CHARGES - RATES	\$	408.11	
EFT14035	10/10/2018 DEPARTMENT OF FIRE AND EMERGENCY SERVICES	ESL 2018/19	\$	3,198.00	
EFT14036	10/10/2018 DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION	GNOWANGERUP LIQUID WASTE FACILITY LICENSE FEE 2018-2019	\$	1,262.00	
EFT14037	10/10/2018 DL CONSULTING	PREPARE ANNUAL FINANCIAL REPORT	\$	5,733.20	
EFT14038	10/10/2018 ECHELON AUSTRALIA PTY LTD	RISK MANAGEMENT PROFILE UPDATE TO 01/10/2018	\$	2,860.00	
EFT14039	10/10/2018 GNOWANGERUP SPORTING COMPLEX	HIRE OF SPORTING COMPLEX - 17/10/2018 LIWA REGIONAL SEMINAR	\$	385.00	
EFT14040	10/10/2018 HEWER CONSULTING SERVICES	AGRN743 PROJECT MANAGEMENT AND ADMINISTRATION	\$	39,423.62	W
EFT14041	10/10/2018 J.E. & K.N. DAVIS	PUSHING GRAVEL AT WEMYSS ESTATE FOR FLOOD RESTORATION WORKS FOR AGRN743	\$	25,741.32	W
EFT14042	10/10/2018 JR & A HERSEY PTY LTD	EXPENDABLE TOOL ITEMS	\$	1,245.71	
EFT14043	10/10/2018 LANDGATE	TITLE SEARCHES	\$	102.80	
EFT14044	10/10/2018 LGISWA	2ND INSTALLMENT LGIS WORKCARE	\$	24,379.71	
		2ND INSTALLMENT LGIS PUBLIC LIABILITY	\$	15,157.07	
		2ND INSTALLMENT PROPERTY INS	\$	43,312.92	
		DIVIDEND FOR 2018/19	- \$	6,236.07	

EFT14045	10/10/2018 LGRCEU	PAYROLL DEDUCTIONS	\$	164.00
EFT14046	10/10/2018 MARKETFORCE	ADVERTISING IN THE WEST AUSTRALIAN 19/09/2018 BROADBAND SERVICE	\$	312.59
EFT14047	10/10/2018 OFFICEWORKS	STATIONERY	\$	35.83
EFT14048	10/10/2018 ONGERUP FARM SUPPLIES - MICK CREAGH	HARDWARE ITEMS FOR ROAD MAINTENANCE	\$	821.90
EFT14049	10/10/2018 ONLINE SAFETY SYSTEMS PTY LTD	PLANT ASSESSOR MONTHLY FEE HYBRID LEVEL 2	\$	528.00
EFT14050	10/10/2018 PHOENIX CIVIL & EARTHMOVING PTY LTD	FLOOD DAMAGE RESTORATION WORKS FOR AGRN743 GRAVEL SHEETING	\$	88,682.00 W
EFT14051	10/10/2018 PROTECTOR FIRE SERVICE AND FIRST AID SUPPLIES	REFILL 9KG FIRE EXTINGUISHER GNOWANGERUP TRAVEL STOP FIRE EXTINGUISHER LET OFF BY VANDALS	\$	132.00
EFT14052	10/10/2018 RAY FORD SIGNS	OSH VARIOUS SIGNS AND STICKERS FOR DEPOT YARD	\$	977.02
EFT14053	10/10/2018 WA CONTRACT RANGER SERVICES	RANGER SERVICES 27/09, 28/09, 04/10	\$	1,405.25
EFT14054	10/10/2018 WREN OIL	OIL WASTE AND DISPOSL 4600LTRS	\$	16.50
EFT14055	18/10/2018 AA CONTRACTORS	FLOOD DAMAGE FOR RESTORATION WORKS AGRN743 CULVERTS	\$	28,976.75 W
EFT14056	18/10/2018 ADMIN SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	80.00
EFT14057	18/10/2018 ARMADILLO GROUP	20 KG DRUM OF GREASE FOR KOMATSU GRADER	\$	159.96
EFT14058	18/10/2018 BLACK AND GOLD SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	130.00
EFT14059	18/10/2018 CONPLANT PTY LTD	PARTS FOR MAJOR REPAIR TO VIBE ROLLER GN.0051	\$	7,483.72
EFT14060	18/10/2018 COURIER AUSTRALIA	FREIGHT	\$	64.30
EFT14061	18/10/2018 G & M DETERGENTS	HYGIENE SERVICE AGREEMENT FOR 2018/2019	\$	2,106.00
EFT14062	18/10/2018 GEOFABRICS	GEOFABRIC BIDIM AN24NF 3M WIDE X 175 LONG FOR FLOOD RESTORATION WORKS AGRN743 KWOBURUP ROAD SLK 8.25	\$	866.25 W
EFT14063	18/10/2018 GNOWANGERUP COMMUNITY RESOURCE CENTRE	ADVERTISING, ELECTRICITY & CLEANING SEPTEMBER 2018	\$	1,639.84
EFT14064	18/10/2018 GNOWANGERUP FUEL SUPPLIES	FUEL FOR GNOWANGERUP 17000LTRS @ 1.5947	\$	27,109.90
		ONGERUP DEPOT 8300LTRS @ 1.5947	\$	13,236.01

EFT14065	18/10/2018	GNOWANGERUP PISTOL CLUB	DRUMMUSTER 1663 DRUMS COLLECTED @ 0.25 PER DRUM	\$	415.75
EFT14066	18/10/2018	GNOWANGERUP TYRE SERVICE	NEW TYRE FOR P4301 DOLLY (TROYS) PLUS FITTING	\$	350.00
EFT14067	18/10/2018	GNOWANGERUP VOLUNTEER SES UNIT INC	2ND QUARTER OPERATING GRANT LESS SHIRE EXPENDITURE	\$	5,105.07 F
EFT14068	18/10/2018	IAN DAVID BEATON	20 MCDONALD STREET REMOVE OLD VANITY BASIN AND REPLACE WITH NEW ONE, FIT TOWEL RAIL AND MIXER TAP	\$	2,497.00
EFT14069	18/10/2018	J.E. & K.N. DAVIS	AGRN743 STOCKPILING GRAVEL AT HARRIS PIT INCLUDING REHAB OF OBORNES PIT 6/8/18 - 21/8/18	\$	27,453.58 W
EFT14070	18/10/2018	JASON SIGN MAKERS	SPEED BUMPS FOR GRAVEL ROAD X 2 4 X ENDS AND SPIKES ENOUGH PIECES TO CONSTRUCT 2 X 7 METRE WIDE SPEED BUMPS	\$	1,963.72
EFT14071	18/10/2018	JERRAMUNGUP ELECTRICAL SERVICE	DISCONNECT LIGHT AND MAKE SAFE AFTER STORM ADMIN BUILDING	\$	121.00
EFT14072	18/10/2018	KLEENHEAT GAS	GAS CYLINDER SERVICE CHARGE ONGERUP HALL AND PAVILION	\$	151.80
EFT14073	18/10/2018	LANDGATE	18/19 SLIP SUBSCRIPTION	\$	2,273.00
EFT14074	18/10/2018	LGRCEU	PAYROLL DEDUCTIONS	\$	164.00
EFT14075	18/10/2018	MAMMOTH EQUIPMENT AND EXHAUSTS	475LTRS OF ECOBLUE FOR P2081 IVECO STRALIS	\$	647.90
EFT14076	18/10/2018	ONGERUP TYRES & AUTOMOTIVE	4 X TYRES ON MULTI TYRE ROLLER PLUS RUST BAND - FITTED ONTO TYRES	\$	592.00
EFT14077	18/10/2018	PRIMARIES GNOWANGERUP	VARIOUS HARDWARE ITEMS	\$	291.26
EFT14078	18/10/2018	QUREMED PTY LTD	SERVICE OF OXY VIVA FOR THE GNOWANGERUP MEDICAL PRACTICE	\$	164.93
EFT14079	18/10/2018	SADLERS BUTCHERS	CATERING COUNCIL MEETINGS SEPTEMBER	\$	660.00
EFT14080	18/10/2018	ST JOHN AMBULANCE KATANNING	FIRST AID TRAINING COURSE ANDRE TION 18/09/2018	\$	165.00
EFT14081	18/10/2018	TROPICAL SHADE N SAILS	REMOVAL OF SHADE SAILS PLUS ERECTING SHADE SAILS GNP & ONGERUP NEW TURQUOISE SHADE SAIL GNOWANGERUP	\$ \$	5,082.00 2,420.00
EFT14082	18/10/2018	WARREN BLACKWOOD WASTE	BINS PICK UP 06/09, 13/09, 20/09, 27/09 LANDFILL COMPACTION	\$ \$	7,180.80 1,100.00
EFT14083	18/10/2018	WESTRAC EQUIPMENT PTY LTD	CHECK & REPAIR SKID STEER P4101	\$	181.50
EFT14084	18/10/2018	WINC. (WORK INCORPORATED)	STATIONERY	\$	494.38

