



ATTACHMENT BOOK

ORDINARY COUNCIL MEETING
TO BE HELD ON
WEDNESDAY
16 DECEMBER 2020



WILDFLOWER COUNTRY



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Risk Number	Risk Assessment Category	Mitigation and Management Strategy (Possible Future Controls)	Status	Total	Completed	Underway	Outstanding
	Risk Issue and Failure Modes						
1005 Council Expenses							
6.2.1	The Policy stipulates reimbursements for Councillor travel will be a rate set by Council when Councillors use a personal vehicle for travel. The most recent determination published by the Salaries and Allowances Tribunal (SAT) sets out that travel is to be reimbursed to elected members when attending Council or committee meetings at the same rate as Section 30.6 of the Local Government Officers' (Western Australia) Interim Award 2011. It also sets out travel is to be reimbursed when performing other functions under the express authority of the local government, in accordance with the Public Service Award 1992.	Review and update the Policy to separate and clarify the calculation method for reimbursement of travel as set out with the most recent determination published by the SAT.		1	1		
2011 Complaints Handling							
6.2.2	The Policy does not provide for the handling of complaints against the CEO. A complaints register is required to be maintained under the policy and is included at Appendix B of the policy manual, however we did not observe evidence of this register being maintained.	Review and amend the policy to provide a mechanism for the handling and resolution of complaints regarding the CEO. Establish a complaints register as required under the policy.		2	1		
3008 Regional Price Preference Local Goods and Services							
6.2.3	The Policy allows for discounts not permitted by legislation such as a 'Works – Local Content' component, where additional discounts are applied for procurement evaluation, in addition to price reductions permitted by legislation.	Review and amend the policy to only include discounts permitted by Local Government (Functions and General) Regulations 1996 Regulation 24D.		3	1		
3007 Purchasing							
6.2.4a	The Policy provides limited direction in relation to contract variations and extensions of contracts awarded or against a written specification not awarded by tender. Extension of contracts and associated price changes are also not covered by the Policy. For contracts awarded by tender, legislation provides minimum requirements.	Amend the Policy to provide the following: Prohibit price variations to existing contracts awarded by tender other than those provided within the original contract, as required by Local Government (Functions and General) Regulations 1996 Regulation 11(2) (j) (iv). Purchasing requirements for the issuing of contract variations and extensions for contracts not awarded by public tender. Consideration should be given to circumstances where the contract value increase over a policy threshold level, due to the variation or extension.		4	1		
6.2.4b	Purchasing requirements for procurement of goods or services in accordance with the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(2), above \$150,000 are not included within the Policy. It is noted the practice of testing the market through sourcing multiple quotations when using the exemptions is sometimes occurring, and the policy should be updated to reflect the expectation and requirement.	Insert purchasing requirements for procurement of goods or services made under the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(2).		5	1		
6.2.4c	The Policy requires decisions not to call tenders for exempt purchases above \$150,000 shall be by Council resolution. Our limited testing noted instances where exempt purchases greater than \$150,000 were made without any Council resolution.	Update purchasing procedures and train staff to ensure they are aware of the requirement for a Council resolution where not calling tenders for purchases above \$150,000 made under the exemptions of the Local Government (Functions and General) Regulations 1996 Regulation 11(2).		6	1		
3009 Corporate Credit Card							
6.2.5	We noted the practice of credit card transactions and acquittals being reviewed by an independent officer, however the policy does not require this practice to occur.	Update the policy or associated procedures to require independent review and authorisation of credit card transactions and acquittals, as well as acknowledging transactions as having been made and authorised by the CEO. The practice of separately highlighting transactions made on the CEO's credit card for presentation to Council should continue.		7	1		
Appendix D Code of Conduct for Council Members, Committee Members and Staff							
6.2.6a	Section 2.4 Gifts and Bribery of the current Code of Conduct makes reference to a value of a token gift, which is inconsistent with the provisions of the Local Government Act 1995 and the Local Government (Administration) Regulations 1996. In its current form there is no clarity for elected members and employees as to their disclosure obligations.	Review the section of the Code of Conduct relating to disclosure requirements for gifts to highlight these need to be made in accordance with legislation. Consider amending the Code of Conduct so legislative requirements are not restated. Where legislative requirements are unclear or there is a desire for greater requirements, suggest this be covered by relevant policies, given the complexities involved in re-working the Code of Conduct to maintain currency when changes are made to legislation.		8	1		
6.2.6b	Contractors and volunteers are not bound by a Code of Conduct when performing functions on behalf of the Shire.	Expand the scope of the Code of Conduct to include actions by volunteers and contractors. Alternatively, a separate Code of Conduct be developed for volunteers and contractors.		9			1
6.2.6c	Elected members, committees, contractors and volunteers are not required to sign the Code of Conduct acknowledging they have read and understand the requirements within.	Update the Code of Conduct as well as induction procedures to ensure all persons subject to the Code of Conduct sign and acknowledge they understand the content.		10	1		
11000 Risk Management Policy							
6.2.7	The current Policy is based on a superseded Risk Management Standard.	The current Policy is based on a superseded Risk Management Standard.		11			1

Internal Control Policy					
6.2.8	Currently, no policy on internal controls has been adopted by Council.	We suggest an Internal Control Policy be formulated and adopted to formalise Council's commitment to internal controls, based on a risk management process.		12	1
Policy Review					
6.2.9	Policies are reviewed annually by Council to help ensure they remain current. There is no 'history' (adoption / review) to indicate where policies have been reviewed and amended.	Following review of Policies by Council, update the latest 'history' date on the Policy to provide an accurate record of when the Policy was reviewed, amended and adopted.		13	1
Attendance at Events Policy					
6.2.10	Currently, no policy on attendance at events has been adopted by Council.	Develop and adopt an attendance at events policy as required by section 5.90 of the Local Government Act 1995.		14	1
Legislative Compliance Policy					
6.2.11	Currently, no policy on internal legislative compliance has been adopted by Council.	Development and adoption of an internal legislative compliance policy may help formalise Council's commitment to legislative compliance.		15	1
Business Continuity Plan					
7.1.1	A Business Continuity Plan was not available for inspection.	Develop a Business Continuity Plan and test it to ensure validity. Identify and document key business continuity risks along with the treatments, to reduce the risk to an acceptable level.		16	1
ICT Disaster Recovery Plan					
7.1.2	An ICT Disaster Recovery Plan was adopted in April 2016. At the time of this review, the plan had not yet been tested.	Test the ICT Disaster Recovery Plan to ensure validity. Identify and document key ICT risks, along with the treatments to reduce the risk to an acceptable level.		17	1
Corporate Business Plan					
7.1.3	The Corporate Business Plan has not been reviewed annually as required by Local Government (Administration) Regulations 1996 19DA (4).	To help ensure compliance and provide sound planning direction to the organisation, the Corporate Business Plan should be reviewed annually.		18	1
Workforce Plan					
7.1.4	The Workforce Plan 2013-2017 has not been reviewed since it was developed and is now out of date. Although there is no statutory obligation to adopt the plan, it is required by the Department Local Government, Sport and Cultural Industries Integrated Planning and Reporting Advisory Standard (September 2016), and to be aligned to the Corporate Business Plan and annual budget.	Review and update the Workforce Plan to maintain effective alignment with IPR documents, and to include all required data and information as published within the Department Local Government, Sport and Cultural Industries Integrated Planning and Reporting Advisory Standard (September 2016).		19	1
ICT Strategic Plan					
7.1.5a	An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection.	Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level.		20	1
7.1.5b	Presently IT support services are received from a contractor based in Perth. No formal service level agreement exists for this arrangement.	Careful development of an ICT strategy will assist in developing a scope to articulate service level agreements for a range of IT services to be potentially issued to different providers.		21	1
Risk Management Procedures					
7.2.1a	Risk management activities currently undertaken are largely documented, with existing procedures based on a superseded risk management standard.	Risk management procedures be updated, and a process developed in accordance with any update to the risk management policy.		22	1
7.2.1b	Risk management activities currently undertaken are largely documented, with existing procedures based on a superseded risk management standard.	Implement risk management procedures and processes throughout the organisation.		23	1
Procedure Changes					
7.2.2	Process for amending or changing procedures are not formalised. This creates opportunities for unilateral undocumented changes to procedures and a breakdown in key controls.	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the organisation to assist with managing changes to procedures.		24	1
Workflow Diagrams					
7.2.3	Workflow diagrams have not been compiled for undocumented procedures.	In conjunction with, or as an alternative to, the development of documented procedures and checklists, update and development of workflow process diagrams may assist in clearly identifying controls and processes to be followed where procedures or checklists do not exist.		25	1
Rate notices and information accompanying rate notices					
7.2.4	The 2019/20 rate notice and the 2019/20 information accompanying the rate notice did not contain a statement that penalty interest on overdue rates and charges will continue to accrue daily until arrears are paid, as required by regulation 56(4)(e) of the Local Government (Financial Management) Regulations 1996.	Ensure all information required by the Local Government Act 1995 and associated regulations, is included in future rate notices or accompanying information brochures.		26	1
Bank Account Authorisations					
7.2.5	Previous staff and elected members, as well as current elected members, were listed as authorising parties on the Shire's bank accounts as at the time of our review. Bank authority listings should be reviewed regularly to ensure they are current.	Elected members have no administrative authority and therefore should not be listed as an authorising party on Shire bank accounts. The authority for the previous staff and elected members, as well as current elected members should be removed immediately.		27	1
ICT Security					

7.2.6	We noted limited controls in relation to the access to IT systems including physical access to hardware. Some levels of permissions have been established to network access to software and data, however this is largely undocumented.	Undertake a comprehensive IT security review, articulate current practices and implement findings of the review.		28	1
Overhead & Administration Allocations					
7.2.7	No process is currently in place to determine the allocation of indirect costs. From staff representations, current allocation rates are based on historical estimates and reviewed informally during budget preparations each year. No calculation method to support the allocations was available.	Undertake a review of activity based costings to support calculation of overhead and administration allocations.		29	1
Checklists					
7.2.8	Checklists of key functions are maintained for selected functions. Checklists were not maintained and evidenced for all standard routine functions such as end of month reconciliations and reporting across the organisation. It was noted some staff have commenced with the creation of checklists and procedures.	Creation and maintenance of standard checklists may assist in evidencing key points of control and serve as a reminder. Checklists assist in ensuring compliance with repetitive legislative compliance tasks. Staff are encouraged to continue with the development of checklists and procedures for routine functions, including evidencing independent review.		30	1
Stock Control					
7.2.9	No formal process exists to monitor fuel stock allocated through fuel cards. Fuel is recorded as it is allocated and reviewed for reasonableness by management each month.	Develop and implement procedures for the monitoring of fuel stock on hand in an effort to improve opportunities to detect any issues or potential misuse with fuel allocations.		31	1
Stock Control					
7.2.10	One standpipe for which the Shire is responsible, is unlocked and accessible by members of the public. Current controls in relation to the capture, recording and billing of water usage by third parties in accordance with the schedule of fees and charges are considered inadequate. It is acknowledged management are aware of the weaknesses and are planning to address these.	Improve systems and procedures for controls around preventing unauthorised access to water from the standpipe, including documented procedures for the recovery of third party usage by administration staff in accordance with the adopted schedule of fees and charges.		32	1
Asset Disposals					
7.2.11	Our limited testing noted instances where assets have not been disposed of in accordance with section 3.58 of the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996. •Two instances noted were the result of one large plant item and one smaller plant item being traded at the same time of purchasing a new plant item. Although the purchasing policy and legislative requirements allowed for the new plant item to be purchased without going to tender, the disposition of the traded plant item is not captured by these same exclusions. •We noted another instance where expressions of interest were called for the sale of an item of plant by the Shire which sold for more than \$20,000, through an advertisement published in a regional newspaper. Section 3.58(2) of the Local Government Act 1995 requires property to be disposed of only through either public auction or by tender, unless exempted by the Local Government (Functions and General) Regulations 1996. We also noted minimal support documentation to verify the process, evaluation and award of the disposition.	Ensure future asset disposals are in accordance with the requirements of section 3.58 of the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996.		33	1
Procurement					
7.2.12a	Through limited testing of payments, an instance was noted where a purchase order did not pre-date the invoice, and an instance where no purchase order was issued for the invoice paid.	All procurement of goods or services should be undertaken in accordance with legislative requirements and the Purchasing Policy. Any instances where a purchase pre-dates a purchase order should be documented, reviewed and authorised to demonstrate controls have been developed to comply and ensure the purchasing policy has been adhered to.		34	1
7.2.12b	An unauthorised purchase was identified, relating to a gift purchased for a departing employee. The purchase was initiated by elected members and then presented for payment through the administration office.	Elected members individually have no purchasing authority and are not authorised to incur expenditure on behalf of the Shire, unless by Council resolution. Future gifts should be procured to align and comply with the purchasing policy and delegated levels of authority.		35	1
7.2.12c	A contract of sale was entered into for the purchase of property during 2018, without a budget provision or a Council resolution to support the unbudgeted purchase. Section 6.8 (1) (b) of the Local Government Act 1995 requires a local government not to incur expenditure from its municipal fund for an additional purpose except where the expenditure has been authorised in advance by an absolute majority of Council. An item was presented to Council to endorse the purchase of the property after the contract of sale had been entered into, however this occurred prior to the adoption of the annual budget which provided for the purchase.	Examine systems, processes and training to ensure those with delegated purchasing authority comply with the provisions of the purchasing policy and with legislation.		36	1
Procurement Assessment					
7.2.13a	Whilst there are documented formal requirements when undertaking assessments of responses to requests for quotations, it is noted that often this is conducted by only one officer regardless of the purchase value.	To help ensure probity and fairness when assessing high value procurement options, at least three persons should assess the procurement option independently of each other. Documented processes should require a higher level of probity and due diligence, the higher the value or risk associated with the purchase.		37	1

7.2.13b	Documented procedures are not in place to require declarations of interest and confidentiality to be signed prior to assessments being undertaken for high value purchases.	Persons assessing any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence. Procedures for the declaration of interests prior to procurement assessments being undertaken should also be documented for high value purchases and tenders.		38	1	
Tender Assessment						
7.2.14a	Procedures for the assessment of tenders against the selection criteria are not consistently applied. We noted an instance where a tender scope was developed by an external consultant, who also undertook the only assessment of the tender. No procedures or correspondence were available to ensure the independence of persons in assessing the tender. We note the consultant who undertook the assessments is currently engaged to oversee the works, review applications for payment by the supplier and plan works to be undertaken.	To help ensure probity and fairness when assessing tenders, procedures for the process to be undertaken in assessing tenders should be followed and documented with at least three persons assessing the tender independently of each other. Persons assessing any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence.		39	1	
7.2.14b	Documented procedures are not in place to require declarations of interest and confidentiality to be signed prior to assessments being undertaken for tenders.	To help ensure probity and fairness when assessing tenders, procedures for the declaration of interests prior to assessing tenders should be documented.		40	1	
Local Laws						
7.2.15	We noted a number of local laws exist, however evidence of any recent reviews of local laws were not available for our inspection. Some local laws appear to be inoperative (as provided by section 3.7 of the Local Government Act 1995).	Review local laws within an eight year period as required by section 3.16 of the Local Government Act 1995, or alternatively consider repealing inoperative local laws as detailed in section 3.12 of the Local Government Act 1995.		41		1
Outstanding Purchase Orders						
7.2.16	We did not observe any formal procedures relating to the routine monitoring of and clearance of outstanding purchase orders.	Establish procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.		42	1	
Delegation Register						
7.2.17a	The 2017-18 annual report was not accepted by Council as required.	Ensure future annual reports are accepted by Council as required by section 5.54 of the Local Government Act 1995.		43	1	
7.2.17b	The 2017-18 annual report was uploaded to the Shire's website on 26 March 2019.	Ensure process is in place for the annual report to be uploaded to the Shire's website within 14 days of acceptance by Council, as required by section 5.55A of the Local Government Act 1995.		44	1	
Information Required to be Published on Official Local Government Website						
7.2.18	We noted the following information (in addition to other matters noted throughout this report) has not been published on the Shire's official website: •Copies of local laws; •Confirmed minutes of the special meeting of Council held 31 July 2019; and •Minutes of the meeting of electors held 6 February 2019.	Ensure information is published on the Shire's official website as required by section 5.96A of the Local Government Act 1995.		45	1	
Aquatic Centre Cash Handling						
7.2.19	Controls in relation to the handling of cash received at the swimming pool facility are considered inadequate.	Remove or significantly reduce the potential amount of cash received at the swimming pool facility, through use of pre-purchased vouchers, EFTPOS etc. Should cash continue to be accepted, appropriate procedures and controls are required.		46	1	
Staff Training						
7.3.1	Planned staff training needs for employees are currently identified and recorded in a training matrix. This matrix has not been updated for a number of years.	Refine the current staff training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation, monitors currency of required licences and qualifications, and is regularly reviewed and updated.		47		1
Timesheet Authorisation						
7.3.2	Through review of payroll processes, instances were identified where there was no evidence of review and authorisation of time records by an authorising officer.	Ensure all timesheets are properly completed, and authorised, when forwarding to staff for processing through fortnightly payroll to ensure employees receive correct entitlements.		48	1	
Staff Contracts						
7.3.3	Through our limited testing, we noted an instance where evidence of correspondence on an employee file to support the current rate of pay applied through the payroll was not available between December 2015 and September 2019.	Undertake a review of all personnel to reconcile documentation relating to conditions of employment, remuneration, roles and responsibilities.		49	1	
Employee Termination Procedures						
7.3.4	No formal process or procedure is currently in place to ensure the appropriate termination of employees. Departmental managers have the responsibility of ensuring Shire assets are recovered, however there is no structure in place to ensure IT permissions and security codes are restricted, or for Shire property (phones, vehicles, keys) to be returned prior to the employee finishing with the Shire.	Establish procedures or checklists to manage and document the termination of employees, ensuring access to IT systems, etc. is appropriately restricted and all allocated Shire assets are recovered.		50	1	
Staff Induction Processes						
7.3.5a	Staff inductions appear to be consistently applied throughout the organisation. The code of conduct is not included within the checklist of requirements for a new employee commencing.	Ensure all new employees of Council are appropriately inducted, with evidence of inductions retained on employee files.		51	1	