EFT14085	18/10/2018	WORKWEAR GROUP	UNIFORM ORDER ADMIN	\$	360.00
EFT14086	25/10/2018	ASHLEIGH ANNE NUTTALL	RATES INCENTIVE PRIZE 2018-19	\$	100.00
EFT14087	25/10/2018	BENJAMIN WILLIAM MOORE	RATES INCENTIVE PRIZE 2018-19	\$	100.00
EFT14088	25/10/2018	COURIER AUSTRALIA	FREIGHT	\$	295.17
EFT14089	25/10/2018	CS LEGAL	LEGAL CHARGES - RATES	\$	534.00
EFT14090	25/10/2018	DOWNER EDI WORKS PTY LTD	9 TONNE OF PREMIX ROAD MAINTENANCE	\$	1,749.13
EFT14091	25/10/2018	GNOWANGERUP SMASH REPAIRS	FIT WINDSCREEN TO GN.0014	\$	605.00
			FIT WINDSCREEN TO GN.0044	\$	605.00
			FIT WINDSCREEN TO GN.0044	\$	429.00
			FIT WINDSCREEN TO GN.0010	\$	429.00
EFT14092	25/10/2018	GNOWANGERUP TYRE SERVICE	2 TYRES FOR P2056 IVECO TRUCK	\$	970.00
EFT14093	25/10/2018	GREAT SOUTHERN EQUIPMENT REPAIR	REPLACE DAMAGED HYDRAULIC HOSE ON CAR LIFT HOIST	\$	522.38
EFT14094	25/10/2018	GWENDOLYN ANDERSON	RATE INCENTIVE PRIZE 2018-19	\$	100.00
EFT14095	25/10/2018	HARJWAY	HIRE OF GRADER FOR RABBIT PROOF FENCE ROAD 15 DAYS SEPTEMBER 2018	\$	8,580.00
			HIRE WATER CART RABBIT PROOF FENCE RD	\$	3,300.00
			HIRE GRADER RABBIT PROOF FENCE RD	\$	572.00
			HIRE GRADER TOOMPUP RD	\$	2,860.00
			HIRE WATER CART TOOMPUP SOUTH	\$	660.00
EFT14096	25/10/2018	JH COMPUTER SERVICES PTY LTD	TREND WORRY-FREE BUSINESS SECURITY ADVANCED - RENEW - GOVERNMENT - 12 MONTH(S) - 25-49 - FROM 16/10/18 TO 15/10/19	\$	760.02
EFT14097	25/10/2018	JR & A HERSEY PTY LTD	200 GUIDE POSTS PLUS DELINIATORS DELIVERED	\$	2,618.00
EFT14098	25/10/2018	METROCOUNT	ROAD TUBE, FLAPS & SECURITY STROPS FOR TRAFFIC COUNTER	\$	700.70
EFT14099	25/10/2018	NARROGIN MITSUBISHI	PURCHASE OF NEW MW VEHICLE GN004 NX PAJERO WAGON	\$	48,745.87
			TRADE IN D-MAX UTILITY GN.004	- \$	28,250.00
EFT14100	25/10/2018	NEVILLE'S HARDWARE & BUILDING SUPPLIES	DRILL BIT	\$	70.75
EFT14101	25/10/2018	ONGERUP TYRES & AUTOMOTIVE	REPLACEMENT OF BACK TYRES ON MULTI TYRE ROLLER P2036	\$	5,940.00
			PUNCTURE REPAIR AND TUBE P2030	\$	269.50

EFT14102	25/10/2018 SPOT ON REMOVALS	REMOVAL OF ONGERUP LIBRARY FROM TOWN HALL TO YONGERGNOW	\$	1,650.00	
EFT14103	25/10/2018 WESTRAC EQUIPMENT PTY LTD	REPAIR WIRING HARNESS FOR SKID STEER AND COLD PLANER ATTACHMENT	\$	1,312.27	
EFT14104	25/10/2018 WINC. (WORK INCORPORATED)	STATIONERY ITEMS	\$	90.31	
EFT14105	31/10/2018 AA CONTRACTORS	AGRN743 FLOOD RESTORATION WORKS FROM 8/10/2018 TO 19/10/2018	\$	151,514.00	W
EFT14106	31/10/2018 ADORNED BY SALLY	WINDOW TO THE STIRLINGS	\$	430.00	
EFT14107	31/10/2018 ALBANY LOCK SERVICE SUPERIOR SECURITY	PADLOCK FOR DRUM MUSTER GATE AT GNP REFUSE SITE PLUS THREE KEYS	\$	221.10	
EFT14108	31/10/2018 BECKS TRANSPORT	FREIGHT POOL CHEMICALS FROM SIGMA PERTH	\$	223.01	
EFT14109	31/10/2018 BEST OFFICE SYSTEMS	PRINTER CARTRAGE - LICENCING/RECEIPTING PRINTER	\$	278.00	
EFT14110	31/10/2018 CAST-TECH GROUP	AGRN743 FLOOD RESTORATION WORKS STABILISATION WORKS KWOBURUP ROAD SLK 8.25 2 X 1TONNE BAGS 2 X 1.5 TONNE BULKA BAGS CEMENT	\$	1,980.00	W
EFT14111	31/10/2018 CONSTRUCTION EQUIPMENT AUSTRALIA	PURCHASE OF NEW COMBI ROLLER	\$	55,550.00	
EFT14112	31/10/2018 COURIER AUSTRALIA	FREIGHT	\$	72.18	
EFT14113	31/10/2018 FITZGERALD PHOTO	SHIRE COUNCIL EMBOSSED PAST CHAIR & PRESIDENT LEATHER BOUND ALBUM	\$	1,369.35	
EFT14114	31/10/2018 GNOWANGERUP COMMUNITY RESOURCE CENTRE	CLEANING, ELECTRICITY AND ADVERTISING FOR OCTOBER	\$	1,185.86	
EFT14115	31/10/2018 GREAT SOUTHERN ZONE OF WALGA	ANNUAL SUBSCRIPTION 2018/2019 CEO	\$	935.00	
EFT14116	31/10/2018 HANSON CONSTRUCTION MATERIALS	100TONNE OF ROCK DELIVERED TO KWOBURUP ROAD FOR FLOOD RESTORATION WORKS AGRN743	\$	2,763.35	W
EFT14117	31/10/2018 JASON SIGN MAKERS	CREST WARNING, FLOODWAY SIGNS & JACKITUP CREEK SIGN	\$	287.32	
EFT14118	31/10/2018 JH COMPUTER SERVICES PTY LTD	1X COMPUTER AND SCREEN FOR ONGERUP LIBRARY	\$	1,170.58	
EFT14119	31/10/2018 LOCAL GOVERNMENT SUPERVISORS ASSOCIATION WA INC	YEARLY SUBSCRIPTION TO LOCAL GOVERNMENT SUPERVISORS ASSOCIATION FOR MANAGER OF WORKS FOR THE 18/19 YEAR	\$	55.00	
EFT14120	31/10/2018 PHOENIX CIVIL & EARTHMOVING PTY LTD	PHOENIX GRAVEL SHEETING BOXWOOD HILL ONGERUP RD	\$	203,787.65	W
EFT14121	31/10/2018 PROTECTOR FIRE SERVICE AND FIRST AID SUPPLIES	SIX MONTHLY FIRE EQUIPMENT SERVICE SHIRE BUILDINGS	\$	3,299.73	

EFT14122	31/10/2018	RECORDS ARCHIVES HISTORICAL MANAGEMENT	ARCHIVING PROGRAM AS PER UPDATE APRIL 2018	\$	6,496.88
EFT14123	31/10/2018	TRUCKLINE	2 X LED WARNING LIGHTS FOR JOHN 453.40DEERE GRADER TWIN FLASHING WARNING LIGHT PAJERO WAGON	\$	713.21
				\$	259.81
EFT14124	31/10/2018	WA CONTRACT RANGER SERVICES	RANGER SERVICES 11/10, 16/10, 24/10	\$	2,178.00
EFT14125	31/10/2018	WESTRAC EQUIPMENT PTY LTD	TRAVEL AND REPAIRS TO CT GRADER P2003	\$	302.50
EFT14126	31/10/2018	WINC. (WORK INCORPORATED)	STATIONERY	\$	16.19
EFT14127	31/10/2018	YONGERGNOW - ONGERUP CRC	ONGERUP LIBRARY INITIAL YEAR FEES 2018-19 OPERATIONAL COSTS ADVERTISING OCTOBER	\$	15,000.00
				\$	522.00
27352	2/10/2018	DEPARTMENT OF TRANSPORT	LICENSE RENEWAL AS PER EBA	\$	44.05
27353	2/10/2018	GNOWANGERUP IGA	CONSUMABLES	\$	277.93
27354	2/10/2018	RODERICK FRANKLYN WELLSTEAD	RATES INCENTIVE 17/18	\$	100.00
27355	2/10/2018	SYNERGY	SUPPLY PERIOD 71 DAYS	\$	294.95
27356	2/10/2018	T & C SUPPLIES	BATTERY CHARGER H/D PROJECTA 6/4/24V 35AMP HD35	\$	827.55
27357	10/10/2018	CRAIG DANIEL BIGNELL	REFUND OVERPAYMENT A573 IN ERROR	\$	6,521.90
27358	10/10/2018	GNOWANGERUP SHIRE MEDICAL PRACTICE	PRE PLACEMENT MEDICAL EA	\$	150.00
27359	10/10/2018	CANCELLED	CANCELLED	\$	0.00
27360	10/10/2018	SHIRE OF GNOWANGERUP	AS PER COUNCIL RESOLUTION 25/10/2017 WAIVER OF RATES PALLINUP PASTORAL PTY LTD	\$	1,089.09
27361	10/10/2018	SHIRE OF JERRAMUNGUP	REIMBURSEMENT OF ACCOMMODATION FOR DOWN TO EARTH TRAINING HELD IN JERRAMUNGUP	\$	119.00
27362	10/10/2018	SYNERGY	SUPPLY PERIOD 30 DAYS	\$	3,740.95
27363	10/10/2018	CANCELLED	CANCELLED	\$	0.00
27364	18/10/2018	DAVINA BELL	VISITING AUTHOR - GNOWANGERUP LIBRARY 28/08/2018	\$	847.00 F
27365	18/10/2018	CANCELLED	CANCELLED	\$	0.00

27366	18/10/2018	LES COOKE INSTRUMENT CO PTY LTD	KESTRAL FIRE WEATHER METERS BUSHFIRE BRIGADES	\$	1,481.36 F
27367	18/10/2018	SIMON HILL FAMILY TRUST	REFUND OVERPAYMENT A456 IN ERROR	\$	3,831.20
27368	18/10/2018	TELSTRA	USAGE, SERVICE AND DIRECTORY CHARGES	\$	2,886.10
27369	18/10/2018	WATER CORPORATION	WATER USAGE AND SERVICE CHARGES	\$	679.13
27370	18/10/2018	CAHEJO PTY LTD	REFUND OVERPAYMENT A1015 IN ERROR	\$	834.35
27371	25/10/2018	ANTHONY OWEN GAZE	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27372	25/10/2018	CHRISTINE ANN STEWART	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27373	25/10/2018	DEREK ROBERT WAKEFIELD	RATE INCENTIVE PRIZE 2018-19	\$	100.00
27374	25/10/2018	EION STEWART GIBB	REFUND OVERPAYMENT A871 IN ERROR	\$	16.35
27375	25/10/2018	GNOWANGERUP SHIRE MEDICAL PRACTICE	PRE EMPLOYMENT MEDICAL	\$	150.00
27376	25/10/2018	IAN RUSSELL HILL	1ST PRIZE RATES INCENTIVE 2018-19	\$	600.00
27377	25/10/2018	KENNETH ROSS O'KEEFFE	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27378	25/10/2018	KINGSLEY DONALD VAUX	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27379	25/10/2018	M.A. MILNE AND CO	RATE INCENTIVE PRIZE 2018-19	\$	100.00
27380	25/10/2018	MALISAND PTY LTD	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27381	25/10/2018	PAMELA JUNE PARKIN	RATE INCENTIVE PRIZE 2018-19	\$	100.00
27382	25/10/2018	RODNEY JAMES RICHARDSON	RATE INCENTIVE PRIZE 2018-19	\$	100.00
27383	25/10/2018	THE DRUG DETECTION AGENCY	DRUG AND ALCOHOL TESTING (URINE) @ \$77.50 X 24 EMPLOYEES. EACH CONFIRMATION LAB TESTING FOR NON-NEGATIVE RESULTS WILL INCUR AN ADDITIONAL FEE OF \$150.	\$	2,211.00
27384	25/10/2018	TRAVIS JOHN VAUX	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27385	25/10/2018	WENDY DIANNE PATTERSON	RATES INCENTIVE PRIZE 2018-19	\$	100.00
27386	31/10/2018	DVA FABRICATIONS	NEW FURNITURE FOR ONGERUP LIBRARY 1X MOBILE SHELVING 2X END PANELS 1X SECTIONAL BROWSER BOX 1X WIRE BASKET TROLLEY	\$	1,846.49