7.3.5b	Copies of employee driver licences are checked for currency and recorded on employee personnel files, but not reviewed subsequent to the initial inspection.	Establish procedures to ensure copies of employee driver licences, and other required certifications and qualifications relevant to their position, are routinely recorded on employee files.		52	1
Payroll Exception Reporting					
7.3.6	The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. This is performed through a variance report comparing the payroll being processed to the previous payroll reports with no verification to employee master records. Staff have advised more formal documentation / checklists are intended to be created to assist with payroll processing, review and authorisation.	A full review of procedures and controls is required to determine practical procedures, documentation and controls for the accurate processing of payroll each fortnight. Details for each employee should be reviewed against individual employment contracts to capture allowances, deductions, entitlements etc., into a master list, with appropriate review and authorisation for accuracy. Payroll exception reporting and review of audit trails should be undertaken to capture anomalies or unauthorised changes.		53	1
Events Insurance					
7.4.1	Community Groups' insurances are not always assessed prior to events being held on Shire property. Reliance is placed on event organisers to ensure copies of insurances are provided.	To help ensure all events held on Shire property have relevant and adequate insurance cover, procedures should be developed, and records maintained to ensure current insurances are in place.		54	1
Contractor Insurance					
7.4.2	Contractors' insurances are not always assessed prior to award of contracts in all cases. Reliance is placed on contract managers to ensure copies of insurances are provided.	To help ensure all contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be developed, and records maintained to ensure copies of contractor's insurances are held on file.		55	1
List of Payments					
8.1.1	The list of payments discloses details of each invoice being paid, rather than just the information required by legislation. Public provision of this level of detail increases the risk of IT related fraud and may result in disclosure of confidential commercial information.	The list of payments made by the CEO under delegated authority should be presented to Council with only the minimum information required by legislation.		56	1
Council and Audit Risk Committee					
8.1.2	Identified risks are not included within agenda items for elected member consideration or recorded in an appropriate risk register.	Identified risks relating to a Council decision should be communicated within the agenda item, to enable elected members to be fully informed of the identified risks when making decisions. Risks should also be appropriately recorded in a risk register.		57	1
Local Public Notice of Meetings					
8.1.3	Audit Committee meetings have not been advertised via local public notice.	Ensure all committee meetings under the Local Government Act 1995 which are required to be open to the public, are advertised in accordance with regulation 12 of the Local Government (Administration) Regulations 1996.		58	1
Council and Committee Minutes					
8.1.4a	In our limited testing and review of minutes of Council meetings, we noted the following: •An instance where a staff member declared an interest and left the meeting. The minutes do not contain a record of when or if the staff member returned to the meeting; •An elected member declared an interest in and voted on a matter, however the minutes did not include a record of any decision to allow the declaring member to remain during discussions / deliberations, or to participate in the decision; •Not all extents of interests disclosed at meetings have been recorded in the minutes; •A budget amendment was submitted for Council consideration which required an absolute majority decision, however the officer's report indicated only a simple majority was required; and •A decision at a Council meeting varied from the written officer's recommendation, yet the minutes did not state a reason for the change.	Ensure minutes of Council meetings are correctly recorded and contain all information required under regulation 11 of the Local Government (Administration) Regulations 1996.		59	1
8.1.4b	It was noted an Audit Committee Meeting was included as an agenda item for the ordinary Council meeting held 12 December 2018, rather than the Audit Committee meeting being held as a separate meeting. Although all elected members comprise membership of the Audit Committee, it has specific duties under legislation, with regulations also providing for content of minutes, meeting procedures etc. and as such, is required to hold its own committee meeting separate from a meeting of council.	Hold separate committee meetings for the Audit Committee as required by legislation, including the functions provided for in regulation 16 of the Local Government (Audit) Regulations 1996.		60	1
8.1.4c	A budget amendment was adopted by Council at a special meeting held 4 September 2019. A component of the budget amendment was a change to a previous decision made by Council, rather than a budget amendment. This change was not undertaken in accordance with the provisions of regulation 10 of the Local Government (Administration) Regulations 1996.	Ensure changes or revocations to previous decisions of Council are correctly considered and treated as required by legislation.		61	1
8.1.4d	Not all attachments (monthly statement of financial activity, accounts for payment list) are published in the minutes on the official local government website.	Ensure all attachments supporting the minutes are included in the official minutes, and the minutes published on the official local government website.		62	1
Monthly Statement of Financial Activity					

8.1.5a	Our limited testing noted the explanation of material variances were not properly completed in the documents supporting the May 2019 statement of financial activity as required by regulation 34(2)(b) of the Local Government (Financial Management) Regulations 1996.	Ensure the monthly statement of financial activity contains all items required by legislation.		63	1
8.1.5b	We observed the September 2019 monthly statement of financial activity presented to Council contained an error at Note 8, in that the incorrect GRV residential rate in the dollar was reported.	Ensure the monthly statement of financial activity contains all items required by legislation.		64	1
Risk Register					
8.2.1	A risk register was not available for our inspection to reflect identified risks, and if they have been adequately treated.	Maintaining risk registers for all identified risks is important to help ensure appropriate recording and communication of high rated risks, along with providing a record to enable the verification of whether treatment plans have appropriately reduced the risk. Routine (at least quarterly) review of the risk register is required to assist in ensuring identified risks are adequately treated.		65	
Tender Register					
8.2.2a	Inspection of the register noted the inclusion of several procurements which were not tenders, but rather purchases made under exemptions allowed by regulation 11(2) of the Local Government (Functions and General) Regulations 1996 or requests for quotations and expressions of interest called. Procurement processes which are not tenders should be maintained separate to the tender register.	Ensure the tender register complies with Regulation 16 & 17 of the Local Government (Functions and General) Regulations 1996 for future tenders called.		66	1
8.2.2b	We noted the tender register contained documentation which could identify the value of the consideration being sought by tenderers if it were inspected by the public. Recording such information within the register is contrary to Regulation 16(3)(c) of the Local Government (Functions and General) Regulations 1996.	Ensure the tender register contains only the information required to comply with Regulation 16 & 17 of the Local Government (Functions and General) Regulations 1996 for future tenders called.		67	1
Contracts Register					
8.2.3	A contracts register was not available for our inspection.	Maintain a register to record details of contracts and their status to assist with ensuring contracts are monitored and actioned as required.		68	1
Delegation Register					
8.2.4a	A number of items recorded in the delegations register as delegations to the CEO are responsibilities of the CEO, and not decisions of Council delegated to the CEO.	Review Council delegations to the CEO to ensure they relate to decisions of Council delegated to the CEO and update the register accordingly.		69	1
8.2.4b	A review/amendment history is not currently recorded within the delegations register.	Following review of Delegations by Council, update the latest 'history' date on each delegation to provide an accurate record of when the delegation was reviewed, amended and adopted.		70	1
8.2.4c	Some delegations within the register include a delegation to the Environmental Health and Building Officer. The individual currently performing these duties is not an employee of Council, therefore cannot be delegated authority under the Building Act 2011 or Local Government Act 1995.	Review and amend delegations relating to the Building Act 2011 to remove sub delegation to contract Environmental Health and Building Officer, ensuring delegation remains with appropriately authorised officer of Council.		71	1
8.2.4d	Delegations are not numbered. We noted some delegations to the CEO reference sub delegations to other officers, however these delegations from the CEO are not recorded in the register. Minute references of delegations being made and memorandums to staff of delegations made to them are also not maintained.	Numbering delegations may assist to provide a clear record of delegations being made and exercised. Review and update the delegations register to ensure records are maintained as required by legislation and as noted in the Department of Local Government, Sport and Cultural Industries Operational Guideline No. 17.		72	1
Gifts Register					
8.2.5	We noted the register of gifts contains record of disclosures made under the former provision of the Local Government Act 1995 (sections 5.82 & 5.83) and are published on the Shire's website as required. We did not observe a register of gifts in the prescribed form as required.	Establish a register of gifts in the prescribed form and publish on the Shire's official website as required.		73	1
Notifiable Gifts Register					
8.2.6	A notifiable gifts register was not available for our inspection or published on the Shire's website as required by regulation 34B(5) of the Local Government (Administration) Regulations 1996.	Maintain a register to record details of notifications given in relation to gifts as required by regulation 34B(5) of the Local Government (Administration) Regulations 1996, and publish on the Shire's official website as required.		74	1
Investment Register					
8.2.7	An investment register was not available for our inspection.	Recording the nature and location of all investments and related transactions is required by Regulation 19 (2) of the Local Government (Financial Management) Regulations 1996. Tracing of funds on maturity of investments is essential and record of where funds are transferred and who authorised the transfer should be maintained within the register. Maintaining printed copies of the investment register, reviewed and authorised by a senior manager independent of the control of the investments, prevents subsequent amendment to the register.		75	1
Register of Hazardous Materials					

8.2.8	A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire which may contain hazardous materials such as asbestos, and if associated risks have been adequately treated.	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.		76		1
Financial Interest Register						
8.2.9a	We noted primary returns were completed for two relevant persons. In both instances these primary returns have been completed more than three months after the documented start date.	Ensure systems and procedures are in place to obtain all returns required under the Local Government Act 1995. Undertake necessary actions to rectify and report this matter as required.		77	1	
8.2.9b	Acknowledgements of annual returns for three relevant persons, as well as acknowledgement of a primary return for a relevant person, were not recorded as required by section 5.77 of the Local Government Act 1995.	Review systems and procedures place to ensure the acknowledgement of receipt of all returns occurs, and are appropriately filed in the register of financial interests as required under the Local Government Act 1995.		78	1	
8.2.9c	A primary return for two relevant persons were not available for inspection upon examination of the Financial Interest Register.	Undertake a thorough examination of files to locate the primary returns and file within the register as required within the provisions of section 5.88 of the Local Government Act 1995, or take action to rectify and report this matter as required.		79	1	
8.2.9d	We noted a relevant person's primary return pre-dates their documented start date. It was also noted the same relevant person's acknowledgement of a subsequent annual return pre-dated the completed return.	Undertake a thorough examination of files to locate the primary returns and file within the register as required within the provisions of section 5.88 of the Local Government Act 1995, or take action to rectify and report this matter as required.		80	1	
8.2.9e	A primary return for a relevant person was noted to have incomplete information, in that the start date for the relevant person was omitted from the form. We noted another instance where a primary return contained several blank fields / incomplete information.	Establish procedures to ensure all primary and annual returns are properly completed at the time of providing acknowledgement of receipt of the returns.		81	1	
Regulatory Health Inspection Register						
8.2.10	A register of health inspections undertaken is not routinely maintained.	Maintain a register to record details a central record of health inspections undertaken, registered premises within the district, and to ensure inspections are undertaken within required timeframes.		82		1
Swimming Pool Inspection Register						
8.2.11	A register of inspections of private swimming pools within the district was not available for our inspection and it is unclear when inspections were last performed.	Develop and maintain a register to assess the current status of private swimming pool inspections. Routine monitoring and review of the register will assist to ensure inspections are undertaken within required timeframes.		83		1
Community Complaints Procedures						
8.4.1	A customer complaints register is not currently maintained to follow up and ensure all complaints are adequately addressed. This type of register may assist with alignment to the requirements of the complaints handling policy.	To help ensure all complaints are adequately resolved, a register of customer complaints received should be maintained.		84	1	
Official Complaints Register						
8.4.2a	No official complaints register was available for inspection.	To ensure compliance with the Act, an official complaints register should be maintained and published on the Shire's official local government website.		85	1	
8.4.2b	The official complaints register is not published on the Shire's official local government website as required by section 5.121(3) of the Local Government Act 1995.	To ensure compliance with the Act, an official complaints register should be maintained and published on the Shire's official local government website.		86	1	
Internal Audit						
8.5.1	Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.	We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to parliament on the Audit of Local Government.		87		1
OSH Audit						
8.5.2	An audit was undertaken by an independent party in 2018. According to staff representations, the OSH Management Plan is not yet fully implemented.	Continue with implementation of the OSH Management Plan and ensure all previously identified OSH matters have been adequately addressed.		88	1	
Audit Regulation 17 Review						
8.6.1	Previous review required under Audit Regulation 17 highlighted a number of improvement opportunities to matters identified. 19 of these improvements are yet to be implemented.	Outstanding items identified within the previous Audit Regulation 17 Review be addressed.		89	1	
Financial Management Review						
8.6.2	Financial management review undertaken in May 2017 made four recommendations to improve the Financial Management of the Shire. Two items identified within the Financial Management Review remain to be addressed.	Implement systems to regularly monitor, action and items raised within reviews of internal controls.		90		1
				90	68	6 16

Risk Assessment Category		Mitigation and Management Strategy (Possible Future Controls)	Status
Risk Number	Risk Issue and Failure Modes		
1005 Council Expenses			Status - September 2020
6.2.6b	Contractors and volunteers are not bound by a Code of Conduct when performing functions on behalf of the Shire.	Expand the scope of the Code of Conduct to include actions by volunteers and contractors. Alternatively, a separate Code of Conduct be developed for volunteers and contractors.	New WHS Act may require volunteers to be treated as employees for safety. Medicals, SWMS , induction, training.
11000 Risk Management Policy			
6.2.7	The current Policy is based on a superseded Risk Management Standard.	The current Policy is based on a superseded Risk Management Standard.	Budget item in 21/22. \$10,000.
Internal Control Policy			
6.2.8	Currently, no policy on internal controls has been adopted by Council.	We suggest an Internal Control Policy be formulated and adopted to formalise Council's commitment to internal controls, based on a risk management process.	This will be developed as part of the 21/22 Risk Management project.
ICT Strategic Plan			
7.1.5a	An ICT Plan highlighting and addressing ICT risks and how they are to be addressed was not available for inspection.	Develop an ICT Strategic Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level.	March-May 2021 engage consultant to develop the ICT Plan (Risk). \$15,000 for ICT Plan, (at stage we cannot quantify the ICT risk or potential costs. ICT refers to technologies that provide access to information through telecommunications. It is similar to Information Technology (IT), but focuses primarily on communication technologies. This includes the Internet, wireless networks, cell phones, and other communication mediums.
7.1.5b	Presently IT support services are received from a contractor based in Perth. No formal service level agreement exists for this arrangement.	Careful development of an ICT strategy will assist in developing a scope to articulate service level agreements for a range of IT services to be potentially issued to different providers.	As above 7.1.5a
Risk Management Procedures			
7.2.1a	Risk management activities currently undertaken are largely documented, with existing procedures based on a superseded risk management standard.	Risk management procedures be updated, and a process developed in accordance with any update to the risk management policy.	Refer to 6.2.7
7.2.1b	Risk management activities currently undertaken are largely documented, with existing procedures based on a superseded risk management standard.	Implement risk management procedures and processes throughout the organisation.	Refer to 6.2.7
Procedure Changes			
Workflow Diagrams			

7.2.3	Workflow diagrams have not been compiled for undocumented procedures.	In conjunction with, or as an alternative to, the development of documented procedures and checklists, update and development of workflow process diagrams may assist in clearly identifying controls and processes to be followed where procedures or checklists do not exist.	March to May 21, DCEO will be working with staff to manage this directive.
ICT Security			
7.2.6	We noted limited controls in relation to the access to IT systems including physical access to hardware. Some levels of permissions have been established to network access to software and data, however this is largely undocumented.	Undertake a comprehensive IT security review, articulate current practices and implement findings of the review.	Refer to 7.1.5a
Local Laws			
7.2.15	We noted a number of local laws exist, however evidence of any recent reviews of local laws were not available for our inspection. Some local laws appear to be inoperative (as provided by section 3.7 of the Local Government Act 1995).	Review local laws within an eight year period as required by section 3.16 of the Local Government Act 1995, or alternatively consider repealing inoperative local laws as detailed in section 3.12 of the Local Government Act 1995.	CEO to commence in 2021
Staff Training			
7.3.1	Planned staff training needs for employees are currently identified and recorded in a training matrix. This matrix has not been updated for a number of years.	Refine the current staff training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation, monitors currency of required licences and qualifications, and is regularly reviewed and updated.	Will be developed as part of the 2020/21 Staff Performance Reviews
Council and Audit Risk Committee			
8.1.2	Identified risks are not included within agenda items for elected member consideration or recorded in an appropriate risk register.	Identified risks relating to a Council decision should be communicated within the agenda item, to enable elected members to be fully informed of the identified risks when making decisions. Risks should also be appropriately recorded in a risk register.	Refer to 6.2.7
Risk Register			
8.2.1	A risk register was not available for our inspection to reflect identified risks, and if they have been adequately treated.	Maintaining risk registers for all identified risks is important to help ensure appropriate recording and communication of high rated risks, along with providing a record to enable the verification of whether treatment plans have appropriately reduced the risk. Routine (at least quarterly) review of the risk register is required to assist in ensuring identified risks are adequately treated.	Refer to 6.2.7
Register of Hazardous Materials			

8.2.8	A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire which may contain hazardous materials such as asbestos, and if associated risks have been adequately treated.	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.	LGIS has provided a quote of \$14,000 to complete this project. Under review.
Regulatory Health Inspection Register			
8.2.10	A register of health inspections undertaken is not routinely maintained.	Maintain a register to record details a central record of health inspections undertaken, registered premises within the district, and to ensure inspections are undertaken within required timeframes.	
Swimming Pool Inspection Register			
8.2.11	A register of inspections of private swimming pools within the district was not available for our inspection and it is unclear when inspections were last performed.	Develop and maintain a register to assess the current status of private swimming pool inspections. Routine monitoring and review of the register will assist to ensure inspections are undertaken within required timeframes.	
Internal Audit			
8.5.1	Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.	We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to parliament on the Audit of Local Government.	To be developed after Risk Management system has been developed, and the ICT system.

GOVERNANCE –COUNCIL MEMBERS AND EMPLOYEES

31 Council Member Allowances, Expenses and Entitlements

Adoption		
Date	Meeting	Council Decision
17 June 2020	OCM	034/2020
Review		
Date	Meeting	Council Decision
April 2021	OCM	
Delegation		
No.	Title	
Legislative Reference		
Local Government Act 1995 s5.98A, 5.98(1)(b), 5.98(5), 5.98A, 5.99A, Local Government (Administration) Regulations 1996 Reg. 33A, 33(1)(b), 33(3), 33(5), 34A, 34(1)(b), 34(2)(b), 33(5).		

PURPOSE

To outline the support that will be provided to Council members through the payment of allowances, reimbursement of expenses incurred, insurance cover and supplies provided in accordance with the Local Government Act 1995 while performing the official duties of office.

POLICY

This policy details the requirements to follow for Council members Allowances Expenses and Supplies.