27387	31/10/2018	SYNERGY	SUPPLY PERIOD 72 DAYS	\$	288.95
DD4165.1	3/10/2018	WALGS PLAN	PAYROLL DEDUCTIONS	\$	6,972.99
DD4165.2	3/10/2018	MTAA SUPERANNUATION FUND	PAYROLL DEDUCTIONS	\$	607.11
DD4165.3	3/10/2018	SHADDICK SMSF	SUPERANNUATION CONTRIBUTIONS	\$	927.48
DD4165.4	3/10/2018	WEALTH PERSONAL SUPERANNUATION AND PENSION FUND	SUPERANNUATION CONTRIBUTIONS	\$	314.94
DD4165.5	3/10/2018	COLONIAL FIRSTWRAP PLUS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$	758.16
DD4165.6	3/10/2018	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$	521.55
DD4165.7	3/10/2018	HOST PLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	\$	440.78
DD4165.8	3/10/2018	PRIME SUPER	SUPERANNUATION CONTRIBUTIONS	\$	219.92
DD4165.9	3/10/2018	BENDIGO SMARTSTART SUPER	SUPERANNUATION CONTRIBUTIONS	\$	310.58
DD4173.1	17/10/2018	WALGS PLAN	PAYROLL DEDUCTIONS	\$	6,731.37
DD4173.2	17/10/2018	MTAA SUPERANNUATION FUND	PAYROLL DEDUCTIONS	\$	607.11
DD4173.3	17/10/2018	CARE SUPER	PAYROLL DEDUCTIONS	\$	400.91
DD4173.4	17/10/2018	SHADDICK SMSF	SUPERANNUATION CONTRIBUTIONS	\$	927.48
DD4173.5	17/10/2018	WEALTH PERSONAL SUPERANNUATION AND PENSION FUND	SUPERANNUATION CONTRIBUTIONS	\$	314.94
DD4173.6	17/10/2018	COLONIAL FIRSTWRAP PLUS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$	758.16
DD4173.7	17/10/2018	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$	521.55
DD4173.8	17/10/2018	HOST PLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	\$	440.78
DD4173.9	17/10/2018	PRIME SUPER	SUPERANNUATION CONTRIBUTIONS	\$	219.92
DD4181.1	30/10/2018	LEASEIT LTD	PHOTOCOPIER LEASE AGREEMENT OCTOBER 2018	\$	1,196.25
DD4184.1	30/10/2018	NATIONAL AUSTRALIA BANK	CREDIT CARD LISTING BELOW	\$	0.00
DD4187.1	31/10/2018	WALGS PLAN	PAYROLL DEDUCTIONS	\$	6,989.03

DD4187.2	31/10/2018	HOST PLUS SUPERANNUATION FUND	PAYROLL DEDUCTIONS	\$	440.78
DD4187.3	31/10/2018	MTAA SUPERANNUATION FUND	PAYROLL DEDUCTIONS	\$	656.80
DD4187.4	31/10/2018	CARE SUPER	PAYROLL DEDUCTIONS	\$	468.75
DD4187.5	31/10/2018	SHADDICK SMSF	PAYROLL DEDUCTIONS	\$	1,002.72
DD4187.6	31/10/2018	WEALTH PERSONAL SUPERANNUATION AND PENSION FUND	SUPERANNUATION CONTRIBUTIONS	\$	370.37
DD4187.7	31/10/2018	COLONIAL FIRSTWRAP PLUS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$	758.16
DD4187.8	31/10/2018	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$	643.70
DD4187.9	31/10/2018	PRIME SUPER	SUPERANNUATION CONTRIBUTIONS	\$	219.92
DD4165.10	3/10/2018	BENDIGO SMARTOPTIONS SUPER	SUPERANNUATION CONTRIBUTIONS	\$	135.32
DD4173.10	17/10/2018	BENDIGO SMARTSTART SUPER	SUPERANNUATION CONTRIBUTIONS	\$	310.58
DD4173.11	17/10/2018	BENDIGO SMARTOPTIONS SUPER	SUPERANNUATION CONTRIBUTIONS	\$	131.54
DD4187.10	31/10/2018	BENDIGO SMARTSTART SUPER	SUPERANNUATION CONTRIBUTIONS	\$	310.58
DD4187.11	31/10/2018	BENDIGO SMARTOPTIONS SUPER	SUPERANNUATION CONTRIBUTIONS	\$	149.10
DD4187.12	31/10/2018	CBUS	SUPERANNUATION CONTRIBUTIONS	\$	35.31
			TOTAL MUNICIPAL ACCOUNT	\$	1,627,141.74
	14/09/2018	HOUSE ONLINE	REPLENISH CROCKERY FOR COUNCIL	\$	213.70
	17/09/2018	RIVERSIDE ROADHOUSE	FUEL FOR GN.00	\$	125.57
	21/09/2018	CENTRAL REGIONAL TAFE	K BOYD CERTIFICATE IV LOCAL GOVT ADMINISTRATION	\$	102.60 F
	24/09/2018	IKEA PTY LTD	FURNITURE FOR ONGERUP LIBRARY	\$	488.90
	26/09/2018	PATHWEST LABORATORY NEDLANDS	DRUG SCREENING RESULTS	\$	35.00
	28/09/2018	STATE LAW PUBLISHER	SUBSCRIPTION TOWN PLANNING	\$	118.80
	2/10/2018	WESTNET	ADMIN INTERNET	\$	392.83

4/10/2018 DYMCKS ONLINE	LIBRARY STOCK	\$	117.92
10/10/2018 TELSTRA	DCEO HOME INTERNET (REIMBURSE \$139.00)	\$	209.00 R
10/10/2018 NAB	CARD FEES	\$	18.00
	TOTAL CORPORATE CREDIT CARD	\$	1,822.32

CERTIFICATE OF SENIOR FINANCE OFFICER

I HEREBY CERTIFY THE FOLLOWING SCHEDULE OF ACCOUNTS:

TOTAL FOR MUNICIPAL FUND: EFT 14004 -14127, Cheque 27352 - 27387, DD Super Clearing House = \$1,627,141.74

TOTAL FOR TRUST FUND: Cheque 00 \$0.00

TOTAL FOR CREDIT CARD: \$1,822.32

CHIEF EXECUTIVE OFFICER

- F Fully Grant Funded
- P Partial Grant Funded
- R Other Funding (Reimbursements)
- W Main Roads Flood Damage

16.2	OCTOBER 2018 MONTHLY FINANCIAL REPORT
Location:	Shire of Gnowangerup
Proponent:	N/A
File Ref:	ADM0451
Date of Report:	16 th November 2018
Business Unit:	Corporate and Community Services
Officer:	D. Long – Finance Consultant C. Shaddick – Senior Finance Officer
Disclosure of Interest:	NIL

ATTACHMENTS

Monthly Financial Statements for period 31 October 2018 including:

- Statement of Financial Activity
- Report on Material Differences
- Comprehensive Income by Program and Nature & Type
- Statement of Cash Flows
- Current Assets and Liabilities

PURPOSE OF THE REPORT

For Council to receive and accept the Monthly Financial Report to 31 October 2018, note that figures are subject to change as a result of end of year procedures and the audit process.

BACKGROUND

Nil

COMMENTS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires a local government to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government (Financial Management) Regulations 1996
Reg. 34 Financial activity statement required each month

POLICY IMPLICATIONS

Reporting Material Differences Policy 4.2
Investment Policy 4.5

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Community Plan

Theme: Sustainable and Capable Council

Objective: Provide accountable and sustainable leadership

Strategic Initiative: Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Strategic Risk Category	Financial Sustainability
Consequence Rating	Catastrophic
Likelihood Rating	Unlikely
Acceptance Rating	Acceptable
Risk Acceptance Criteria	Risk Acceptable with adequate controls

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

This is a standard item in the Ordinary Council Meeting Agenda.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr R House

**1118.126 That Council:
Receive and accept the Monthly Financial Report for October 2018.**

UNANIMOUSLY CARRIED: 9/0

SHIRE OF GNOWANGERUP

MONTHLY FINANCIAL REPORT

31 OCTOBER 2018

SHIRE OF GNOWANGERUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 31 OCTOBER 2018

	NOTES	2018-19 ANNUAL BUDGET	2018-19 JULY - OCT BUDGET	2018-19 YTD ACTUAL
EXPENDITURE (Excluding Finance Costs)		\$	\$	\$
General Purpose Funding		(129,467)	(47,231)	(41,854)
Governance		(1,102,041)	(394,045)	(222,890)
Law, Order, Public Safety		(340,336)	(115,356)	(72,924)
Health		(250,299)	(80,162)	(75,292)
Education and Welfare		(26,524)	(12,970)	(5,419)
Housing		(56,914)	(33,163)	(16,924)
Community Amenities		(598,782)	(266,343)	(108,603)
Recreation and Culture		(1,694,532)	(707,292)	(283,985)
Transport		(6,646,343)	(2,387,421)	(2,105,936)
Economic Services		(343,278)	(137,015)	(27,331)
Other Property and Services		(214,590)	(130,711)	(100,244)
		(11,403,105)	(4,311,709)	(3,061,402)
REVENUE				
General Purpose Funding		4,569,139	262,438	4,079,658
Governance		0	0	27
Law, Order, Public Safety		54,052	18,645	18,773
Health		300	0	317
Education and Welfare		11,500	3,728	200
Housing		84,280	30,341	27,476
Community Amenities		293,921	264,404	268,471
Recreation and Culture		24,400	834	1,964
Transport		3,448,829	1,160,564	140,840
Economic Services		12,372	754	1,638
Other Property & Services		120,408	47,603	77,123
		8,619,201	1,789,309	4,616,487
<i>Increase(Decrease)</i>		(2,783,904)	(2,522,400)	1,555,085
FINANCE COSTS				
General Purpose Funding		0		0
Housing		(16,874)	(7,215)	(7,215)
Community Amenities		(221)	0	0
Recreation & Culture		(26,959)	(1,921)	(1,921)
Transport		(12,000)	0	0
Other Property & Services		0	0	0
Total Finance Costs		(56,054)	(9,136)	(9,136)
NON-OPERATING REVENUE				
General Purpose Funding		0	0	0
Law, Order & Public Safety		0	0	0
Housing		367,500	0	0
Recreation & Culture		0	0	0
Transport		728,172	0	323,974
Economic Services		0	0	0
Total Non-Operating Revenue		1,095,672	0	323,974
PROFIT/(LOSS) ON SALE OF ASSETS				
Law, Order & Public Safety		0	0	0
Health		0	0	0
Community Amenities		0	0	0
Recreation & Culture Profit		0	0	0
Recreation & Culture Loss		0	0	0
Transport Profit		0	0	0
Transport Loss		0	0	0
Other Property & Services Profit		0	0	0
Other Property & Services Loss		0	0	0
Total Profit/(Loss)		0	0	0
NET RESULT		(1,744,286)	(2,531,536)	1,869,923
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	0	0
Total Abnormal Items		0	0	0
TOTAL COMPREHENSIVE INCOME		(1,744,286)	(2,531,536)	1,869,923

SHIRE OF GNOWANGERUP
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE/TYPE
FOR THE PERIOD ENDING 31 OCTOBER 2018

	2018-19 BUDGET	2018-19 ACTUAL
Expenses		
Employee Costs	(2,157,672)	(682,672)
Materials and Contracts	(5,503,216)	(2,102,283)
Utility Charges	(173,500)	(42,797)
Depreciation on Non-Current Assets	(2,985,960)	0
Interest Expenses	(56,054)	(20,691)
Insurance Expenses	(211,068)	(182,617)
Other Expenditure	(371,690)	(39,478)
	(11,459,159)	(3,070,538)
Revenue		
Rates	4,005,853	4,038,555
Operating Grants, Subsidies and Contributions	746,003	321,880
Fees and Charges	346,222	112,976
Service Charges	0	0
Interest Earnings	67,420	35,998
Other Revenue	3,453,703	107,078
	8,619,201	4,616,487
	(2,839,958)	1,545,949
Non-Operating Grants, Subsidies & Contributions	1,095,672	323,974
Fair Value Adjustments to financial assets at fair value through profit/loss	0	0
Profit on Asset Disposals	0	0
Loss on Asset Disposals	0	0
	1,095,672	323,974
Net Result	(1,744,286)	1,869,923
Other Comprehensive Income		
Changes on revaluation of non-current assets	0	0
Total Other Comprehensive Income	0	0
TOTAL COMPREHENSIVE INCOME	(1,744,286)	1,869,923

SHIRE OF GNOWANGERUP
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 31 OCTOBER 2018

	Note	2017-18 ACTUAL \$	2018-19 ACTUAL \$	Variance \$
Current assets				
Unrestricted Cash & Cash Equivalents		584,969	2,414,312	1,829,343
Restricted Cash & Cash Equivalents		1,994,946	2,000,591	5,645
Trade and other receivables		2,476,324	1,183,095	-1,293,229
Inventories		29,548	35,530	5,982
Other assets		0	0	0
Total current assets		5,085,788	5,633,528	547,740
Non-current assets				
Trade and other receivables		216,796	216,796	0
LG House Unit Trust		6,186	6,186	0
Property, infrastructure, plant and equipment		30,268,914	30,557,298	288,385
Infrastructure Assets		89,714,587	89,863,918	149,331
Total non-current assets		120,206,483	120,644,198	437,715
Total assets		125,292,271	126,277,726	985,455
Current liabilities				
Trade and other payables		233,000	391,476	-158,475
Interest-bearing loans and borrowings		1,163,537	115,523	1,048,013
Provisions		324,814	329,885	-5,071
Total current liabilities		1,721,351	836,884	884,468
Non-current liabilities				
Interest-bearing loans and borrowings		749,852	749,852	0
Provisions		104,800	104,800	0
Total non-current liabilities		854,651	854,651	0
Total liabilities		2,576,003	1,691,535	884,468
Net assets		122,716,268	124,586,191	1,869,923
Equity				
Retained surplus		43,260,431	42,626,133	-634,298
Net Result		-628,654	1,869,923	2,498,577
Reserve - asset revaluation		78,094,181	78,094,181	0
Reserve - Cash backed		1,990,309	1,995,954	5,645
Total equity		122,716,268	124,586,191	1,869,923

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

SHIRE OF GNOWANGERUP
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 31 OCTOBER 2018