Policy Statement:

Attendance at Local Government Week

Any Council members, the CEO, and their partners, may attend the annual WALGA Conference and annual Local Government Week fixture. Cost of registration, accommodation and meals is to be met by Council, provided such expenditure is under the terms and conditions of the Local Government Act. Transportation and incidental expenses are to be the responsibility of individual Council members. Should a Council member withdraw their registration past the last cancellation date any costs incurred by Council that cannot be recouped from the event organizers shall be reimbursed to Council by that Council member.

1. Allowances

1.1 Presidents Allowance

The President shall be entitled to an annual Local Government allowance equal to the maximum amount permitted to be paid to the President as determined by the Salaries and Allowances Tribunal.

1.2 Deputy President Allowance

The President shall be entitled to an annual Local Government allowance equivalent to 25% of the President Allowance.

1.3 Meeting Attendance Allowance

The President and Council members shall be entitled to an annual meeting attendance allowance equal to the maximum amount permitted to be paid as determined by the Salaries and Allowances Tribunal.

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1.4 Telecommunications Allowance

Council members shall be entitled to an annual telecommunications allowance equal to 60% of the maximum amount permitted to be paid as determined by the Salaries and Allowances Tribunal to cover all information and communications technology costs that are a kind of expense for which Council members may be reimbursed as prescribed by Regulations 31(1)(a) and 32(1) of the *Local Government (Administration) Regulations 1996*.

Note: All allowances referred to in this Policy will be paid in arrears with Council members able to elect to receive payment monthly, quarterly, biannually or annually.

1.5 Computer

The Shire shall make available to all Council members, for use in their private residence during their term of office, a suitably equipped computer for the conduct of Council related business includes Agendas and Minutes.

1.6 Maintenance of Equipment

Where necessary the Shire shall provide and make provision for the ongoing maintenance of Computers referred to in this policy with all maintenance costs being met by the Shire:

- In the event of a malfunction of the equipment the Council member is to contact, during business hours, a Shire employee or designated service provider, who will coordinate the attendance of maintenance personnel
- Under no circumstances should Council members undertake repairs or maintenance to Shire equipment without the express permission of the Chief Executive Officer.

1.7 Reimbursable and Travelling Expenses

Local Government Act 1995 s.5.98(2), (3) and (4) and Local Government (Administration) Regulations 1996 Regs 31 and 32

[Local Government Act 1995 s.5.98(2) and (3) and Local Government (Administration) Regulations 1996 Reg.31(4) and 32]

Any Council members who actually incur travelling expenses by providing transport to attend a meeting of Council shall be entitled to expenses paid at the ruling rate per kilometre as set by Council Salaries and Allowances Tribunal for travel from the normal place of residence to the place of meeting only.

Any Council members officially representing Council at a meeting, conference or in other official capacity, where travel, travel and accommodation, or other expenses specially approved by Council, are actually incurred, shall be entitled to have those expenses refunded:

- In the case of travel by motor vehicle it is to be paid at the ruling rate per kilometre as set by [Council Salaries and Allowances Tribunal](#).
- In the case of other types of travel, the actual cost of the travel will be reimbursed.
- In the case of accommodation, the actual cost of accommodation at an approved hotel or motel will be reimbursed.
- Other expenses as specifically approved may be reimbursed.
- Council members shall be entitled to reimbursement of travelling expenses incurred while using their ~~own~~ private motor vehicle in the performance of the official duties of their office.
- Council Meetings, Civic functions, Citizenship Ceremonies or briefings called by either Council, the President or the Chief Executive Officer.
- Committees to which the Council member is appointed a delegate or deputy by Council.
- Meetings, training and functions scheduled by the Chief Executive Officer or Directors.
- Conferences, community organisations, industry groups and Local Government associations to which the Council member has been appointed by Council as its delegate or a deputy to the delegate.
- Functions and presentations attended in the role as a Council member or whilst deputising for the President, that are supported by a copy of the relevant invitation or request for attendance.
- Gatherings or events (i.e. funerals, local business or community events), approved by the Chief Executive Officer for attendance by the President or the President's nominated deputy as a representative of the Shire.
- Any other occasion in the performance of an act under the express authority of Council.
- Site inspections in connection with matters listed on any Council Agenda paper (Council members to state the Item Number listed on any Council Agenda paper along with the date and time of the visit on the claim form).
- In response to a request to meet with a ratepayer/elector but excluding the day of Council Elections. (Council members to state the time and purpose of the visit and the name and address of the ratepayer/elector on the claim form).

All claims for reimbursement should be lodged with the Chief Executive Officer, on the appropriate claim form by no later than 30 days from the end of the month to which the claim relates. In submitting claims for reimbursement, Council members shall detail the:

- Date of the claim
- Particulars of travel
- Nature of business
- Distance travelled
- Vehicle displacement and the total kilometres travelled.

Council members are required to certify the accuracy of the information they provide with their claim forms and all claims must be accompanied by supporting documentation such as invitations or approvals. The rate of reimbursement being as prescribed from time to time by the Salaries and Allowances Tribunal.

Note: Council members should note that any diary used by a Council member to record the scheduling or occurrence of activities related to the fulfilment of the office of Council members are subject to the *State Records Act 2000* and the *Freedom of Information Act 1992*.

2. Other

2.1 Name badges:

- Formal (gold tone) Council member's name badge
- The Shire will, within reason, replace on request any name badge which is lost or irreparably damaged.

2.2 Insurance

The Shire will insure or provide insurance cover for Council members for:

- Personal accident whilst engaged in the performance of the official duties of their office, however, the cover does not include medical expenses. Spouses/partners of Council members are entitled to the same level of cover when attending meetings, conferences or functions with the express approval of the Chief Executive Officer.
- Professional indemnity for matters arising out of the performance of the official duties of their office provided the performance or exercise of the official duty is in the opinion of Council, not illegal, dishonest, against the interests of the Shire or otherwise in bad faith.
- Public liability for matters arising out of the performance of the official duties of their office but subject to any limitations set out in the policy of insurance.
- Motor vehicle at the time owned or driven by the Council members or driven by another person on behalf of the Council member whilst the Council member is proceeding as a member to and from:
 - I. Council Meetings, Civic functions, Citizenship Ceremonies or briefings called by Council, the President or the Chief Executive Officer.
 - II. Committees to which the Council member is appointed by Council or in the role as a deputy in the event the member is not available to attend.
- Meetings and functions scheduled by the Chief Executive Officer:
 - Conferences, community organisations, industry groups and Local Government associations to which the Council members has been appointed by Council as its delegate.
 - Functions and presentations as a representative of the President.
 - Any other occasion while performing the functions of a Council members or as a result of an act under the express authority of Council.

3. Salary Sacrifice

Council members may salary sacrifice the Council member remuneration to any approved Superannuation Scheme nominated by the Council member.

GOVERNANCE

56 COUNCIL MEMBERS AND EMPLOYEES - GRIEVANCE POLICY (Internal)

Adoption		
Date	Meeting	Council Decision
	OCM	
Review		
Date	Meeting	Council Decision
	OCM	
Delegation		
No.	Title	
Legislative Reference		

PURPOSE

The Shire of Three Springs is committed to providing employees with the ability to raise a grievance or complaint with respect to their employment via an impartial internal process.

This policy aims to ensure that grievances and complaints are resolved in a timely, fair and transparent manner in accordance with the principles of natural justice.

POLICY

This policy applies to grievances raised by employees, contractors and volunteers engaged or appointed by the Local Government in relation to employment or workplace related matters. This policy does not apply to complaints about the Chief Executive Officer (**CEO**).

1. Definitions

TERM	DEFINITION
Complaint	The grievance relating to employment or workplace matters raised by the complainant.
Complainant	An employee, contractor or volunteer who raises a complaint.
Respondent	An employee, contractor or volunteer who is alleged to have acted in a manner the subject of the complaint.
Support Person	A person chosen by the complainant and respondent to attend meetings with them, where practicable. The role of a support person is not to advocate on behalf of anyone, but to provide emotional and practical support.
Witness	A person, including an employee, who is requested by the Local Government to assist the process by providing relevant information regarding the complaint.

2. What to do if you have a complaint

If the complainant believes they are the subject of behaviour that is inconsistent with the Local Government's Code of Conduct, policies and procedures, the complainant may raise a complaint by following the process in the Grievance Procedure.

3. If a complaint is about the CEO

If the complaint is about the CEO, the Grievance Policy and Procedure does not apply. A complaint about the CEO must be raised directly with the President.

4. Key principles in the complaint resolution process

The following principles are necessary for the fair investigation and resolution of a complaint.

PRINCIPLE	EXPLANATION
Confidential	<p>Only employees directly investigating or addressing the complaint will have access to information about the complaint. The Local Government may inform or appoint a third party to investigate or advise on the investigation. All parties involved in dealing with a complaint are required to keep the matter confidential, including the complainant, respondent and witnesses. Information will only be placed on an employee's personal file if they are disciplined as a result of the complaint.</p> <p>This requirement does not preclude a complainant, respondent, witness or Local Government from seeking legal, financial or other professional advice.</p>
Impartial (unbiased)	<p>Both parties will have an opportunity to put their case forward. No assumptions will be made and no action will be taken until all available and relevant information has been collected and considered by either an impartial employee of the Local Government or an externally appointed investigator.</p>
Sensitive	<p>The Local Government will endeavor to ensure employees who assist in responding to complaints are trained to manage complaints sensitively and administer a process that is free of coercion or intimidation.</p>
Timely	<p>The Local Government aims to deal with all complaints as quickly as possible and in accordance with any legislative requirements.</p>
Documented	<p>All complaints and investigations will be documented. In formal grievance processes, records will be kept of all documents collected and drafted as part</p>

	of that process. For more informal processes, a file note or note in a diary will be sufficient.
Procedural fairness	<p>Procedural fairness in the complaint process means that:</p> <ul style="list-style-type: none"> • a respondent has the right to respond to the allegations before any determination is made • a respondent has the right to be told (where possible and appropriate) who made the allegation • anyone involved in the investigation should be unbiased and declare any conflict of interest • decisions must be based on objective considerations and substantiated facts • the complainant and the respondent have the right to have a support person present at any meetings where practicable • the respondent is advised of the details of any allegations when reasonably practicable • a respondent is entitled to receive verbal or written communication from the Local Government of the potential disciplinary outcome if the allegations arising from the complaint are proven • any mitigating circumstances presented to the Local Government through the grievance process are investigated and considered • any witnesses who can reasonably be expected to help with any inquiry or investigation process will be interviewed, and • all interviews of witnesses are conducted separately and confidentially.

5. Outcome of a complaint

If a complaint against a respondent is substantiated, there are a number of possible outcomes as detailed in the Grievance Procedure.

6. Victimisation of complainant, respondent or witness

A complainant, respondent or witness should not be victimised for making a complaint, being the subject of a complaint or providing information about a complaint. Anyone responsible for victimising a complainant, respondent or witness may be subject to disciplinary action, including but not limited to termination of employment.

7. Reporting obligations

The Local Government must comply with its obligations to report minor or serious misconduct to either the Public Sector Commission or Corruption and Crime Commission in accordance with the *Corruption, Crime and Misconduct Act 2003* (WA).

Employees must also be aware of and adhere to any obligations pursuant to the *Public Interest Disclosure Act 2003* (WA).

8. Variation to this policy

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

9. Related documents

9.1 Internal

- Code of Conduct

9.2 External

- Corruption, Crime and Misconduct Act 2003 (WA)
- Public Interest Disclosure Act 2003 (WA)

GOVERNANCE –COUNCIL MEMBERS AND EMPLOYEES

39 Code of Conduct for Employee, Elected Members and Committee Members

Adoption		
Date	Meeting	Council Decision
	OCM	
Review		
Date	Meeting	Council Decision
	OCM	
Delegation		
No.	Title	
Legislative Reference		

PURPOSE

In accordance with section 5.103 of the *Local Government Act 1995* every Western Australian local government is to prepare and adopt a code of conduct to be observed by Elected Members, Committee Members and employees.

The *Shire of Three Springs Code of Conduct* (the Code) has been adopted for this purpose and ensures the roles and responsibilities of Elected Members, Committee Members and employees are understood and respected. This enables professional relationships to be established and maintained in the interests of providing good governance, overall integrity and good government for the community.

The Code sets out principles and standards of behaviour Elected Members, Committee Members and employees must observe when performing their duties and is intended to promote accountable and ethical decision-making. However the Code does not establish a rule for every situation an Elected Member, Committee Member or employee may face while performing their role and undertaking their duties on a daily basis.

The Code must be read in conjunction with the *Local Government Act 1995*, the *Local Government (Rules of Conduct) Regulations 2007* and other legislation that affect Elected Members, Committee Members and employees while performing their role and duties and the Code does not override or affect those provisions or requirements. To aid understanding, relevant legislation has been referenced in the Code and is indicated by the highlighted boxes. These provisions do not form part of the Code and will be updated from time to time as legislation changes.

The Code must contain certain matters for employees as listed in Part 9 of the *Local Government (Administration) Regulations 1996*. It contains the primary and distinguishing values detailed in the Shire's *Strategic Community Plan* as well as standards around personal behaviour, which if breached, may lead to reporting and action being taken under the Code. In view of this, the Code details explanatory matters around key areas of:

- professional conduct
- communication and official information
- use of Shire resources and information
- conflicts of interests and gifts and benefits
- reporting suspected breaches of the Code.

Employees of the Shire of Three Springs (the Shire) are subject to the provisions of the Code upon their acceptance of employment and while they remain employed by the Shire.

POLICY

Values, principles and behaviour

Values

The Shire's *Strategic Community Plan* articulates the Shire's vision. In alignment with this vision, the Shire believes the following primary values should be inherent within any well- functioning and community-driven organisation:

- Transparent.
- Accountable.
- Honest.
- Ethical.
- Respectful.
- Sustainable.
- Professional.

Elected Members, Committee Members and employees are to observe these values to enable the Shire to achieve its strategic objectives and organisational goals.

Behavioural Principles

For the purposes of the Code, the following principles, as set out in the *Local Government (Rules of Conduct) Regulations 2007*, are to guide the behaviours of Elected Members, Committee Members and employees while performing their role at the Shire:

- Act with reasonable care and diligence.
- Act with honesty and integrity.
- Act lawfully.
- Avoid damage to the reputation of the Shire.
- Be open and accountable to the public.
- Base decisions on relevant and factually correct information.
- Treat others with respect and fairness.
- Not be impaired by mind affecting substances.

Personal Behaviour

Elected Members, Committee Members and employees must:

- a. act, and be seen to act, properly and in accordance with the requirements of the law and the Code
- b. perform their duties impartially and in the best interests of the Shire uninfluenced by fear or favour
- c. act in good faith in the interests of the Shire and the community
- d. make no allegations which are improper or derogatory and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any person unwarranted offence or embarrassment
- e. always act in accordance with their obligations to the Shire and in line with any relevant policies, protocols and procedures.

A breach or a suspected breach of the personal behaviours stated above may lead in action being taken under the provisions of this Code (see "Reporting breaches and suspected breaches of the Code").

Professional Conduct

As Elected Members, Committee Members and employees, high standards of professional conduct ensure that a positive image of the Shire is conveyed when the Shire interacts with its stakeholders and the community. The conduct displayed should encourage fair, equitable and lawful operation of the Shire.

Fraudulent and Corrupt Conduct

Fraud is a dishonest activity that causes actual or potential financial loss to any person or the Shire and corrupt conduct is behaviour that lacks virtue or integrity, including when an Elected Member, Committee Member or employee uses or attempts to use their position for personal advantage. The *Criminal Code* makes it illegal for a public officer (including an employee, Elected Member or Committee Member) to engage in fraud and/or corruption.

Performance of Duties

Elected Members, Committee Members and employees have a legal duty of fidelity to act in the best interests of the Shire.

While on duty, employees must give their time and attention to the Shire's business and ensure that their work is carried out efficiently and effectively, so that their standard of work reflects favourably both on them and on the Shire.

Elected Members, Committee Members and employees must exercise reasonable care and diligence in the performance of their duties, being consistent in their decision-making and treating all matters on individual merits. Elected Members and Committee Members will be as informed as possible to enable them to perform their role and will treat all members of the community honestly and fairly.

Relationships between Elected Members, Committee Members and Employees

Elected Members, Committee Members and employees must have mutual respect for the role that each party plays to achieve the Shire's corporate goals and implement the Shire's strategies. All parties need to understand each other's role as specified in the *Local Government Act 1995* and other legislation.

To achieve this, Elected Members and Committee Members must:

- a) accept that their role is one of leadership, and not a management or administrative role
- b) acknowledge that they have no capacity to individually direct employees to carry out particular functions
- c) refrain from publicly criticising employees in a way that casts aspersions on their professional competence or credibility
- d) ensure that no restriction or undue influence is placed on the ability of employees to give professional advice to Council.

Employees ought to recognise that an Elected Member's and a Committee Member's views and opinions often reflect valid community viewpoints that should be considered in conjunction with professional opinion. Employees are to make every effort to assist Elected Members and Committee Members in the performance of their role, and to achieve the satisfactory resolution of issues that may arise in the performance of that role.

Regulations 9 and 10 of the *Local Government (Rules of Conduct) Regulations 2007* apply to Elected Members in respect of involvement in the Shire's administration and relationships with employees:

9. Prohibition against involvement in administration

- (1) A person who is a council member must not undertake a task that contributes to the administration of the local government unless authorised by the council or by the CEO to undertake that task.
- (2) Sub regulation (1) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.

10. Relations with local government employees

- (1) A person who is a council member must not —
 - (a) direct or attempt to direct a person who is a local government employee to do or not to do anything in the person's capacity as a local government employee; or

- (b) attempt to influence, by means of a threat or the promise of a reward, the conduct of a person who is a local government employee in the person's capacity as a local government employee.
- (2) Sub regulation (1) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.
- (3) If a person, in his or her capacity as a council member, is attending a council meeting, committee meeting or other organised event and members of the public are present, the person must not, either orally, in writing or by any other means -
 - a) make a statement that a local government employee is incompetent or dishonest; or
 - b) use offensive or objectionable expressions in reference to a local government employee.
- (4) Sub regulation (3)(a) does not apply to conduct that is unlawful under *The Criminal Code* Chapter 35.

Compliance with Lawful Orders

Elected Members, Committee Members and employees shall obey any lawful order given by any person having authority to make or give such an order.

Compliance with local laws and policies

Employees must give effect to the adopted local laws and policies of the Shire. Elected Members and Committee Members are to consider the policies of the Shire to guide them in their decision-making responsibilities.

Compliance with Management Protocols and Procedures

Employees must comply with the Shire's management protocols, procedures and administrative practices.