Note	2017-18 ACTUAL \$	2018-19 BUDGET \$	2018-19 ACTUAL \$
Cash Flows from operating activities			
Payments			
Employee Costs	(2,322,997)	(2,110,373)	(687,732)
Materials & Contracts	(9,288,820)	(5,497,574)	(1,877,313)
Utilities (gas, electricity, water, etc)	(152,816)	(173,500)	(42,797)
Insurance	(169,375)	(56,054)	(182,617)
Interest Expense	(47,253)	(211,068)	(10,561)
Goods and Services Tax Paid	(300,000)	0	0
Other Expenses	(194,954)	(371,689)	(68,077)
	(12,476,215)	(8,420,258)	(2,869,096)
Receipts			
Rates	3,856,106	4,005,853	3,164,067
Operating Grants & Subsidies	1,216,396	746,003	321,880
Contributions, Reimbursements & Donations	0	0	0
Fees and Charges	223,463	346,222	112,976
Interest Earnings	103,186	67,420	35,998
Goods and Services Tax	189,811	109,879	20,998
Other	6,759,854	5,591,971	2,209,920
	12,348,816	10,867,348	5,865,838
Net Cash flows from Operating Activities	9	(127,399)	2,996,742
Cash flows from investing activities			
Payments			
Purchase of Land	(250,688)	(510,000)	(233,671)
Purchase of Buildings	(93,045)	(954,930)	(6,902)
Purchase Plant and Equipment	(327,274)	(732,000)	(94,814)
Purchase Furniture and Equipment	(18,739)	(5,000)	(1,064)
Purchase Road Infrastructure Assets	(1,218,668)	(1,300,381)	(124,745)
Purchase of Footpath Assets	0	(5,000)	0
Purchase Aerodrome Assets	(3,099)	0	0
Purchase Drainage Assets	0	(9,000)	0
Purchase Sewerage Assets	(45,775)	(50,000)	0
Purchase Parks & Ovals Assets	(4,700)	(4,858)	(2,200)
Purchase Solid Waste Assets	0	0	0
Purchase Infrastructure Other Assets	0	(8,000)	0
Receipts			
Proceeds from Sale of Assets	77,809	223,000	25,682
Non-Operating grants used for Development of Assets	654,212	1,095,672	323,974
	(1,229,968)	(2,260,497)	(113,741)
Cash flows from financing activities			
Repayment of Debentures	(163,109)	(1,163,539)	(1,048,013)
Advances to Community Groups	0	0	0
Revenue from Self Supporting Loans	26,352	27,433	0
Proceeds from New Debentures	1,000,000	367,500	0
Net cash flows from financing activities	863,243	(768,606)	(1,048,013)
Net increase/(decrease) in cash held	(494,124)	(582,013)	1,834,988
Cash at the Beginning of Reporting Period	3,074,039	2,579,916	2,579,915
Cash at the End of Reporting Period	9	2,579,915	1,997,903
			4,414,903

SHIRE OF GNOWANGERUP
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 31 OCTOBER 2018

Notes

	2017-18 ACTUAL \$	2018-19 BUDGET \$	2018-19 ACTUAL \$
RECONCILIATION OF CASH			
Cash at Bank - Unrestricted	587,764	1,996,061	2,412,470
Cash at Bank Reserves - Restricted	1,990,309		2,000,591
Cash on Hand	1,842	1,842	1,842
TOTAL CASH	2,579,915	1,997,903	4,414,903
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT			
Net Result (As per Comprehensive Income Statement)	-923,476	-1,744,286	1,869,923
Add back Depreciation	2,932,726	2,985,960	0
(Gain)/Loss on Disposal of Assets	23,298	0	0
Self Supporting Loan Principal Reimbursements	0	0	0
Contributions for the Development of Assets	-654,212	-1,095,672	-323,974
Changes in Assets and Liabilities			
(Increase)/Decrease in Inventory	-8,345	0	-5,982
(Increase)/Decrease in Receivables	-1,555,399	2,248,147	1,256,866
Increase/(Decrease) in Accounts Payable	-28,471	5,642	194,839
Increase/(Decrease) in Prepayments	0	0	0
Increase/(Decrease) in Employee Provisions	86,480	47,299	5,071
Increase/(Decrease) in Accrued Expenses	0	0	0
Rounding	0	0	0
NET CASH FROM/(USED) IN OPERATING ACTIVITIES	-127,399	2,447,090	2,996,742

**SHIRE OF GNOWANGERUP
FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDING 31 OCTOBER 2018**

	2017-18 ACTUAL	2018-19 ANNUAL BUDGET	2018-19 JULY- OCT BUDGET	2018-19 JULY- OCT ACTUAL	MATERIAL VARIANCES %
OPERATING REVENUE	\$	\$	\$	\$	
General Purpose Funding	1,510,710	771,744	262,438	283,010	Variance within % Threshold
Governance	182	0	0	27	0.00%
Law, Order Public Safety	75,889	54,052	18,645	18,773	Variance within % Threshold
Health	395	300	0	317	0.00%
Education and Welfare	12,023	11,500	3,728	200	(94.64%)
Housing	79,729	84,280	30,341	27,476	Variance within % Threshold
Community Amenities	317,181	293,921	264,404	268,471	Variance within % Threshold
Recreation and Culture	36,259	24,400	834	1,964	135.41%
Transport	7,721,579	3,448,829	1,160,564	140,840	(87.86%)
Economic Services	15,524	12,372	754	1,638	117.40%
Other Property and Services	204,999	120,408	47,603	77,123	62.01%
	9,974,469	4,821,806	1,789,309	819,839	
LESS OPERATING EXPENDITURE					
General Purpose Funding	(164,396)	(129,467)	(47,231)	(41,854)	11.38%
Governance	(679,597)	(1,102,041)	(394,045)	(222,890)	(43.44%)
Law, Order, Public Safety	(289,231)	(340,336)	(115,356)	(72,924)	36.78%
Health	(251,724)	(250,299)	(80,162)	(75,292)	Variance within % Threshold
Education and Welfare	(15,828)	(26,524)	(12,970)	(5,419)	58.22%
Housing	(75,860)	(73,788)	(33,163)	(24,139)	27.21%
Community Amenities	(538,893)	(599,003)	(266,343)	(108,603)	59.22%
Recreation and Culture	(1,676,662)	(1,721,491)	(707,292)	(285,906)	59.58%
Transport	(10,800,247)	(6,658,343)	(2,387,421)	(2,105,936)	11.79%
Economic Services	(92,255)	(343,278)	(137,015)	(27,331)	80.05%
Other Property & Services	(585,174)	(214,590)	(130,711)	(100,244)	23.31%
	(15,169,867)	(11,459,159)	(4,311,709)	(3,070,538)	
<i>Increase(Decrease)</i>	(5,195,398)	(6,637,353)	(2,522,400)	(2,250,699)	
ADD					
Movement in Employee Benefits (Non-current)	60,430	47,299	0	0	0.00%
(Profit)/ Loss on the disposal of assets	23,298	0	0	0	0.00%
Depreciation Written Back	2,932,726	2,985,960	994,922	0	100.00%
	3,016,454	3,033,259	994,922	0	
<i>Sub Total</i>	(2,178,945)	(3,604,094)	(1,527,478)	(2,250,699)	
LESS CAPITAL PROGRAMME					
Purchase of Land		0			
Purchase Buildings	(343,732)	(1,464,930)	(327,030)	(240,574)	(26.44%)
Infrastructure Assets - Roads	(1,218,668)	(1,300,381)	(252,459)	(124,745)	50.59%
Infrastructure Assets - Footpaths	0	(5,000)	0	0	0.00%
Infrastructure Assets - Aerodromes	(3,099)	0	0	0	0.00%
Infrastructure Assets - Drainage	0	(9,000)	0	0	0.00%
Infrastructure Assets - Sewerage	(45,775)	(50,000)	(3,860)	0	100.00%
Infrastructure Assets - Parks & Ovals	(4,700)	(4,858)	(4,858)	(2,200)	54.71%
Infrastructure Assets - Other	0	(8,000)	0	0	0.00%
Purchase Plant and Equipment	(327,274)	(732,000)	(65,000)	(94,814)	(45.87%)
Purchase Furniture and Equipment	(18,739)	(5,000)	0	(1,064)	0.00%
Proceeds from Sale of Assets	77,809	223,000	0	25,682	0.00%
Contributions for the Development of Assets	654,212	1,095,672	236,034	323,974	(37.26%)
Repayment of Debt - Loan Principal	(163,109)	(1,163,539)	(1,000,000)	(1,048,013)	Variance within % Threshold
Self Supporting Loan Principal Income	26,352	27,433	0	0	0.00%
Transfer to Reserves	(331,600)	(202,500)	(8,996)	(5,645)	37.26%
	(1,698,325)	(3,599,103)	(1,426,169)	(1,167,399)	
Plus Rounding					
<i>Sub Total</i>	(3,877,269)	(7,203,197)	(2,953,647)	(3,418,099)	
FUNDING FROM					
Transfer from Reserves	237,668	790,302	0	0	0.00%
Loans Raised	1,000,000	367,500	0	0	0.00%
Estimated Opening Surplus at 1 July	1,552,914	2,248,000	2,248,000	2,510,231	11.67%
Amount Raised from General Rates	3,617,710	3,797,395	3,797,395	3,796,648	Variance within % Threshold
Closing Funds	0	0	0	0	
	6,408,292	7,203,197	6,045,395	6,306,879	
NET SURPLUS/(DEFICIT)	2,531,023	(0)	3,091,748	2,888,780	