Appointments to external boards, committees and working groups

Elected Members and employees representing the Shire on external organisations, boards, committees and working groups are to ensure that they:

- (1) clearly understand the basis of their appointment
- (2) provide regular reports on the activities of the organisation in accordance with the confidentiality requirements of that organisation
- (3) represent the Shire's interests on all matters relating to that organisation, while maintaining the confidentiality requirements of the Shire.

Communication and official information

Communication and Public Relations

All aspects of communication by employees (including verbal, written, electronic or personal), involving the Shire's activities must be accurate, polite and professional.

As a representative of the community, Elected Members need to be not only responsive to community views, but communicate decisions of Council or a committee adequately, with good faith and not adversely reflect on those decisions externally.

Elected Members, Committee Members and employees must:

- (a) respect the decision-making processes within a local government which are based on a decision of the majority of the Council or a committee
- (b) not communicate information of a confidential nature until it is no longer treated as confidential (see "Use of information" in this Code)

- (c) comply with the *Local Government Act 1995* whereby information relating to decisions of Council are to be communicated in an official capacity only by:
 - the Mayor (or his/her representative) or
 - with the agreement of the Mayor, by the CEO (or the CEO's representative)
- (d) convey information concerning adopted policies, procedures and decisions of
- (e) the Shire accurately.

Use of Shire Resources

Use of Resources

Elected Members, Committee Members and employees must:

- a) be honest in their use of the Shire's resources and must not misuse them or permit their misuse by any other person or body
- b) use the Shire's resources entrusted to them effectively and efficiently in the course of their duties
- c) ensure the Shire's resources are to be utilised only for authorised activities.

Regulation 8 of the *Local Government (Rules of Conduct) Regulations 2007* states the following in respect of Elected Members using Shire resources:

8. Misuse of local government resources

A person who is a council member must not either directly or indirectly use the resources of a local government —

- a) for the purpose of persuading electors to vote in a particular way at an election, referendum or other poll held under the Act, the *Electoral Act 1907* or the *Commonwealth Electoral Act 1918*; or
- b) for any other purpose, unless authorised under the Act, or authorised by the council or the CEO, to use the resources for that purpose.

Reimbursement of Expenses

Elected Members and employees may claim reimbursement of expenses only in accordance with the relevant legislative provision, policy or management protocol.

Section 5.98(2) of the *Local Government Act 1995* states an Elected Member who incurs an expense of a kind prescribed as being an expense —

- (a) to be reimbursed by all local governments or
- (b) which may be approved by any local government for reimbursement and which has been approved by the local government for reimbursement, is entitled to be reimbursed for the expense in accordance with section 5.98(3) of the *Local Government Act 1995*.

Use of information

Improper Use of Information

Elected Members, Committee Members and employees must not make improper use of any information acquired by the person in the performance of his or her functions under the *Local Government Act 1995* or any other written law.

Due discretion must be exercised by all those who have access to confidential or sensitive information. This applies not only to the proper disclosure of that information, but also to the appropriate measures to be taken to ensure that the security of the information is not compromised.

Confidential Information

Elected Members, Committee Members and employees must not disclose to another person, written or oral information that is provided to them, or obtained by them, in confidence, or derived from a confidential document, or acquired at a closed Council meeting or committee meeting which is not open to the public.

Section 5.93 of the *Local Government Act 1995* prohibits an Elected Member, Committee Member or employee from making improper use of any information acquired in the performance by the person of his or her functions under the *Local Government Act 1995* or any other written law:

- (a) to gain directly or indirectly an advantage for themselves or for any other person
- or
- (b) to cause detriment to the Shire or any other person.

The penalty, on conviction, is a fine of \$10,000 or imprisonment for 2 years.

A confidential document means a document marked by the CEO to clearly show that the information in the document is confidential and is not to be disclosed.

A closed meeting means a council meeting or committee meeting that is closed to members of the public under section 5.23(2) of the *Local Government Act 1995*.

A Committee Member or employee is not prevented from disclosing information:

- a) to an officer of the Department of Local Government and Communities
- b) to the Minister for Local Government
- c) to a legal practitioner for the purpose of obtaining legal advice or
- d) if the disclosure is required or permitted by law.

Regulation 6 of the *Local Government (Rules of Conduct) Regulations 2007* prohibits an Elected Member from disclosing confidential information, or information acquired at a closed meeting:

6. Use of information

(1) In this regulation —

closed meeting means a council or committee meeting, or a part of a council or committee meeting, that is closed to members of the public under section 5.23(2) of the Act;

confidential document means a document marked by the CEO to clearly show that the information in the document is not to be disclosed;

non-confidential document means a document that is not a confidential document.

(2) A person who is a council member must not disclose —

(a) information that the council member derived from a confidential document; or

(b) information that the council member acquired at a closed meeting other than information derived from a non-confidential document.

(3) Sub regulation (2) does not prevent a person who is a council member from disclosing information —

(a) at a closed meeting; or

(b) to the extent specified by the council and subject to such other conditions as the council determines; or

(c) that is already in the public domain; or

(d) to an officer of the Department; or

(e) to the Minister; or

(f) to a legal practitioner for the purpose of obtaining legal advice; or

(g) if the disclosure is required or permitted by law.

The *Shire of Three Springs Meeting Procedures Local Law 2015* provides how confidential documents and information at meetings are to be marked.

Conflicts of interests

Guiding Principles

The nature of the Shire's business is conducive to conflicts of interests arising between an Elected Member, Committee Member and employee's personal interests and the performance of their public or professional duties. Genuine or perceived conflicts of interests may arise from a number of sources, including friends, relatives, close associates, financial investments, past employment and the like.

Although there is no right way to identify conflicts of interest, a good starting point is to consider the following principles:

Public duty versus private interests

Do I have personal or private interests that may conflict, or be perceived to conflict with my public duty?

Potentialities

Should there be benefits for me now, or in the future, that could cast doubt on my objectivity?

Perception

How will my involvement in the decision/action be viewed by others? Are there risks associated for me/my organisation?

Proportionality

Does my involvement in the decision appear fair and reasonable in all the circumstances?

Presence of mind

What are the consequences if I ignore a conflict of interest? What if my involvement was questioned publicly?

Promises

Have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

Conflict of Interests

Elected Members, Committee Members and employees must ensure there is no actual or perceived conflict of interest between their personal interests and the impartial fulfilment of their public duties and functions.

In applying this requirement:

- a) employees must lodge written notice with the CEO describing an intention to undertake a dealing in land within the district or which may otherwise be in conflict with the Shire's functions (other than purchasing or leasing their principal place of residence)
- b) employees who exercise a recruitment or other discretionary function must make written disclosure to the CEO before dealing with relatives or close friends, and will disqualify themselves from dealing with those persons during the recruitment or other matter requiring a discretionary function
- c) employees are encouraged to refrain from partisan political activities which could cast doubt on their neutrality and impartiality in carrying out their public duties and functions.

Private Work of Employees

Additional employment outside of the Shire may place employees at risk of being conflicted or impeded in the ability to carry out their public duties. Employees must avoid any conflict of interest whether real or perceived between their primary employment with the Shire and any other potential employment.

The definition of outside employment includes paid employment with another organisation, running a business, maintaining a professional practice or consultancy and being a Executive of an organisation. It may include voluntary activities if those activities have the potential to affect employment with the Shire.

Employees who are considering engaging in employment outside the Shire (including employment during leave breaks) must seek written approval of the CEO before doing so.

Financial Interests

Elected Members, Committee Members and employees must comply with the laws governing financial interests, including the disclosure of financial interests, set out in the *Local Government Act 1995*.

Sections 5.59-5.90 of the *Local Government Act 1995* establish the requirements for disclosure by Elected Members, Committee Members or employees of financial interests (including proximity interests).

The onus is on Elected Members, Committee Members and employees to identify possible financial interests (including proximity interests and non-financial interests), to determine whether an interest exists, and whether any statutory exemption applies.

Impartiality Interests

For the purposes of the Code, an *impartiality interest* means:

“an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association” (see regulation 34(C)(1) of the *Local Government (Administration) Regulations 1996* and regulation 11(1) of the *Local Government (Rules of Conduct) Regulations 2007*).

An ‘impartiality interest’ does not include a ‘financial interest’ that is subject to the requirements of the *Local Government Act 1995*.

An employee who has an impartiality interest in any matter to be discussed at a Council or committee meeting attended by that person must disclose the nature of the impartiality interest:

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

In addition, an employee who has given, or will give, advice in respect of any matter to be discussed at a Council or committee meeting not attended by the employee must disclose the nature of any impartiality interest he or she has in the matter:

- (a) in a written notice given to the CEO before the meeting or
- (b) at the time the advice is given.

An employee is excused from the requirement to disclose an impartiality interest if the failure to disclose occurs because the person:

- (a) did not know he or she had an impartiality interest in the matter or
- (b) did not know the matter in which he or she had an impartiality interest would be discussed at the meeting and the person discloses the nature of the impartiality interest as soon as possible after

becoming aware of the discussion of that matter.

Notice and Recording

Where an impartiality interest is disclosed in a written notice given to the CEO before a meeting, then:

- a) before the meeting the CEO is to ensure that the notice is given to the person who is to preside at the meeting
- b) at the meeting, the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matter to which the disclosure relates is discussed.

Where an impartiality interest is disclosed or brought to the attention of the persons present at a meeting, the nature of the impartiality interest must be recorded in the minutes of the meeting.

Regulation 11 of the *Local Government (Rules of Conduct) Regulations 2007* contain the provisions relating to Elected Members disclosing impartiality interests:

9. Disclosure of interest

(1) In this regulation -

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

- (2) A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest -
 - (a) in a written notice given to the CEO before the meeting; or
 - (b) at the meeting immediately before the matter is discussed.
- (3) Sub regulation (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4) Sub regulation (2) does not apply if —
 - (a) a person who is a council member fails to disclose an interest because the person did not know he or she had an interest in the matter; or
 - (b) a person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began.
- (5) If, under sub regulation (2)(a), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then -
 - (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
 - (b) at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before a matter to which the disclosure relates is discussed.
- (6) If -
 - (a) under sub regulation (2)(b) or (4)(b) a person's interest in a matter is disclosed at a meeting; or
 - (b) under sub regulation (5)(b) notice of a person's interest in a matter is brought to the attention of the persons present at a meeting, the nature of the interest is to be recorded in the minutes of the meeting.

Disclosure of Information in Returns

Elected Members and 'designated employees' must provide primary and annual returns in accordance with the requirements of Division 6 of Part 5 of the *Local Government Act 1995*.

For these purposes, a *designated employee* is defined in section 5.74 of the *Local Government Act 1995* to mean:

- a) the CEO
- b) an employee, other than the CEO, to whom any power or duty has been delegated under Division 4 of the *Local Government Act 1995*.
- c) an employee who is a member of a committee comprising Elected Members and employees.
- d) an employee nominated by the Shire to be a designated employee.

Gifts

On 20 October 2019, the new gifts framework contained within the *Local Government Legislation Amendment Act 2019* came into operation.

The *Local Government Regulations Amendment (Gifts) Regulations 2019* are being gazetted on 18 October 2019. These amend the *Local Government (Administration) Regulations 1996*, the *Local Government (Audit) Regulations 1996* and the *Local Government (Rules of Conduct) Regulations 2007*.

This new gift framework has been simplified, with the focus on transparency and accountability. This has been achieved by considering the nature of the relationship between the recipient and the donor of the gift and focusing the disclosure requirements on why the person has received the gift and dealing with possible influence created by the gift via the conflict of interest provisions.

Receipt of Gifts

In accordance with sections 5.87A and 5.87B of the Act, council members and CEOs are required to disclose gifts that are received in their capacity as a council member (or CEO) and –

- are valued over \$300; or
- are of a cumulative value that exceeds \$300 where the gifts are received from the same donor in a 12-month period.

Additionally, a gift given by two or more related bodies corporate (as defined in the *Corporations Act 2001* (Cth)) is considered to have been given by a single corporation (donor).

Contributions to travel costs, whether financial or otherwise, will no longer be treated separately. These are now incorporated within the definition of gift.

The decision on whether a gift is received in the capacity of a council member or CEO must be made by the recipient of the gift. The question is whether the gift would have been given (or a gift of that value given) if the recipient were not a member of the council (or CEO). If the answer is no, it must be disclosed if the value of the gift (or aggregated value) is over \$300. The onus is on the recipient to prove that it was not received in that capacity (and that the value of the gift(s) is not greater than \$300).

Real time reporting of gifts is achieved through requirements to disclose all gifts within 10 days of receipt, for the CEO to update the register within 10 days, and for an up-to-date version of the register to be published on the local government's official website.

To assist council members and CEOs with complying with the new gift framework, a flowchart has been prepared and is attached to this circular (Attachment A).

To remove complexity from the gift disclosure framework, the minor breach provisions that relate to the declaration of gifts (which set two different thresholds in addition to the gift declaration thresholds above) have been removed. That is, Regulation 12 of the *Local Government (Rules of Conduct) Regulations 2007* has been deleted. The removal of these provisions does not prevent a council member from being prosecuted for failing to disclose a gift or the Departmental CEO referring a serious breach of the Act (related to gifts) to the State Administrative Tribunal. The maximum penalty for failure to disclose a gift is a fine of \$10,000 or imprisonment for two years.

Conflicts of Interest – Interests relating to a gift

Receipt of a gift – any gift, whether or not in a person's capacity as council member or CEO – will create a relationship of a closely associated person and therefore an interest (sections 5.60 and 5.62).

The following situations are specifically excluded from the interest provisions:

where the gift (or gifts over a 12-month period from the one donor) do not exceed \$300 in value; where the gift is a ticket to, or otherwise relates to attendance at an event and the local government approves the person's attendance in accordance with their Attendance at Events policy (see below); or where the gift is received from one of the following organisations:

- WALGA (but not LGIS)
- Local Government Professionals Australia (WA)
- Australian Local Government Association
- A department of the public service
- A government department of another State, a Territory or the Commonwealth
- A local government or regional local government.

(The gifts referred to in the second and third dot points must still be disclosed in accordance with sections 5.87A and 5.87B as described above.)

This interest creates a perceived or actual conflict which prevents the council member from participating in the meeting or the CEO from providing advice or a report on the matter to be discussed (sections 5.67 and 5.71A), unless approval has otherwise been given.

If the amount of the gift(s) is less than \$1,000, under section 5.68 the council may allow the disclosing council member to participate if:

- The council member discloses the extent of the interest they have; and
- Council decides that the interest is so trivial or insignificant as to be unlikely to influence the disclosing person's conduct in relation to the matter; or
- The interest is common to a significant number of other electors or ratepayers.

The interest, the council's decision and the reasons for that decision must be recorded in the minutes.

If an interest valued at over \$1,000 is disclosed, under section 5.69 the council or CEO may apply to the Minister to allow the disclosing member to participate in meetings or parts of meetings relating to that matter. In this case, the Minister must consider that it is in the best interests of the electors or ratepayers for this to happen, or that approval is necessary to provide a quorum. The Minister's decision and the reasons for that decision must be recorded in the minutes of the meeting where the matter is discussed.

Similar provisions are contained in sections 5.71A and 5.71B in relation to the CEO providing advice or a report, directly or indirectly, to the council or a committee.

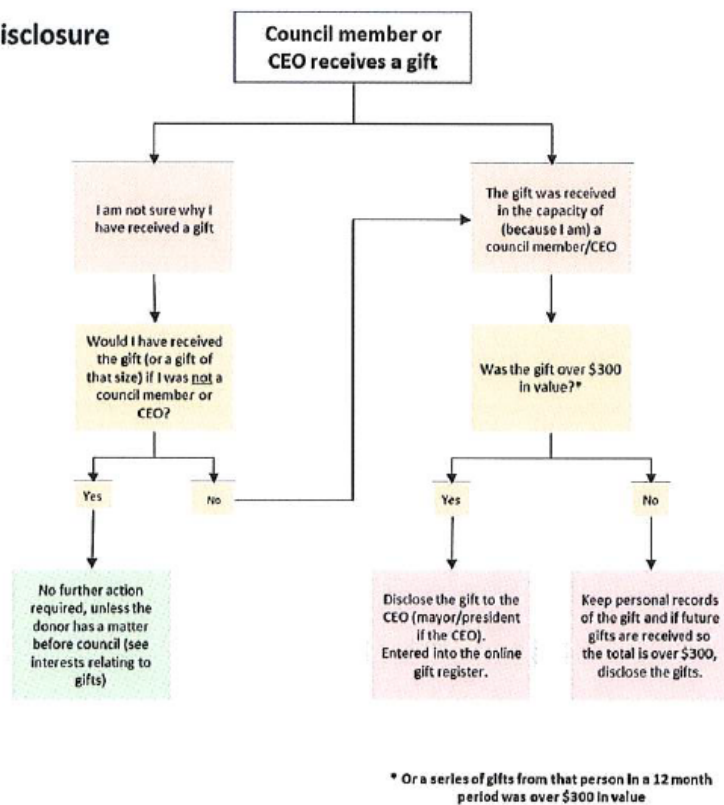
To assist council members and CEOs with understanding how the interests relating to gifts operate, a flowchart is attached to this circular (**Attachments B and C**).

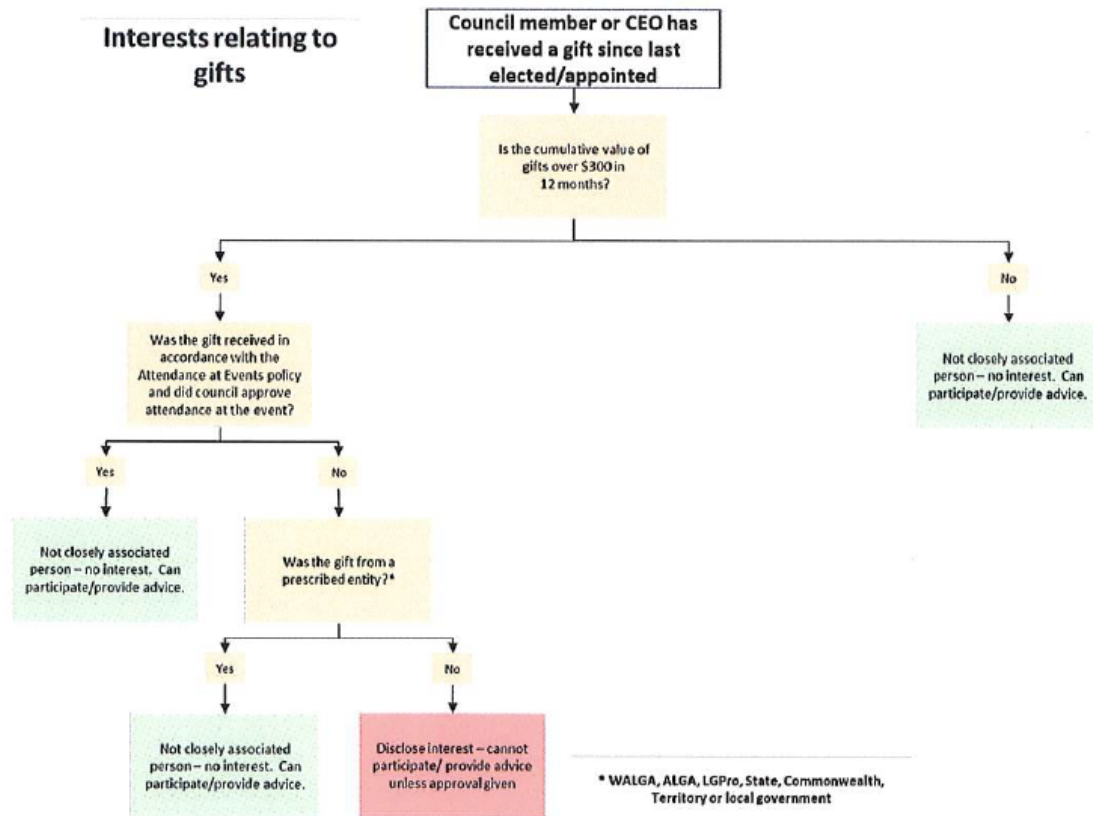
Attendance at Events policy

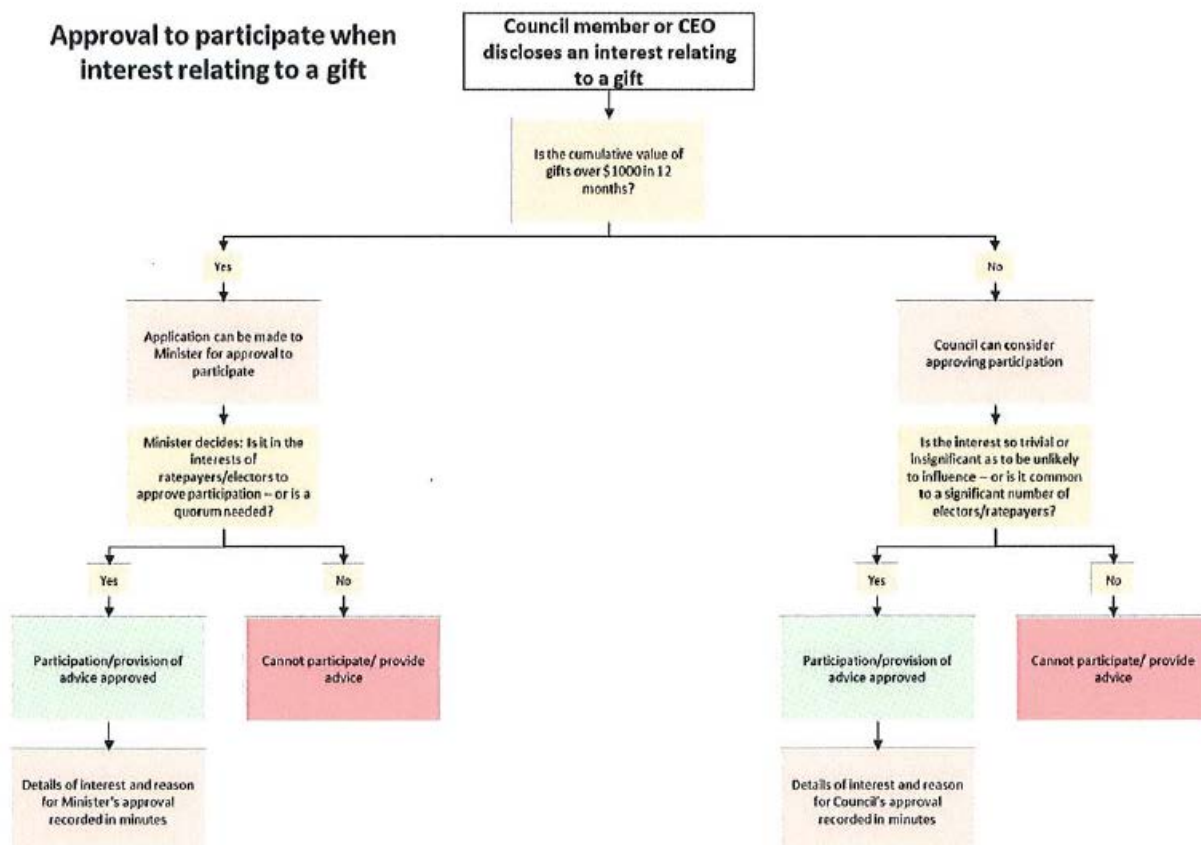
Local governments must prepare and adopt a policy that relates to the attendance of council members and CEOs at events such as concerts, conferences and functions. This policy must address the provision of tickets to events, payments in respect of attendance and approval of attendance by the local government and criteria for approval. New section 5.90A relates.

In essence, the policy deals with a council member's or CEO's attendance at events as a representative of the council. Tickets or the invitation to the event must be made to the council directly, not to the council member or CEO personally. If a council member or CEO attends an event in accordance with the local government's policy, then no conflict of interest arises.

Gift framework - disclosure







Disclosure of Election Campaign Contributions

Both candidates and donors must disclose information about any election related gift with a value of \$200 or more that was given or promised within the six-month period prior to the relevant Election Day. The reporting period for the 19 October 2019 elections commenced on 19 April 2019. Please also refer to Department of Local Government Fact Sheet 5: Rights and Obligations in Campaigning.

A 'gift' includes:

- money
- non-monetary item of value
- in kind or where there is inadequate financial consideration, such as the receipt of a discount (where the difference or the discount is worth more than \$200)
- a financial or other contribution to travel
- the provision of a service for no consideration or for inadequate consideration
- a firm promise or agreement to give a gift at some future time.

A 'gift' does not include a gift by will, a relative, or item that does not relate to the candidate's candidature, or the provision of volunteer labour.

The disclosure of a gift is to be made to the CEO of the local government. Information to be supplied includes the name of the candidate, the name and address of the donor, the date the gift was received (or promised), the value of the gift and a description of the gift.

In addition, any gifts from unidentified donors must be disclosed and provided to the CEO of the relevant local government for disposal.

Within three days of nomination, a candidate will need to disclose any gifts received in the relevant period prior to nomination and disclose any further gifts received thereafter. Details about each gift are to be submitted within three days of receiving the gift once a nomination has been made. Donors will also need to disclose any gifts made within the relevant period and candidates should advise donors of their reporting responsibilities.

The disclosure period finishes three days after Election Day for unsuccessful candidates and on the start day for financial interest returns for successful candidates.

Crowdfunding

Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the internet. It is becoming increasingly popular and there are a number of platforms for registration. Candidates can reach a broad range of people easily and cost effectively to boost election campaign funds by raising their profile in the community.

Reporting breaches suspected breaches of Code

Breaches of the Code by Employees

Any person who has reason to believe that the personal behaviour of an employee breaches the standards of conduct set out in the Code, may refer the matter to the CEO, Deputy Chief Executive Officer or the Manager Human Resources, who will consider the matter and deal with it in accordance with the management protocols, procedures or practices of the Shire and any applicable law concerning employees.

Any person who has reason to believe that the personal behaviour of the CEO breaches the standards of conduct set out in the Code, may refer the matter to the Deputy Chief Executive Officer, who will consider the matter and deal with it in accordance with the management protocols, procedures or practices of the Shire and any applicable law.

Each report of a breach is to be dealt with quickly and fairly in accordance with the principles of procedural fairness.

Breaches of the Code by Elected Members and Committee Members

A breach by an Elected Member of the *Local Government (Rules of Conduct) Regulations 2007* may be reported to the Shire's Complaints Officer (the CEO) in accordance with the prescribed Complaints Form as determined from time to time. Such complaints will be dealt with under Division 9 of Part 5 of the *Local Government Act 1995*.

Any person who has reason to believe that the personal behaviour of an Elected Member breaches the standards of conduct set out in the Code, other than those matters set out in the *Local Government (Rules of Conduct) Regulations 2007*, may refer the matter to the CEO, who will consider the matter and deal with it as he or she sees fit.

Any person who has reason to believe that the personal behaviour of a Committee Member breaches the standards of conduct set out in the Code, may refer the matter to the CEO, who will consider the matter and deal with it as he or she sees fit.

Reporting misconduct to the Corruption and Crime Commission

The CEO, being a 'principal officer of a notifying authority' (for the purposes of the *Corruption and Crime Commission Act 2003*) has a statutory obligation to report to the Corruption and Crime Commission:

- (a) any allegation of misconduct or
- (b) any situation that otherwise comes to his or her attention involving misconduct, where the CEO suspects on reasonable grounds concerns or may concern misconduct and is of relevance or concern to the CEO in his or her official capacity.

Notwithstanding, any Elected Member, Committee Member, employee or any other person may report directly to the Corruption and Crime Commission any matter which that person suspects on reasonable grounds concerns or may concern misconduct that:

- (a) has or may have occurred
- (b) is or may be occurring
- (c) is or may be about to occur or
- (d) is likely to occur.

Section 4 of the *Corruption and Crime Commission Act 2003* defines the instances when 'misconduct' occurs:

4. Term used: misconduct Misconduct occurs if —

- (a) a public officer corruptly acts or corruptly fails to act in the performance of the functions of the public officer's office or employment;
- (b) a public officer corruptly takes advantage of the public officer's office or employment as a public officer to obtain a benefit for himself or herself or for another person or to cause a detriment to any person;
- (c) a public officer whilst acting or purporting to act in his or her official capacity, commits an offence punishable by 2 or more years' imprisonment; or
- (d) a public officer engages in conduct that —
 - (i) adversely affects, or could adversely affect, directly or indirectly, the honest or impartial performance of the functions of a public authority or public officer whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct;
 - (ii) constitutes or involves the performance of his or her functions in a manner that is not honest or impartial;
 - (iii) constitutes or involves a breach of the trust placed in the public officer by reason of his or her office or employment as a public officer; or
 - (iv) involves the misuse of information or material that the public officer has acquired in connection with his or her functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person,

and constitutes or could constitute —

- (i) an offence against the *Statutory Corporations (Liability of Executives) Act 1996* or any other written law; or
- (ii) a disciplinary offence providing reasonable grounds for the termination of a person's office or employment as a public service officer under the *Public Sector Management Act 1994* (whether or not the public officer to whom the allegation relates is a public service officer or is a person whose office or employment could be terminated on the grounds of such conduct).

Section 3 of the *Corruption and Crime Commission Act 2003* defines 'serious misconduct' as misconduct of a kind described in section 4(a), (b) or (c) of the *Corruption and Crime Commission Act 2003*.

Public Interest Disclosure Act 2003

The *Public Interest Disclosure Act 2003* facilitates the reporting of public interest information and provides protection for those who report this information under that Act.

The Shire:

- (a) does not tolerate corrupt or other improper conduct, including mismanagement of public resources, in the exercise of the public functions of the Shire, by its members, employees or contractors
- (b) is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*
- (c) strongly supports disclosures being made by Elected Members, Committee Members or employees as to corrupt or other improper conduct
- (d) will take all reasonable steps to provide protection to Elected Members, Committee Members and employees who make disclosures from any detrimental action in reprisal for the making of a public interest disclosure
- (e) does not tolerate any of its Elected Members, Committee Members, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures.

Elected Members, Committee Members and employees are encouraged to contact the Shire's nominated Public Interest Disclosure Officer to seek guidance on their disclosure and to lodge completed Public Interest Disclosure forms.

A person who makes an appropriate disclosure of public interest information to the Shire's nominated Public Interest Disclosure Officer under section 5 of the *Public Interest Disclosure Act 2003*:

- (a) incurs no civil or criminal liability for doing so
- (b) is not, for doing so, liable:
 - (i) to any disciplinary action under a written law
 - (ii) to be dismissed
 - (iii) to have his or her services dispensed with or otherwise terminated or
 - (iv) for any breach of duty of secrecy or confidentiality or any other restriction on disclosure (whether or not imposed by a written law) applicable to the person (Section 13).

Criminal Code Act 1913, Part 1, Chapter 1, section 1 defines the 'Public Officer'

The term *public officer* means any of the following —

- (a) a police officer;
 - (aa) a Minister of the Crown;
 - (ab) a Parliamentary Secretary appointed under section 44A of the *Constitution Acts Amendment Act 1899*; (ac) a member of either House of Parliament;
 - (ad) a person exercising authority under a written law;
- (b) a person authorised under a written law to execute or serve any process of a court or tribunal;
- (c) a public service officer or employee within the meaning of the *Public Sector Management Act 1994*;
 - (ca) a person who holds a permit to do high-level security work as defined in the *Court Security and Custodial Services Act 1999*;
 - (cb) a person who holds a permit to do high-level security work as defined in the *Prisons Act 1981*;
- (d) *a member, officer or employee of any authority, board, corporation, commission, local government, council of a local government, council or committee or similar body established under a written law;*
- (e) any other person holding office under, or employed by, the State of Western Australia, whether for remuneration or not;

Code of Conduct for Employees, Elected Members and Committee Members

Certification of Acknowledgement:

I have received and read the Shire of Three Springs Code of Conduct and understand that I have an obligation to comply with it.

.....
Name (Councillor / Employee/Committee Member)

.....
Signature (Councillor / Employee/ Committee Member)

.....
Date

SHIRE OF THREE SPRINGS

DELEGATION REGISTER

[illegible]

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SCHEDULE OF AUTHORISATIONS

Delegation	CEO	DCEO	MWS	ESR	SFO	FO	CDO	ES	TP	BO	HO			
GO001	Appoint Authorised Persons	X												
GO002	Property Acquisition and Disposal	X	X											
GO003	Public Notice of Council and Committee Meetings	X	X					X						
GO004	Execution of Documents and Affixing of Common Seal to Documents	X	X											
CS001	Cemeteries Act 1986 - Authorised Persons	X	X	X										
CS002	Payments from Municipal Fund and Trust Fund	X	X		X	X								
CS003	Making a Cash Advance to a Person	X	X		X	X								
CS004	Investment of Surplus Funds	X	X											
CS005	Waiving and Granting of Concessions and Write-Off of Debts other than Rates & Service Charges	X	X											
CS006	Reimbursement of Expenses Incurred by an Employee	X	X		X	X								
CS007	Reimbursement of Expenses Incurred by Councillors	X	X		X	X								
CC001	Sponsorship, Donations and Waiver of Fees	X	X											
DS001	Building Act 2011 – Appointment of Authorised Persons	X	X							X				
DS002	Issue Licence to Deposit Material on Street and Excavate on Land Abutting a Street	X	X							X				
DS003	Issue and Revocation of Building Orders	X	X							X				
DS004	Occupancy Permit or Building Approval Certificate	X	X							X				
DS005	Food Act 2008 – Food Business Registrations	X	X							X				
DS006	Authority to issue a Prohibition Order (Food Act 2008)	X	X								X			
DS007	Food Act 2008 – Appoint Authorised Officer	X	X								X			
DS008	Authority to serve Infringement Notices (Food Act 2008)	X	X								X			
DS009	Public Health Act 2016	X	X								X			
DS010	Health (Asbestos) Regulations 1992	X	X							X	X			
DS011	Shire of Three Springs Town Planning Scheme No. 3	X	X						X					
DS012	Joint Development Assessment Panel Applications	X	X						X					
DS013	Infringements and Direction Notices	X	X						X					
DS014	Power of Entry	X	X						X					
DS015	Exemption from the Requirement to Pay a Fee – Trading in Thoroughfares and Public Places	X	X						X					
DS016	Certain Things to be done in Respect of Land	X	X						X					
DS017	Response to Applications for Subdivision and Amalgamation	X	X						X					
DS018	Response to Application for Public Works	X	X	X										
DS019	Control of Vehicles (Off-Road	X	X	X	X									
DS020	Permits for Heavy Haulage Vehicles	X	X	X										
DS021	Temporary Road Closures	X	X	X										

DS022	Revocation of Temporary Road Closure to Vehicles	X	X	X											
DS023	Private Works	X	X	X											
DS024	Private Works On, Over or Under Public Places	X	X	X											
DS025	Gates and Other Devices Across Thoroughfares	X	X	X											
DS026	Plans – Thoroughfares Levels & Alignments	X	X	X											
DS027	Excavation on Public Thoroughfares	X	X	X											
DS028	Crossing from Public Thoroughfare to Private Land or Private Thoroughfare	X	X	X											
DS029	Bonds for Uncompleted Works	X	X	X											
LO001	Bushfires Act 1954 – Authorised Persons	X	X	X	X										
LO002	Cat Act 2011– Authorised Persons	X	X	X	X										
LO003	Dog Act 1976 – Authorised Persons	X	X	X	X										
LO004	Prohibited and Restricted Burning Times Variation	X	X	X	X										
LO005	Notices of Legal Proceedings - Bush Fires	X	X	X	X										
LO006	Bushfires Act – Powers and Duties	X	X	X	X										
LO007	Dog Act 1976 - Infringements	X	X	X	X										
LO008	Litter Act - Withdrawal of Infringement Notices	X	X												

- Legend
- CEO Chief Executive Officer
 - DCEO Deputy Chief Executive Officer
 - WMS Works Manager Services
 - HO Health Officer
 - BO Building Surveyor Officer
 - TP Town Planner
 - ESR Emergency Services Ranger
 - SFO Senior Finance Officer
 - FO Finance Officer
 - CDO Community Development officer
 - ES Executive Secretary

GOVERNANCE

GO001 – Appoint Authorised Persons

Date Adopted:	December 2019	Delegate:	CEO
Date Last Reviewed:	December 2019	Sub-Delegated:	
Policy Reference:		Chief Executive Instruction/Procedure:	

<p>Legal (Parent):</p> <p>Power Enabling Delegation:</p> <ul style="list-style-type: none"> Local Government Act 1995, sections <ul style="list-style-type: none"> 5.42 Delegation of some powers or duties to the CEO 5.43 Limitations on delegations to the CEO <p>Power Enabling Sub-Delegation:</p> <ul style="list-style-type: none"> Local Government Act 1995, s.5.44 CEO may delegate some powers and duties to other employees 	<p>Legal (Subsidiary):</p> <p>Power Delegated:</p> <ul style="list-style-type: none"> Local Government Act 1995 <ul style="list-style-type: none"> s.3.24 Authorising persons under this subdivision (Part 3, Division 3, Subdivision 2 – Certain provisions about land) 9.10 Appointment of Authorised Persons Shire of Three Springs Local Laws
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Description of Functions Delegated

Council delegates its authority and power to the Chief Executive Officer to appoint persons or classes of persons as Authorised Persons in accordance with Section 9.10 of the *Local Government Act 1995*, for the purposes of fulfilling prescribed functions within the:

1. *Local Government Act 1995*, inclusive of Regulations;
2. Shire of Three Springs Local Laws made under the *Local Government Act 1995*;
3. *Graffiti Vandalism Act 2016*, s.15 Application; and
4. *Caravan Parks and Camping Grounds Act 1995*, s.17 Authorisations.