NOTE 1			
CURRENT RATIO	Current Assets	2,875,577	3.28
	Current Liabilities	877,088	
Ratios greater than one indicate that Council has sufficient current assets to meet it's short term current liabilities.			
NOTE 2 - VARIANCES EXPLAINED			
	OPERATING REVENUE	\$ VARIANCE	% VARIANCE
General Purpose Funding			
Variance within 10% Materiality Threshold		20,572	Variance
Governance			
Reimbursement income not anticipated for reporting period		27	0.00%
Law Order & Public Safety -			
Variance within 10% Materiality Threshold		128	Variance within % Threshold
Health			
Medical Centre reimbursement of costs not anticipated		317	0.00%
Education & Welfare			
Education Dept mowing contract received annually not monthly as anticipated		(3,528)	(94.64%)
Housing			
Variance within 10% Materiality Threshold		(2,865)	Variance within % Threshold
Community Amenities			
Variance within 10% Materiality Threshold		4,067	Variance within % Threshold
Recreation & Culture			
Swimming pool entrance fees and Visiting author reimbursement		1,130	135.41%
Transport			
WANDRRA income not received as anticipated		(1,019,724)	(87.86%)
Economic Service			
Standpipe fees higher than anticipated for reporting period		885	117.40%
Other Property and Services			
Workers Compensation and Insurance Claim reimbursements higher than anticipated		29,520	62.01%
	OPERATING EXPENDITURE	\$ VARIANCE	% VARIANCE
General Purpose funding			
Conference expenses lower than anticipated for reporting period		5,377	11.38%
Governance			
Administration and Conference costs less than anticipated for reporting period		171,155	-43.44%
Law Order & Public Safety -			
Depreciation not applied for reporting period - no monetary impact		42,432	36.78%
Health			
Variance within 10% Materiality Threshold		4,871	Variance within %
Education & Welfare			
Depreciation not applied for reporting period - no monetary impact		7,550	58.22%
Housing			
Depreciation not applied for reporting period - no monetary impact		9,023	27.21%
Community Amenities			
Depreciation not applied for reporting period - no monetary impact		157,741	59.22%
Recreation & Culture			
Depreciation not applied for reporting period - no monetary impact		421,385	59.58%
Transport			
Depreciation not applied for reporting period - no monetary impact		281,486	11.79%
Economic Service			
Depreciation not applied for reporting period - no monetary impact		109,683	80.05%
Other Property & Services			
Depreciation not applied for reporting period - no monetary impact		30,466	23.31%

CAPITAL REVENUE		
<u>Proceeds on Sale of Assets</u>		
Sale of Vehicle GN00		0
Sale of Vehicle GN002		0
Sale of Utility (GN0048)		0
Sale of Utility GN.037		0
Sale of Utility GN.0004		25,682
Sale of Loader GN.0040		0
Sale of Backhoe GN.0089		0
Proceeds - Sale of Land		0
		<u><u>25,682</u></u>
		0.00%
<u>Non-Operating Revenue</u>		
<u>Housing</u>		
Commonwealth Grants BBR Funding		0
<u>Transport</u>		
Regional Road Group Grants		0
Roads To Recovery Grants	TIMING	87,940
		<u><u>87,940</u></u>
		-37.26%
<u>Transfers from Reserve</u>		
Transfer from Reserve Fund		0
		0

CAPITAL EXPENDITURE		
<u>Transfers to Reserve</u>		
Transfers To Reserve Funds - (Inc Interest Earned) - Offset by interest earned on Reserve Term Deposit	TIMING	3,352
		<u><u>3,352</u></u>
		37.26%
<u>Furniture & Equipment</u>		
Administration - Computers and monitor replacements	TIMING	(1,064)
		<u><u>(1,064)</u></u>
		0.00%
Total (Over)/Under Budget		
		<u><u>(1,064)</u></u>
		0.00%

<u>Land & Buildings</u>		
<u>Housing</u>		
Construction of 2 houses on cnr Quinn & Whitehead Sts		0
20 McDonald St Renewals	TIMING	(6,902)
2 Cecil Street Bathroom Renewal		0
<u>Community Amenities</u>		
Land Development Cuneo Close - Project expenses higher than anticipated for the reporting period	TIMING	46,829
<u>Recreation & Culture</u>		
Swimming Pool Capital Expenditure	TIMING	30,000
Yougenup Community Centre	TIMING	4,030
Gnp Town Hall Capital		0
Ongerup Town Hall Renewals		0
Old Swimming Pool Redevelopment	TIMING	7,500
Ongerup Community Centre Capital		0
Ongerup CWA Building Capital		0
Ongerup Museum Capital		0
Gnowangerup Star Building Capital		0
<u>Transport</u>		
Gnowangerup Works Depot Capital		0
Ongerup Works Depot Capital	TIMING	5,000
<u>Other Property & Services</u>		
Administration Centre Building Capital		0
		<u><u>86,456</u></u>
		(26.44%)
Total (Over)/Under Budget		

CAPITAL EXPENDITURE			
<u>Plant & Equipment</u>			
<u>Recreation & Culture</u>			
Purchase Pump and Water Tank - Ongerup oval	TIMING	5,000	
<u>Transport</u>			
Purchase Loader GN0040		0	
Purchase Backhoe GN.0089		0	
Minor Plant Purchases		0	
4 Tonne Multi Roller	TIMING	(50,500)	
Purchase of Utility GN.0048		0	
Purchase of Utility GN.037		0	
Purchase of Utility GN.004		0	
Purchase Canopy for Utility (Ranger)		0	
<u>Other Property & Services</u>			
CEO Vehicle - DECEMBER DELIVERY	TIMING	40,000	
MCS Vehicle - DECEMBER DELIVERY	TIMING	20,000	
	Total (Over)/Under Budget	14,500	-45.87%
<u>Road Construction</u>			
<u>Roads to Recovery</u>			
Rabbit Proof Fence Rd - Gravel Sheet	TIMING	3,892	
Salt River Road		0	
Gleeson Road Gravel Sheet SLk 5.00 - 9.00	TIMING	46,892	
<u>Regional Road Group</u>			
Tieline Road Reseal		0	
Borden - Bremer Road		0	
Ongerup-Pingrup Road	TIMING	(3,360)	
<u>Municipal Fund Roads</u>			
Sandalwood Road Reseal		0	
Borden Bremer Bay Road	TIMING	59,287	
Tieline Rd Resheet		0	
Nightwell Rd	TIMING	50,000	
Highdenup Rd Gravel Sheet		0	
	Total (Over)/Under Budget	156,711	50.59%
<u>Footpath Construction</u>			
Footpath Construction		0	
	Total (Over)/Under Budget	0	0.00%
<u>Drainage Infrastructure</u>			
Drainage Renewals		0	
	Total (Over)/Under Budget	0	0.00%
<u>Sewerage Infrastructure</u>			
Ongerup Waste Water Ponds	TIMING	3,860	
	Total (Over)/Under Budget	3,860	100.00%
<u>Parks, Ovals & Reserves Infrastructure</u>			
Community Park Capital	TIMING	2,658	
	Total (Over)/Under Budget	2,658	54.71%
<u>Other Infrastructure</u>			
Caravan Park Other Infrastructure		0	
Street Banners & Banner Poles		0	
	Total (Over)/Under Budget	0	0.00%
Note: (NB) = No Budget Provision Made			