Subject to:

- (a) At least once each financial year, the CEO is required to circulate to Councillors a copy of the Shire of Three Springs's Schedule of Authorisations.

GO002 - Property Acquisition and Disposal

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995 (Sections 5.42/5.43(d))

Legal (Subsidiary):

The CEO is delegated authority to acquire or dispose of any land valued at an amount not exceeding \$250,000 provided that appropriate provision is made in Council's Budget where items are to be acquired, and Council is advised in advance of the intention to dispose of any land.

G0003 - Public Notice of Council and Committee Meetings

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO ES
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government (Administration) Regulation 1996 section 12.

The Chief Executive Officer is delegated the authority to exercise any of its powers in accordance with *Local Government Act 1995* section 5.42.

GO004 – Execution of Contract Documents

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 9.49 A, B

Legal (Subsidiary):

The Chief Executive Officer and Deputy Chief Executive Officer is delegated authority to execute documents.

CS001 - Cemeteries Act 1986 - Authorised Persons

Date Adopted:	December 2019	Delegate:	CEO
Date Last Reviewed:	December 2019	Sub-Delegated:	DCEO MWS
Policy Reference:		Chief Executive Instruction/Procedure:	
Legal (Parent): 1. Cemeteries Act 1986		Legal (Subsidiary):	

The Chief Executive Officer is delegated authority to appoint authorised persons to exercise the Powers and duties set out in respect of Sections 6 and 64 - *Cemeteries Act 1986* subject to:

1. A Schedule of Authorisations being submitted to Council from time to time; and
2. The Officers and/or Employees exercising the Delegation, keeping a written record of details of how the delegation was exercised, when the delegation was exercised and the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

CS002 - Payments from Municipal Fund and Trust Fund

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	3007-Purchasing Policy

Delegate:	CEO
Sub-Delegated:	DCEO, SFO, FO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government (Financial Management) Regulations 1996, Regulation 12(1)(b)

Description of Functions Delegated

Council delegates its authority and power to the Chief Executive Officer to:

1. Authorise and make payments by cheque or electronic funds transfer (EFT) from the Municipal Fund or the Trust Fund [FM r.12(1)(b)]

Subject to:

- a) The payment(s) only being for items of expenditure:
 - (i) detailed in the adopted annual budget, or
 - (ii) for payments that have been authorised by a resolution of Council in advance, or
 - (iii) authorised in advance by the President in an emergency; and
- b) Compliance with the requirements of Regulation 13 of the *Local Government (Financial Management) Regulations 1996*.

CEO Conditions on Sub-Delegation

- a) Two signatories are required on each Council cheque by either CEO, DCEO, SFO or FO.
- b) Where a payment is made electronically two signatures are required utilising payment tokens assigned to either, delegate or sub delegates.

CS003- Making a Cash Advance to a Person

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	SFO FO

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Section 5.102

The Chief Executive Officer is delegated authority to make a cash advance to a person in respect of an expense for which the person can be reimbursed, subject to:

1. Compliance with Division 8 of Part 5 of the *Local Government Act 1995*; and
2. The Chief Executive Officer in exercising Delegation shall keep a written record of details of how the Delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

CS004 - Investment of Surplus Funds

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	3002 Investment Policy

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Sections 6.14 and 6.15
2. Local Government (Financial Management Regulations) 1996, Regulation 19C
3. Trustees Act 1962, Part III

The Chief Executive Officer is delegated authority Council delegates its authority and power to the Chief Executive Officer to invest money held in the Municipal or Trust funds that is not required for the time being for any purpose in accordance with Part III of the *Trustees Act 1962*, subject to:

1. Compliance with the established and documented internal control procedures to ensure control over the investments;
2. Compliance with Regulation 19C of the *Local Government (Financial Management) Regulations 1996*; and
3. Compliance with Council Policy – Investments.

CS005 – Waiving & Granting of Concessions &
Write-Off of Debts other than Rates & Service Charges

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
On-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Sections 6.12

The Chief Executive Officer is delegated authority to approve or refuse to approve applications or requests for:

1. A waiver of a debt other than rates or a service charge.
2. The write-off of a debt other than rates or a service charge.

Subject to:

- a) The amount of the request or application not exceeding \$1000.00; or

CS006 - Reimbursement of Expenses Incurred by an Employee

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	SFO FO

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Section 5.101(2)

The Chief Executive Officer is delegated authority to reimburse an employee for an expense incurred in relation to a matter affecting the local government, subject to the Chief Executive Officer in exercising delegation keeping a written record of details of how the delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

CS007 - Reimbursement of Expenses Incurred by Councillors

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	1005-Council Expenses

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Section 5.98(2)(b)
2. Local Government Act 1995, Section 5.98(4)

The Chief Executive Officer is delegated authority to approve the reimbursement of expenses to Councillors, subject to:

1. The expenses to be approved for reimbursement are those prescribed by the Act and the Regulations.
2. Compliance with Council Policy on Members – Reimbursement of Expenses Incurred.
3. The Chief Executive Officer in exercising delegation keeping a written record of details of how the delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

CC001 - Sponsorships, Donations and Waiver of Fees

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	3004-Donations

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995 (Section 5.42)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to consider applications received for financial assistance and make the appropriate donation or engage into a sponsorship arrangement in accordance with Council's budget and Policy.

The Chief Executive Officer is delegated authority to waive fees for the use of halls, rooms and areas within any of the Council buildings, grounds or facilities, advertising or ground transport operations to associations, committees or organisations in accordance with Council's budget and Policy.

DS001 - Building Act 2011 - Appointment of Authorised Persons

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO,BO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Building Act 2011, Section 127

Legal (Subsidiary):
1. Building Act 2011, Section 96(3)
2. Building Act 2011, Section 127
3. Building Regulations 2012

The delegation only applies to Local Government Officers

The Chief Executive Officer is delegated authority to appoint authorised persons for the purposes of the *Building Act 2011* and *Building Regulations 2012* in relation to buildings and incidental structures located, or proposed to be located in the Shire's district

DS002 - Issue Licence to Deposit Material on Street and Excavate on Land Abutting a Street

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, BO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Building Act 2011, Section 127

Legal (Subsidiary):
1. Building Act 2011, Section 166(3)(g)
2. Building Regulations 2012, Regulation 64

The Chief Executive Officer is delegated authority to issue licenses for:

1. The deposit of materials on a street, way or other public place; or
2. The excavation on land abutting or adjoining a street, way or other public place;

Subject to:

- a) The requirements of Regulation 64 of the *Building Regulation 2012*; and
- b) The relevant licence fee being set by Council annually.
- c) The delegation only applies to Local Government Officers.

DS003 - Issue and Revocation of Building Orders

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, BO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Building Act 2011, Section 127.

Legal (Subsidiary):
1. Building Act 2011, Section 110
2. Building Act 2011, Section 117
3. Building Regulations 2012

The Chief Executive Officer is delegated authority to:

1. Make a building order in respect of one or more of the following;
 - a) Particular building work;
 - b) Particular demolition work; or
 - c) A particular building or incidental structure.
2. Revoke a building order subject to Compliance with Section 117(1) of the *Building Act 2011* by serving written notice to each person to whom the order is directed.
3. The delegation only applies to Local Government Officers.

DS004 - Occupancy Permit or Building Approval Certificate

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, BO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Building Act 2011, Section 127

Legal (Subsidiary):
1. Building Act 2011, Section 58
2. Building Act 2011, Section 65
3. Building Act 2011, Section 65

The Chief Executive Officer is delegated authority to:

1. Approve, modify or refuse to approve applications submitted under Section 58 of the *Building Act 2011*.
2. Approve or refuse to approve applications submitted under Section 65 of the *Building Act 2011*.
3. The delegation only applies to Local Government Officers.

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO,HO
Chief Executive Instruction/Procedure:	

Power Enabling Delegation:

- Food Act 2008, Section 118(2)(b) Functions of enforcement agencies and delegation
 - S.118 (3) Delegation subject to conditions [s119] and guidelines adopted [s120]
 - S.118(4) Sub-delegation only permissible if expressly provided in regulations

Power Delegated:

- Food Act 2008, sections:
 - S.110(1) and (5) Registration of food business
 - S.112 Variation of conditions or cancellation of registration of food businesses.

Description of Functions Delegated

Council delegates its authority and power to:

1. Register a food business in respect of any premises for the purposes of Part 9 of the *Food Act 2008* and issue a certificate of registration, if approved [s.110(1)].
2. After considering an application, grant (with or without conditions) or refuse the application [s110(5)].
3. Vary the conditions imposed on Food Business Registration or cancel a Food Business Registration under Part 9 of the *Food Act 2008* [s.112(1)].

DS006 - Authority to Issue a Prohibition Order (Food Act 2008)

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, HO
Chief Executive Instruction/Procedure:	

<p>Legal (Parent):</p> <p>Power Enabling Delegation:</p> <ol style="list-style-type: none"> 1. Food Act 2008, Section 118(2)(b) Functions of enforcement agencies and delegation <ol style="list-style-type: none"> a. 118 (3) Delegation subject to conditions [s119] and guidelines adopted [s120] b. 118(4) Sub-delegation only permissible if expressly provided in regulations

<p>Legal (Subsidiary):</p> <p>Power Delegated:</p> <ul style="list-style-type: none"> • Food Act 2008, sections: <ul style="list-style-type: none"> • 65(1) Prohibition Order • 66 Certificate of Clearance • 67(4) Request for Re-Inspection
--

Description of Functions Delegated

Council delegates its authority and power to:

1. Serve a Prohibition Order on the proprietor of a food business in accordance with s.65 of the *Food Act 2008* [s.65].
2. Give a Certificate of Clearance, where inspection demonstrates compliance with a Prohibition Order and any Improvement Notices [s.66].
3. Give written notice to proprietor of a food business on whom a Prohibition Order has been served of the decision not to give a certificate of clearance after an inspection [s.67(4)].

DS007 – Food Act 2008 – Appoint Authorised Officers

Date Adopted:	December 2019	Delegate:	CEO
Date Last Reviewed:	December 2019	Sub-Delegated:	DCEO, HO
Policy Reference:		Chief Executive Instruction/Procedure:	

Legal (Parent):

Power Enabling Delegation:

- Food Act 2008, Section 118(2)(b) Functions of enforcement agencies and delegation
 - S.118 (3) Delegation subject to conditions [s119] and guidelines adopted [s120]
 - S.118(4) Sub-delegation only permissible if expressly provided in regulations

Legal (Subsidiary):

Power Delegated:

- Food Act 2008, Sections:
 - S.122(1) Appointment of authorised officers
 - S.126(13) Infringement notices

Description of Functions Delegated

Council delegates authority and power to appoint persons to be:

1. An Authorised Officer for the purposes of the *Food Act 2008* [122(1)].
2. A Designated Officer for the purposes of the *Food Act 2008* [126(13)].

Generally subject to:

- (a) At least once each financial year, the CEO is required to circulate to Councillors a copy of the Shire's Schedule of Authorisations.

DS008 - Authority to Serve Infringement Notices (Food Act 2008)

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, HO
Chief Executive Instruction/Procedure:	

Legal (Parent):

Power Enabling Delegation:

- Food Act 2008, Section 118(2)(b) Functions of enforcement agencies and delegation
 - S.118 (3) Delegation subject to conditions [s119] and guidelines adopted [s120]
 - S.118(4) Sub-delegation only permissible if expressly provided in regulations

Power Enabling Sub-Delegation:

- Nil. Food Act / Regulations do not provide for sub-delegation.

Legal (Subsidiary):

Power Delegated:

- Food Act 2008:
 - S.125 Institution of proceeding

Description of Functions Delegated

Council delegates its authority and power to institute proceedings for an offence under the *Food Act 2008* [s.125].

Date Adopted:	December 2019	Delegate:	CEO
Date Last Reviewed:	December 2019	Sub-Delegated:	DCEO, HO
Policy Reference:		Chief Executive Instruction/Procedure:	
Legal (Parent): Power Enabling Delegation: <ul style="list-style-type: none"> Public Health Act 2016: s.21 Enforcement agency may delegate 		Legal (Subsidiary): Power Delegated: <ul style="list-style-type: none"> Public Health Act 2016: s.24 Designation of authorised officers 	

Description of Functions Delegated

Council delegates its authority and power to designate a person or class of persons as authorised officers:

1. for the purposes of the *Public Health Act 2016* or another specified Act; or
2. for the purposes of the specified provisions of this Act or another specified Act; or
3. for the purposes of the provisions of the *Public Health Act 2016* or another specified Act other than the specified provision of that Act [s.24(1)].

Subject to:

- a) The requirements of s.24(3), being that designated authorised officers may be either:
 - i. an environmental health officer or environmental health officers as a class; or
 - ii. a person who is not an environmental health officer or a class of persons who are not environmental health officers; or
 - iii. a mixture of the two.
- b) Compliance with any relevant conditions established by the Chief Health Officer under s.20 of the *Public Health Act 2016*.

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, EHO, BO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Criminal Procedure Act 2004, Part 2

Legal (Subsidiary):
1. Health (Asbestos) Regulations 1992

1. The Chief Executive Officer is appointed as the approved officer for the purposes of Part 2 of the *Criminal Procedure Act 2004*. They are authorised to extend the period to pay or withdraw an infringement notice issued under the *Health (Asbestos) Regulations 1992*.
2. The following officers are authorised officers for the purpose of Part 2 of the *Criminal Procedure Act 2004*. They are authorised to issue infringement notices for breaches with the *Health (Asbestos) Regulations 1992*:
 - Deputy Chief Executive Officer
 - Environmental Health Officer
 - Building Surveyor

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, TP
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995 (Section 5.41(i) & 5.42 & 5.44)
2. Shire of Three Springs Town Planning Scheme No. 2
3. Planning and Development (Local Planning Schemes) Regulations 2015

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to:

1. Hold in abeyance or return to an applicant for rectification, any development (planning) application that does not contain adequate or sufficient information necessary to properly assess, evaluate, and determine the application in accordance with the Scheme provisions, Council Policy provisions and the matters listed in clause 67 of the Deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*, or any other information deemed necessary to properly assess and determine the application;
2. Determine the land use classification applicable to the proposed use/development for which approval is sought;
3. Determine whether the proposed use/works falls within the classes of development exempt from obtaining development approval pursuant to clause 61 of the Deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*;
4. Determine and effect the consultation of a development (planning) application pursuant to clause 64 of the Deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*;
5. Authority to determine non-planning related objections. Objections against compliant aspects of development (planning) applications or are non-planning related are considered to be non-valid objections to the proposal.
6. To refuse to a development (planning) application for a proposed development designated as a 'X' use, 'A' use, or 'D' use in the scheme, and is determined not to comply with relevant provisions and standards prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
7. To grant approval to a development (planning) application for a development which is determined to comply with the design principles of the R-Codes and where no objections have been received.
8. To grant approval to a development (planning) application for a development designated as a 'P' use, 'I' use or 'A' use in the scheme, and is determined to comply with relevant provisions and standards

prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;

9. To grant approval to a development (planning) application for development which is not listed and/or designated with a permissibility in the scheme where the development is designated as a 'P' use , 'I' use or 'A' use, or the equivalent, by a lawfully adopted planning instrument;
10. In exceptional circumstances where a development application is determined not to have any adverse effect on the amenity of the locality, following its referral to surrounding affected land owners and no objecting submissions being received, approve a development (planning) application which varies site and development requirements relating to:
 - i. Side and rear setbacks;
 - ii. Front setback variations up to 0.5 metres;
 - iii. Wall height and/or maximum pitched roof height variations up to 0.5 metres;
 - iv. Outbuilding area variations up to 10%;
 - v. Signage dimension and/or maximum height variations up to 0.5 metres;
 - vi. Signage area variations up to 0.5m².
11. To grant approval to an annual permit application for a Holiday House, Holiday Accommodation, Bed and Breakfast, Guesthouse, Home Occupation and Home Business approved land use where no complaints have been received in the previous 12 months, and complies with all relevant provisions and standards prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
12. To grant approval to a development (planning) application relating to a non-conforming use, and is determined to comply with relevant provisions and standards prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
13. To refuse to a development (planning) application relating to a non-conforming use, and is determined not to comply with relevant provisions and standards prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
14. Certify that any condition imposed on any development (planning) approval has been completed and fulfilled to the CEO,s satisfaction;
15. To grant approval to a development (planning) application for an advertising devise/sign in any zone listed in the scheme that complies with relevant provisions prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
16. To grant approval to a development (planning) application for an extension of time to commence development of a development (planning) approval;
17. To grant approval to amend or delete any condition to which development (planning) approval is granted under delegation, and/or to amend an aspect of the development approved which, if amended, would not substantially change the development approved under delegation or cancel a

development (planning) approval determined under delegation at request of the applicant/owner in accordance with clause 77 of the deemed provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*; and

18. Impose conditions and advice on the approval granted under delegation that are considered necessary to secure the relevant provisions prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable.
19. To grant approval to a development (planning) application for a 'Holiday Accommodation' land use where no submissions objecting to the proposal have been received and the proposal is determined to comply with relevant provisions and standards prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
20. To grant approval to a development (planning) application for development on land classified as a local planning scheme reserve as follows:
 - i. Where the land is in the control and/or management of the Shire of Three Springs;
 - ii. The development is for a permitted use and/or purpose outlined in a lawfully executed lease issued by the Shire of Three Springs;
 - iii. The development is consistent with any objectives outlined for that reserve in the Scheme; and
 - iv. The value of any works is less than \$500,000;

DS012 - Joint Development Assessment Panel Applications

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	TP

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 (Section 5.42 & 5.44) 2. Planning and Development Act 2005 3. Shire of Three Springs Town Planning Scheme No.3 4. Planning and Development (Development Assessment Panels) Regulations 2011

Legal (Subsidiary):
<ol style="list-style-type: none"> 1. Local Government Act 1995, Section 6.50(1) and (2)

The Chief Executive Officer is delegated authority to:

1. Hold in abeyance or return to an applicant for rectification, any Form 1 or Form 2 application that does not contain adequate or sufficient information necessary to properly assess, evaluate, and determine the application in accordance with the Scheme provisions, Council Policy provisions, or any other information deemed necessary to properly assess and determine the application;
2. Prepare Responsible Authority Reports (RAR) making a recommendation to the Joint Development Assessment Panel based on the relevant provisions prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable;
3. Determine the land use classification applicable to the proposed use/development for which approval is sought;
4. Determine and effect the consultation of a Form 1 application;
5. Certify that any condition imposed on any Form 1 or Form 2 approval has been completed and fulfilled to the CEO's satisfaction; and
6. Impose conditions and advice that are considered necessary to secure the relevant provisions prescribed by the scheme, Council planning policies, structure plan, local area plan, local planning strategy and R-Codes where applicable.