SHIRE OF GNOWANGERUP
SUMMARY OF CURRENT ASSETS AND LIABILITIES
FOR THE PERIOD ENDING 31 OCTOBER 2018

CURRENT ASSET	ACTUAL 31 OCT 2018	ACTUAL 30 JUNE 2018
91000 Municipal Fund Bank Account	\$2,412,470	\$583,127
91003 Gnp Office Till Float	\$200	\$200
91004 Gnp Office Petty Cash	\$300	\$300
91005 Swimming Pool Float	\$200	\$200
91008 SWIMMING POOL VENDING MACHINE	\$142	\$142
91009 CASH ON HAND - BANKING CHANGE	\$1,000	\$1,000
91010 Restricted Cash - Long Service Leave Reserve	\$84,327	\$84,089
91011 Restricted Cash - Plant Reserve	\$886,796	\$884,288
91014 Restricted Cash - Ongerup Effluent Line Reserve	\$54,784	\$54,629
91017 Restricted Cash - Area Promotion Reserve	\$29,704	\$29,619
91020 Restricted Cash - Borden Community Development Reserve	\$0	\$0
91023 Restricted Cash - Swimming Pool Upgrade Reserve	\$150,648	\$150,222
91025 Restricted Cash - Land Development Reserve	\$503,392	\$501,969
91026 Restricted Cash - Unspent Grants Reserve	\$0	\$0
91027 Restricted Cash - Computer Replacement Reserve	\$7,841	\$7,819
91029 Restricted Cash - Waste Disposal Reserve	\$241,001	\$240,319
91030 Restricted Cash - Royalties for Regions Unspent Grant	\$0	\$0
91031 Restricted Cash - Futures Fund Reserve	\$15,962	\$15,917
91034 RESTRICTED CASH - LIQUID WASTE FACILITY	\$21,498	\$21,438
91070 Restricted Cash - Kidz Sports Grant	\$0	\$0
91071 Restricted Cash - Cat Sterilisation Grant (DLG)	\$0	\$0
91072 Restricted Cash - ICCWA Stay on Your Feet Grant	\$476	\$476
91073 Restricted Cash - CSRFF Grant Swim Pool (DSR)	\$0	\$0
91074 Restricted Cash - CLGF Grant Swim Pool (RDL)	\$0	\$0
91075 Restricted Cash - Workforce Planning Grant (DLG)	\$0	\$0
91076 Restricted Cash - Club Development Officer Grant (DSR)	\$0	\$0
91077 RESTRICTED CASH - STATE EMERGENCY SERVICES GRANT	\$1,077	\$1,077
91078 RESTRICTED CASH - BUSH FIRE SERVICES GRANT	\$695	\$695
91079 RESTRICTED CASH - CLGF YOUTH DEV SCHOLAR	\$2,389	\$2,389
91100 Rates Debtor - Rates	\$921,632	\$108,758
91101 Rates Debtor - Specified Area Rates	\$19,896	\$5,418
91102 Rates Debtor - Rubbish Collection	\$11,208	\$7,114
91103 Rates Debtor - Health Act Rate	\$31,816	\$17,269
91104 Rates Debtor - Legal Charges	\$15,511	\$17,627
91105 Rates Debtor - Interest/Admin Charges	\$15,480	\$14,757
91106 Rates Debtor - ESL	\$22,881	\$5,317
91107 Rates Debtor - Sundry Charges	\$0	\$0
91108 Rates Debtor - Recycling Charges	\$9,704	\$5,661
91110 Sundry Debtors Control	\$52,362	\$2,155,204
91111 Pensioner Rebate Claims - General Rates	\$2,026	\$1,331
91112 Pensioner Rebate Claims - ESL Levy	\$164	\$92
91120 GST Receivable	\$89,255	\$109,879
93040 GST Payable	\$0	\$0
93041 GST Claimable	\$0	\$374
91130 Accrued Interest on SSL's	\$91	\$91
91140 Self Supporting Loans (Current)	\$27,433	\$27,433
55022 Less Allocated To Works	\$0	\$0
55032 Fuel & Oils Purchased	\$89,771	\$166,026
55042 Less Fuel & Oils Allocated	(\$83,789)	(\$157,681)
91200 Stock On Hand - Fuel & Oils	\$29,548	\$21,203
91201 Stock On Hand - Materials	\$0	\$0
92312 BUILDING ASSET DISPOSAL (DUMMY)	\$0	\$0
	5,669,891	5,085,788
LESS CURRENT LIABILITIES		
93000 Sundry Creditors Control	(\$339,468)	(\$157,938)
93001 ESL Payable	(\$37,172)	\$12,250
93002 ACCRUED EXPENSES	\$0	(\$13,521)
93003 Part Proceeds - Sale of Land	(\$36,364)	(\$36,364)
93010 Accrued Interest On Loans	(\$10,130)	(\$10,130)
93020 Accrued Salaries & Wages	\$0	(\$12,220)
Net Gst Payable/Receivable	\$0	\$0
93030 Rate Payments Received In Advance	(\$4,706)	(\$15,078)
93043 Net Gst Payable/Receivable	\$0	\$0
93050 Net Salaries & Wages	\$0	\$0
93042 GST Liability (Payable)	\$0	\$0
93110 Loan Liability (Current)	(\$1,163,537)	(\$163,537)
80025 WATC SHORT TERM LOAN	\$0	(\$1,000,000)
93200 Provision For Annual Leave (Current)	(\$159,968)	(\$159,968)
93210 Provision For Long Service Leave (Current)	(\$120,863)	(\$115,792)
93220 Provision for Sick Leave Bonus (Current)	(\$49,054)	(\$49,054)
xxxx1 Suspense - police licensing	\$0	\$0
80004 Principal Repayments on Loans	\$48,013	\$0
80014 WATC SHORT TERM LOAN Principal	\$1,000,000	
	-873,247	-1,721,351
SUB-TOTAL	4,796,643.80	3,364,436
ADJUSTMENTS		
95100 Reserves Cash backed	(\$1,995,954)	(\$1,990,309)
Add Back Loan Liability	\$115,523	\$1,163,537
Deduct Off Self Supporting Loan Repayments	(\$27,433)	(\$27,433)
	\$0	\$0
Rounding	(\$1)	\$0
SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	\$ 2,888,780	\$ 2,510,231

17. CONFIDENTIAL ITEMS

Nil

OTHER BUSINESS AND CLOSING PROCEDURES

18. URGENT BUSINESS INTRODUCED BY DECISION OF COUNCIL

19. MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

20. DATE OF NEXT MEETING

That the next Ordinary Council Meeting will be held on the 19th December 2018.

21. CLOSURE

The Shire President thanked council and staff for their time and declared the meeting closed at 4:23pm.