DS013 - Infringements and Direction Notices

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, TP
Chief Executive Instruction/Procedure:	

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 (Section 5.42 & 5.44) 2. Planning and Development Act 2005 (Sections 214, 218, 228, 229, 230 & 231) 3. Shire of Three Springs Town Planning Scheme 2 4. Planning and Development Regulations 2009 (Schedule 1)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to and in accordance with the relevant sections of the *Planning and Development Act 2005*:

1. Issue a directions notice, pursuant to section 214 and 218.
2. Appoint a Shire of Three Springs employee to give an infringement notice in accordance with section 228.
3. Determine the content of an infringement notice in accordance with section 229.
4. Grant an extension of up to 28 days in exceptional circumstances for the alleged offender to pay the infringement notice in accordance with section 230.
5. Withdraw an infringement notice in exceptional circumstances in accordance with section 231.

*Please note the s. 234 of the *Planning and Development Act 2005* states:

"234. *Designated persons, appointment of*

- 1) *The chief executive officer of a responsible authority may, in writing, appoint persons or classes of persons to be designated persons for the purposes of section 228, 229, 230 or 231 or for the purposes of 2 or more of those sections.*
- 2) *A person who is authorised to give infringement notices under section 228 is not eligible to be a designated person for the purposes of any of the other sections."*

DS014 - Power of Entry

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, TP,
Chief Executive Instruction/Procedure:	

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 (Section 3.28 - 3.36) 2. Planning and Development (Local Planning Schemes) Regulations 2015 (Schedule 2 Clause 79)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to exercise all of the powers and duties of the local government in respect to the powers of entry upon land as contained in the *Local Government Act 1995* Section 3.28 to 3.36 inclusive, and to exercise the entry and inspection powers as contained in the *Planning and Development (Local Planning Schemes) Regulations 2015* Schedule 2 Clause 79.

Any occasion where this delegation is exercised by an Executive Manager is to be reported to the Chief Executive Officer soon as possible.

DS015 - Exemption from the Requirement to Pay a Fee – Trading in Thoroughfares and Public Places

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	2008- Street Stall Permits

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	TP

Legal (Parent):

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to:

1. Exempt a not for profit organisation from the requirement to pay an activity on local government property application or permit fee, under the Activities on Thoroughfares and Trading in Thoroughfares and Public Places subject to the waiving of the fee being recorded as a donation of Council.

DS016- Certain Things to be done in Respect of Land

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, TP,
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995 (Section 3.24 – 3.26 & 5.42)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to authorise any person to:

1. exercise on behalf of the local government the powers given to a local government by Subdivision 2 (Certain Provisions about Land) of the *Local Government Act 1995*; and
2. to issue notices and take the necessary action to recover costs from the person who failed to comply with the notice. (Refer Section 3.24 to 3.26– Schedule 3.1.)

Subject to documenting how they formed the opinion that the things to be performed are necessary to protect and/or enhance the health, safety or amenity of the persons or property in the district or to remove a nuisance.

DS017 - Response to Applications for Subdivision and Amalgamation

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, TP
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Planning and Development Act 2005
2. Strata Titles Act 1985
3. Shire of Three Springs Town Planning Scheme No. 2
4. Land Administration Act 1997

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to comment and/or make recommendation to the Western Australian Planning Commission and Department of Planning, Lands and Heritage on applications and proposals for subdivision, amalgamation, strata subdivision, survey-strata subdivision, crown subdivision and crown amalgamation as follows:

1. Proposals to amalgamate five (5) or less lots.
2. Proposals to create five (5) or less lots.

Subject to:

- a) the imposition of relevant conditions and advice on any proposal that are considered necessary to secure the objectives of any relevant planning document adopted by Council; and
- b) compliance with the relevant requirements of Town Planning Scheme 2, R-Codes, Local Area Plan, Structure Plan, Local Planning Strategy and Council Planning Policies.

The Chief Executive Officer is delegated authority to certify to the Western Australian Planning Commission that conditions imposed on an approval granted to subdivide, amalgamate, strata subdivide, survey-strata subdivide land contained within the municipality, that pertain to the Shire's jurisdiction, role and function, have been completed and fulfilled to the satisfaction of the Shire.

DS018- Response to Application for Public Works

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 (Section 5.42 & 5.44) 2. Planning and Development Act 2005 (Section 6) 3. Shire of Three Springs Town Planning Scheme 2 4. Public Works Act 1902

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to exercise discretion and make recommendations on applications referred to the Shire pursuant to section 6 of the *Planning and Development Act 2005* for public works subject to:

1. The notification of relevant provisions that are considered necessary to ensure compliance with the relevant requirements of Town Planning Scheme 2, R-Codes, Local Area Plan, Structure Plan, Local Planning Strategy and Council Planning Policies; and
2. The total value of works being less than \$1 million per application referred.

DS019 - Control of Vehicles (Off-Road Areas) Act 1978 – Authorised Officer

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Control of Vehicles (Off-road Areas) Act 1978, Section 38(3)

Legal (Subsidiary):
1. Control of Vehicles (Off-road Areas) Regulations 1979

The Chief Executive Officer is delegated authority to perform the duties of an authorised officer under the *Control of Vehicles (Off-road Areas) Act 1978*, for the whole of the district of the Shire of Three Springs subject to:

1. A Schedule of Authorisations being submitted to Council from time to time; and
2. The Officers and/or Employees exercising the Delegation, keeping a written record of details of how the Delegation was exercised, when the delegation was exercised and the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

DS020 - Permits for Heavy Haulage Vehicles

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995, Section 5.42 2. Main Roads Act 1930, Part 4 13a 3. Roads Traffic Regulations 2014

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to determine any heavy haulage application and either recommend:

1. Approval of the application with conditions; or
2. Refusal of the application.

to Main Roads WA for heavy haulage vehicles to use any local road within the district, subject to the requirements of any relevant Council Policy as set and amended from time to time that specifies approved routes and conditions listed therein.

DS021- Temporary Road Closures

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Sections 3.50, 3.50A and 3.51
2. Local Government Functions and General Regulations 1996, Regulations 4, 5 and 6
3. Road Traffic (Events on Roads) Regulations 1991

The Chief Executive Officer is delegated authority to determine applications for the temporary closure of a thoroughfare, and to undertake the necessary action for the closure of thoroughfares to vehicles:

1. In cases of emergency;
2. Where in the opinion of the CEO that due to heavy rain a thoroughfare is likely to be damaged by the passage of traffic of a particular class, or by the passage of traffic generally;
3. For the conduct of an Event in accordance with the *Road Traffic (Events on Roads) Regulations 1991*; and
4. Where the Council is undertaking repair and maintenance works to a thoroughfare,

Subject to:

- a) Having regard for the requirements of Sections 3.50 and 3.50A of the *Local Government Act 1995*, and for Clauses 4, 5 and 6 of the *Local Government (Functions and General) Regulations 1996*.
- b) The Officers and/or Employees exercising the Delegation, keeping a written record of details of how the Delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of duty.

DS022 - Revocation of Temporary Road Closure to Vehicles

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42.

Legal (Subsidiary):
1. Local Government Act 1995, Sections 3.50(6)

The Chief Executive Officer is delegated authority to revoke an order to close a thoroughfare subject to the provisions of Section 3.50(6) of the *Local Government Act 1995*.

DS023 - Private Works

Date Adopted:	August 2017
Date Last Reviewed:	June 2016

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	Private works to be approved by the CEO.

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to approve all Private Works in accordance with any relevant Council policy and rates and charges as set by Council.

DS024 - Private Works On, Over or Under Public Places

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42.

Legal (Subsidiary):
1. Local Government Act 1995, Section 3.25(1)(b), Section 3.26(2) and (3)
2. Local Government Act, Schedule 9.1(8)
3. Local Government (Uniform Provisions) Regulations, Regulation 17

The Chief Executive Officer is delegated authority to:

1. Grant permission to a person to construct anything on, over, or under a public thoroughfare or other public place that is Local Government property, and impose conditions in respect to the permission, subject to the requirements of Regulation 17 of the *Local Government (Uniform Provisions) Regulations 1996*.
2. Issue a notice under Section 3.25(1)(b) to a person who has not complied with a condition imposed on a permission given under (1.0) above.
3. Do anything that is considered necessary to achieve, so far as is practicable, the purpose for which the notice was given under (2.0) above.
4. Recover the cost of anything done under (3.0) above as a debt due from the person who failed to comply with the notice issued, subject to notification being given to Council prior to legal action commencing.

DS025 - Gates and Other Devices Across Thoroughfares

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42.

Legal (Subsidiary):
1. Local Government Act 1995, Section 3.25(1)(b), Section 3.26(2) and (3),
2. Local Government Act, Schedule 9.1(5)
3. Local Government Act, Schedule 3.1
4. Local Government (Uniform Provisions) Regulations, Regulation 9

The Chief Executive Officer is delegated authority to:

1. Grant permission to have a gate or other device across a public thoroughfare under the care, control and management of the Shire, and impose conditions in respect to the permission, subject to:
 - a) The requirements of Regulation 9 of the *Local Government (Uniform Provisions) Regulations 1996*; and
 - b) A register of gates and other devices being kept in accordance with Clause 9(8) of the *Local Government (Uniform Provisions) Regulations 1996*.
2. Issue a notice under Section 3.25(1)(b) to a person who has not complied with a condition imposed on a permission given under (1.0) above.
3. Do anything that is considered necessary to achieve, so far as is practicable, the purpose for which the notice was given under (2.0) above.
4. Recover the cost of anything done under (3.0) above as a debt due from the person who failed to comply with the notice issued subject to notification being given to Council prior to legal action commencing.

DS026 - Plans, Thoroughfares Levels and Alignments

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MW
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42.

Legal (Subsidiary):
1. Local Government Act 1995, Sections 3.52(4), 5.94 and 5.96

The Chief Executive Officer is delegated authority to keep plans of levels and alignments of public thoroughfares under the care, control and management of the Council and to ensure those plans are available for public inspection during office hours subject to the requirements of Sections 3.52(4), 5.94 and 5.96 of the *Local Government Act 1995*.

DS027 - Excavation on Public Thoroughfares

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42

Legal (Subsidiary):
1. Local Government Act 1995, Section 3.25(1)(b), Section 3.26(2) and (3)
2. Local Government Act, Schedule 9.1(6)
3. Local Government (Uniform Provisions) Regulations, Regulation 11

The Chief Executive Officer is delegated authority to:

1. Grant permission to a person to make or make and leave, an excavation of specified dimensions and in a specified way in a specified part of a public thoroughfare or on a specified part of land adjoining a public thoroughfare, and impose conditions in respect to the permission, subject to the requirements of Regulation 11 of the *Local Government (Uniform Provisions) Regulations 1996*;
2. Issue a notice under Section 3.25(1)(b) to a person who has not complied with a condition imposed on a permission given under (1.0) above.
3. Do anything that is considered necessary to achieve, so far as is practicable, the purpose for which the notice was given under (2.0) above.
4. Recover the cost of anything done under (3.0) above as a debt due from the person who failed to comply with the notice issued subject to notification being given to Council prior to legal action commencing.

DS028 - Crossing from Public Thoroughfare to Private Land or Private Thoroughfare

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act 1995, Section 5.42.

Legal (Subsidiary):
1. Local Government (Uniform Provisions) Regulations, Regulations 12, 13 and 14
2. Local Government Act 1995, Section 3.25(1)(b), Section 3.26(2) and (3)
3. Local Government Act, Schedule 9.1(7)

The Chief Executive Officer is delegated authority to:

1. Approve or refuse an application from an owner of land, to construct a crossing giving access from a public thoroughfare to the land, or a private thoroughfare serving the land, and impose conditions in respect to the approval, subject to the requirements of Regulation 14(2) of the *Local Government (Uniform Provisions) Regulations 1996*.
2. Issue a notice under Section 3.25(1)(b) to a person who has not complied with a condition imposed on a permission given under (1.0) above.
3. Do anything that is considered necessary to achieve, so far as is practicable, the purpose for which the notice was given under (2.0) above.
4. Recover the cost of anything done under (3.0) above as a debt due from the person who failed to comply with the notice issued, subject to notification being given to Council prior to legal action commencing.
5. Issue a notice under Regulation 13(1) of the *Local Government (Uniform Provisions) Regulations 1996* to the owner or occupier of private land to construct or repair a crossing from a public thoroughfare to the land, or a private thoroughfare serving the land, subject to the requirements of Regulation 14(2) of the *Local Government (Uniform Provisions) Regulations 1996*.

DS029 - Bonds for Uncompleted Works

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Sections 5.42, 5.44, 5.45 and 5.46 of the Local Government Act 1995

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to determine the value of and conditions associated with the lodgement of cash bonds or other performance bonds for uncompleted works associated with the subdivision or development of land and to approve the return or payment of such bonds upon the completion of the works or event or any relevant Council policy.

LAW, ORDER AND PUBLIC SAFETY

LO001 - Bushfires Act 1954 - Authorised Persons

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Bushfires Act 1954, Sections 38, 59(3), 59(5), 59A(2)
2. Bushfires Infringement Regulations, Regulation 4

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to perform the specified duties under the *Bushfires Act 1954*, subject to:

1. A Schedule of Authorisations being submitted to Council from time to time; and
2. The Officers and/or Employees exercising the Delegation, keeping a written record of details of how the Delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

LO002 - Cat Act 2011 - Authorised Persons

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

<p>Legal (Parent):</p> <p>Power Enabling Delegation:</p> <ul style="list-style-type: none"> Cat Act 2011, section 44 Delegation by local government. <p>Power Enabling Sub-Delegation:</p> <p>Cat Act 2011, section 45 Delegation by CEO of local government</p>

<p>Legal (Subsidiary):</p> <ul style="list-style-type: none"> Cat Act 2011, section 48 Authorised persons
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Description of Functions Delegated

Council delegates its authority and power to:

1. Appoint persons or classes of persons to be authorised for the purposes of performing particular functions under this Act [s.48(1)].
2. Determine conditions on any authorisation [s.48(3)].
3. Cancel or vary an authorisation or a condition on an authorisation [s.48(4)].

Generally subject to:

- a) At least once each financial year, the CEO is required to circulate to Councillors a copy of the Shire of Gnowangerup's Schedule of Authorisations.

LO003 - Dog Act 1976 - Authorised Persons

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Dog Act 1976, Section 10AA.

Legal (Subsidiary):
1. Dog Act 1976, Sections 11, 29(1), 33E and 44(2)
2. Dog Regulations 2013.

The Chief Executive Officer is delegated authority to:

1. Appoint persons as Registration Officers and Authorised Officers under the *Dog Act 1976*;
2. Commence legal proceedings for offences against the *Dog Act 1976*; and
3. Appoint persons to represent the Shire in legal proceedings for offences against the *Dog Act 1976*.

The above delegations are subject to:

- a) a Schedule of Authorisations being submitted to Council from time to time; and
- b) the Officers and/or Employees exercising the Delegation, keeping a written record of details of how the Delegation was exercised, when the delegation was exercised, the persons or classes of persons directly affected by the exercise of the power on the discharge of the duty.

LO004 - Prohibited and Restricted Burning Times Variation

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):	
1.	Bushfires Act 1954, Section 17(10).
2.	Bushfires Act 1954, Section 18(5c)

Legal (Subsidiary):	
1.	Bushfires Act 1954, Section 17(7) and (8)
2.	Bushfires Act 1954, Section 18(5) and (5C)

Council delegates its authority and power to the President and Chief Bush Fire Control Officer jointly to-

1. Vary the prohibited burning times within the district of the Shire of Three Springs, subject to-
 - a) The appropriate notice being given as required by Section 17(8) of the *Bushfires Act 1954*.
2. Vary the restricted burning times within the district of the Shire of Three Springs-
 - b) The appropriate notice being given as required by Section 18(5C) of the *Bushfires Act 1954*.

Provided that the Officer in Charge of the Department of Parks and Wildlife (DPaW) is consulted before the authority under this delegation is exercised.

LO005 - Notices of Legal Proceedings-Bush Fires

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Bushfires Act 1954 s.59 (3)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to:

1. Commence legal proceedings pursuant to offences against the *Bush Fires Act 1954*; and
2. Engage independent professional advice, including legal advice, where a decision made by the Council, or a condition or conditions associated with that decision, is substantially different from the Responsible Officer's recommendation.

LO006 - Bushfires Act 1954 - Powers and Duties

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Bushfires Act 1954, Section 48.

Legal (Subsidiary):
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The Chief Executive Officer is delegated authority to perform all the functions and duties of the local government under the *Bushfires Act 1954* subject to-

1. This power and authority cannot be sub-delegated by virtue of Section 48(3) of the *Bushfires Act, 1954*.
 - a) The exclusion of powers and duties that:
 - i. Are prescribed in the Act that require a resolution by the local government
 - ii. Are prescribed in the Act for performance by prescribed offices.
2. Where the exercise of authority relates to the determination of firebreaks in alternative positions, or alternative action to abate fire hazards, the CEO shall liaise with the Chief Bushfire Control Officer on each specific variation request.

LO007 - Dog Act 1976-Infringements

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO, MWS, ESR
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Local Government Act (1995) & Dog Local Laws
2. Dog Act (1976)

Legal (Subsidiary):

The Chief Executive Officer is delegated authority to commence proceedings against a person who is reported to have:

1. Unlawfully rescued or released, or attempted to rescue or release, cattle or dogs lawfully impounded or seized for the purpose of being impounded;
2. Damaged a Municipal Pound; or
3. Committed Pound breach by reason of which cattle or dogs may escape from a Municipal Pound.

In all cases where the Chief Executive Officer instructs Council's solicitors to commence proceedings, the Chief Executive Officer shall report particulars to the next succeeding Council meeting.

LO008 - Litter Act - Withdrawal of Infringement Notices

Date Adopted:	December 2019
Date Last Reviewed:	December 2019
Policy Reference:	

Delegate:	CEO
Sub-Delegated:	DCEO
Chief Executive Instruction/Procedure:	

Legal (Parent):
1. Litter Act 1979, Section 30(4a).

Legal (Subsidiary):
1. Litter Regulations 1981.

The Chief Executive Officer is delegated authority to withdraw infringement notices under the *Litter Act, 1979*.

COMMUNITY

49. Recognition of Three Springs Births, Graduates and the Passing of Community Members.

Adoption		
Date	Meeting	Council Decision
	OCM	
Review		
Date	Meeting	Council Decision
	OCM	
Delegation		
No.	Title	
Legislative Reference		

PURPOSE

Recognition of Three Springs Births, Graduates and the Passing of Community Members.

POLICY

Births:

On the advice of Council, administration staff will arrange for a new born recognition gift to be provided to the family via the Community Health Nurse.

The gift worth an estimated \$50.00

Graduation:

On the advice of Council, administration staff will arrange for a graduation recognition gift.

The gift worth an estimated \$30.00

Note:

- Council will organise an awards event. Light refreshments will be provided.
- Primary & Secondary students residing and attending the local Primary & Secondary schools & college graduating Year 6 & Year 12.

Passing:

On the advice of Council, administration staff will arrange for a card and floral tribute.

The tribute worth an estimated \$50.00

Our Ref: 22468

30 October 2020

Western Australian Planning Commission

Locked Bag 2506

Perth WA 6001



Dear Sir/Madam,

PROPOSED GREEN TITLE 'HOMESTEAD' SUBDIVISION (2 LOTS) – LOT 3 PERENJORI- THREE SPRINGS ROAD, THREE SPRINGS

Harley Dykstra is acting on behalf of the landowner, Mr Bruce Cunningham (sole director of Turana Farms Pty Ltd) in regards to this application to subdivide and create a 'Homestead Lot' on his property for the purpose of a homesite for the former property owner (Mr Murray Patterson). Mr Patterson wishes to continue living in the existing dwelling and maintain links with the community of Three Springs.

1.0 SUBJECT LAND

The purpose of this application is to obtain subdivision approval to create two green title Lots from existing Lot 3 Perenjori-Three Springs Road, Three Springs (the '*subject land*'). The subject land is a rural property of 3011.8482 hectares in area and located approximately 2km north west of the townsite of Three Springs (refer to **Figure 1**).

The subject land accommodates four dwellings and associated outbuildings that will be retained as part of the subdivision. The dwelling and associated outbuildings that are located on the proposed homestead lot is in the south west corner of the property. The other dwellings and outbuildings on the property are located centrally within the subject land, within the proposed main farm lot.

The landowner is seeking to excise a portion of 3.32ha in the south west corner of the subject land where the former owner is currently residing (since 2008) in an existing dwelling.

The subject land is used by current and past owners for primary production, including cropping and livestock grazing. Implementation of this subdivision will not result in any change to current or future land use on either Lot, nor will it affect any existing vegetation on the site.

The subject land slopes gently from a height of approximately 290m AHD in the north west corner and middle, to around 250m AHD on the south boundary and 240m AHD around the salt lakes on the eastern portion of the property. Several large dams provide year round water source for livestock.

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Forrestdale

Perth

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Figure 1: Location Plan

(Source: Landgate)

2.0 THE PROPOSAL

Proposed Lot A (homestead lot) has vehicle access provided via the existing crossover and internal access way (known as Wade Road) connecting on to Perenjori-Three Springs Road. Proposed Lot B (the main farm lot) also utilises this access. It is proposed a reciprocal rights of carriageway easement, within proposed Lot B will allow both lots to continue to use the current access road and crossover.

Proposed Lot B will retain water tanks to provide a year round water source for household and fire fighting purposes.

Proposed Lot B will be approximately 3008ha in area, with dwellings, sheds, water tanks, dams and vegetated portions to continue as a viable farming operation.

3.0 PREVIOUS APPLICATION

Mr Patterson owned the property until it was sold to Mr Cunningham in 2009 due to financial hardship. Mr Patterson has resided in the dwelling on the proposed homestead lot since 2008.

A similar application to subdivide was approved with conditions by the WAPC in 2011. Works were undertaken, including providing underground power to the homestead lot in 2014. Whilst all the conditions of the subdivision were cleared, the boundaries surveyed and a Deposited Plan lodged with Landgate, the new titles for the properties were not applied for. Due to the timeframe this application has lapsed and is no longer valid.

4.0 PLANNING FRAMEWORK

4.1 State Planning Framework

Applicable State Planning Policies include:

SPP 2.5 - Land Use Planning in Rural Areas, **DCP 3.4** - Subdivision of Rural Land and **SPP 3.7** – Planning in Bushfire Prone Areas

4.1.1 WAPC State Planning Policy 2.5 – Land Use Planning in Rural Areas

The overarching policy objective of SPP 2.5 and DCP 3.4 is to guard against ‘ad-hoc, unplanned subdivision’, particularly when there is concern about land being removed from potential agricultural production. Section 5.1 of SPP 2.5 lists policy measures applicable to decision making regarding rural subdivision, including:

- b) Land identified as priority agricultural land in a planning strategy or scheme is to be retained for that purpose; and
- e) Creation of new rural lots will be by exception and in accordance with Development Control Policy 3.4 – Subdivision of rural land, or planned in a strategy or scheme.

The proposed subdivision represents orderly and proper planning and is consistent with the objectives of SPP 2.5, as acknowledged in the following:

- a) The subject site is identified as *Rural* in the Shire of Three Springs Local Planning Scheme (LPS 2). The proposed Lots resulting from the subdivision will be retained for rural purposes. No changes are proposed to the current land use or zoning.
- b) The proposed Lots will be created in accordance with, *Development Control Policy 3.4 – Subdivision of rural land*, as outlined in section 4.1.2 below.

4.1.2 WAPC Development Control Policy 3.4 – Subdivision of Rural Land

WAPC Development Control Policy 3.4 (DCP 3.4) is an operational policy used to guide subdivision of rural land to achieve the objectives of SPP 2.5, and sets out limited circumstances in which rural subdivision can be considered. Section 6 (d) of DCP 3.4 notes that the WAPC will consider rural subdivision “*in the Homestead lot policy area, to allow for the continued occupation of existing homesteads when they are no longer used as part of a farming operation.*”

Section 6.6 of DCP 3.4 notes “Homestead lots may therefore be created to enable an approved existing house on a rural lot to continue to be occupied provided that:

- a) The land is in the DC 3.4 Homestead Policy Area;
- b) The homestead lot has an area between one and four hectares, or up to 20 hectares to respond to the landform and include features such as existing outbuildings, services or water sources;
- c) There is an adequate water supply for domestic, land management and fire management purposes;
- d) The dwelling is connected to a reticulated electricity supply or an acceptable alternative is demonstrated;
- e) The homestead lot has access to a constructed public road;
- f) The homestead lot contains an existing residence that can achieve an appropriate buffer from adjoining rural land uses;
- g) A homestead lot has not been excised from the farm in the past;
- h) The balance lot is suitable for the continuation of the rural land use, and generally consistent with prevailing lot sizes, where it can be shown that this is consistent with current farming practices at the property; and
- i) The dwelling on a homestead lot must be of a habitable standard and may be required to be certified as habitable by the local government."

This subdivision application complies with all the above requirements of DC 3.4, as demonstrated in the following:

- a) The land is wholly located within the DC 3.4 Homestead Policy Area;
- b) The homestead Lot (Lot 1) has an area of 3.32ha, which responds to the landform and physical features of the site including the location of the dwelling, outbuildings and water tanks;
- c) An adequate water supply is available for domestic, land management and firefighting purposes for both proposed lots;
- d) The existing dwelling is serviced with a reticulated underground electrical supply;
- e) Each proposed Lot has access to a constructed public road, with the existing crossover to be shared by way of a reciprocal rights of carriageway easement;
- f) The homestead lot contains an existing dwelling and can achieve an appropriate buffer from the adjoining rural land uses;
- g) A homestead lot has not been excised from the property in the past;
- h) The balance lot will be 3008ha, which will allow for the continuation of the rural land use and is consistent with surrounding lot sizes; and
- i) The homestead dwelling is of a habitable standard and is currently occupied by the former property owner, Mr Patterson. The proposed subdivision will assist with retaining the rural population and workforce, and will not affect farm finance or operations.

4.1.3. WAPC State Planning Policy 3.7 – Planning in Bushfire Prone Areas

Portions of the subject land are designated to be bushfire prone by the Department of Fire and Emergency Commissioner. In accordance with State Planning Policy 3.7 Planning in Bushfire Prone Areas (SPP 3.7), a fire assessment is generally required to be prepared in support of a subdivision application.

At the same time it is noted that, given the nature of the proposed subdivision, Planning Bulletin 111/2016 is applicable to determine the overall level of risk associated with the proposal and provide an exemption to completing a fire assessment for this application.

Planning Bulletin 111/2016 in clause 5 outlines the requirements for development which may be granted exemptions from the requirements of SPP 3.7. Exemptions apply where if the proposal does not result in the intensification of development (or land use) or result in an increased bushfire risk.

In light of the Planning Bulletin it is noted that the proposed subdivision is for a homestead lot where existing dwellings currently exist on the property. As such, the proposed subdivision is a paper-exercise only (no on-ground activities are required to be undertaken) and will not result in any change or intensification of development or land use, or result in any change to the bushfire risk.

As the homestead lot currently has 1 dwelling and the main lot has 3 dwellings, this is the maximum number allowed by the Shire's Local Planning Scheme (as specified in Table 7 – Additional requirements that apply to land in Scheme area), therefore no new dwellings can be constructed on the site in the future.

No fire assessment is therefore required to be submitted as part of this proposal.

4.2. Local Planning Framework

4.2.1. Shire of Three Springs Local Planning Scheme No. 2

The subject site is zoned 'Rural' under the Shire of three Springs Local Planning Scheme No. 2 (LPS 2). The objective for rural zoned land is defined in the scheme as:

To provide for the sustainable use of land for the agricultural industry and other uses complimentary to sustainable agricultural practices, which are compatible with the capability of the land and retain the rural character and amenity of the locality.

Schedule 2 of LPS 2 establishes minimum boundary setbacks for development within the rural zone. The proposed subdivision is able to comply with the minimum boundary setbacks, as illustrated in **Table 2**. The proposed setbacks will ensure that an adequate separation distance is provided between the existing dwelling and surrounding rural land uses.

	Front (m)	Rear (m)	Side (m)
Minimum (LPS 2)	20	20	10
Proposed	350	165	10.2

Table 2: Boundary Setbacks

5.0 SERVICING

5.1. Roads and Access

The subject land has road frontage onto Perenjori-Three Springs Road. An existing Access track (known as Wade Road) and crossover provides access to both the proposed homestead lot and the main farm lot, as shown in **Figure 2**. No new crossovers are proposed with the existing access for both proposed lots considered to be adequate.



Figure 2: Crossover location

(Source: Landgate, Google Maps)

5.2. Drainage and Stormwater Management

The lot size and characteristics ensure each of the proposed Lots are able to manage stormwater onsite. Drainage generally occurs through ground infiltration, or dam storage.

5.3. Water and Sewer

The Water Corporation has advised the subject land is outside the Water Corporation's water and wastewater operating licence areas and as such neither a reticulated water supply nor sewer are available to service the land. The existing dwellings located on the subject site provides a potable water supply through rain water harvesting and onsite waste water disposal.

For the homestead lot the roof catchment area from the dwelling and outbuildings is sufficient to ensure an uninterrupted supply of potable water throughout the year.

The main farm lot will retain several dams for livestock and land management purposes. The dwellings located on the lot are also self-sufficient in terms of potable water supply and waste water disposal.

5.4. Power

The existing dwelling and outbuilding located on the homestead lot are serviced by an underground power supply, installed to meet a condition imposed by WAPC as part of works of the previous application. All existing electrical infrastructure will be unaffected and continue to be contained within the lot it services. Dwellings on the main farm lot are connected to an overhead power supply.

It is respectfully requested that no power conditions be imposed as a condition of subdivision.

6.0 CONCLUSION

This proposed subdivision represents orderly and proper planning, and is justified on the following grounds:

1. The subdivision complies with all relevant local and State Planning requirements, including; Shire of Three Springs Town Planning Scheme No. 2, SPP 2.5, DCP 3.4 and SPP 3.7;
2. The subdivision responds to the landform and site features, and achieves Lots with an appropriate shape and size for the locality;
3. The proposed homestead lot is serviced with onsite effluent disposal and an adequate water supply for domestic, land management and firefighting purposes;
4. An adequate water supply will be retained on Lot 2 to provide for continued primary production to occur;
5. The proposed Homestead Lot is serviced with an existing reticulated electrical supply, with underground connection contained within the boundaries of the Lot;
6. Both proposed lots will have access to an existing constructed public road, with the current crossover location providing safe access and egress;
7. The proposed homestead lot achieves an appropriate separation distance to minimise any impacts from surrounding rural land uses;
8. A homestead lot has not been excised from the property in the past;
9. The subdivision will allow the former landowner to continued occupy their dwelling and will assist with retaining the rural population and workforce;
10. The Homestead Lot is unsuitable for agriculture and this application will not result in a loss of agricultural land;
11. The Homestead Lot is consistent with the rural character and landscape of the locality, including small hobby farm lots nearby; and

12. The balance lot has attributes that ensure it will continue to be available for primary production in the future, and is consistent with prevailing lot sizes and current farming practices undertaken at the property.

In view of the abovementioned considerations, support for the *attached* Subdivision Plan is sought.

It is requested that if conditions are to be placed on the subdivision approval, draft conditions are provided to the applicant prior to the approval formally being issued.

We trust the above information is satisfactory, however should any further information be required to assist with approval, please do not hesitate to contact the undersigned at this office.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Kylie Shaw', with a stylized, cursive script.

Kylie Shaw

Senior Land Development Consultant

Harley Dykstra Pty Ltd



Our Ref: 22468

30 October 2020

WAPC State Planning Policy 3.7 – Planning in Bushfire Prone Areas

Portions of the subject land are designated to be bushfire prone by the Department of Fire and Emergency Commissioner. In accordance with State Planning Policy 3.7 Planning in Bushfire Prone Areas (SPP 3.7), a fire assessment is generally required to be prepared in support of a subdivision application.

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No fire assessment is therefore required to be submitted as part of this proposal.

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Application for Approval of Freehold or Survey Strata Subdivisions

Lodgement ID: 2020-219820

Your Reference	22468
Location of Subject Property	Lot 3 Perenjori-Three Springs Road, Three Springs
No. of applicants	1
Are you applying on your own behalf?	No
Are you the primary applicant?	No
Do you have consent to apply from all landowners?	Yes
Lodgement Type	Subdivision
Submitted by	Daleen Bosch
Email	bunbury@harleydykstra.com.au



About the land

Number of current lots on the land	1	Total number of proposed lots on the land including balance lots	2
Drainage Reserves	0	Public Access Ways	0
Recreation Reserves	0	Right of Ways	0
Road Reserves	0	Road Widening	0
Number of fee paying lots	2	Number of fee exempt lots	0

What is the proposed use/development?

Proposed Use	Lot size	Number of Lots	
Rural	2 HA - 5 HA	1	
Rural	Over 25 HA	1	
Local Government	Shire Of Three Springs	Existing dwellings	Yes
Is common property proposed	No		

Applicants

Primary applicant (1)

Is the applicant a company/organisation?	Yes	Is the applicant a landowner?	No
Name/Company	Harley Dykstra Pty Ltd	ABN / ACN	77503764248
Email	bunbury@harleydykstra.com.au	Phone number	0897926000
Address			
Street address	PO Box 5207	Town / Suburb or City	Albany
State	WA	Post Code	6231
Country	AUSTRALIA	OR Non-Australian Address, P.O. Box, & etc	N/A

Certificate of Title Details

Lots with certificate (1)

Volume	1394	Folio	360
Lot Number	3	Plan Number	4578
Total land area	3011.8482	Land Area Units	Hectares
Reserve number (if applicable)	N/A	No. of landowners	1
Is the Landowners name different to that shown on the Certificate of Title?			No

Landowners

Landowner (1)

Full name	N/A	Company / Agency	Turana Farm Pty Ltd
ACN / ABN	69 616 856 850	Landowner type	Sole Company
Address			
Street address	Midlands Road	Town / Suburb or City	Three Springs
State	WA	Post code	6519
Country	AUSTRALIA	OR Non-Australian Address, P.O. Box, & etc	N/A

Company signatory 1

First name	Last name	Position
Bruce	Cunningham	Sole Director

Subdivision detail

Number of dwellings	4	Dwelling retained	Yes
Dwelling description	1 dwelling on the proposed homestead lot 3 dwellings on the main farm lot		
Number of outbuildings/structures	11	Structure/s retained	Yes
Other description	N/A		
Structure description	Outbuilding consist of farm sheds and water tanks		
Is a battleaxe lot/s proposed?			No
Does plan show the width and length of the access leg, the area of the access leg and total area of the rear lot			Not applicable
Has the land ever been used for potentially contaminating activity			No
Does the land contain any sites that have been classified under the Contaminated Sites Act 2003			No
Does the land contain any sites that have been reported or required to be reported under the Contaminated Sites Act 2003			No
Is the land located in an area where site characteristics or local knowledge lead you to form the view that there is a significant risk of acid sulfate soils in this location			No
Is this application to be assessed under the Liveable Neighbourhoods policy and is supporting documentation attached?			No
Is the development with in a Bushfire Prone Area?			N/A
Are there any dewatering or drainage works proposed to be undertaken			No
Is excavation of 100 cubic metres or more of soil proposed			No
If yes did the Acid Sulfate Soils investigation indicate acid sulfate soils were present			No
Is a Termination Proposal Attached			No
Is a Strata Company Resolution Attached			No

Fee & Payment

Fee amount	\$3,487.00	Payment Type	By Anyone
-------------------	------------	---------------------	-----------

Attachments

Attachment name	Attachment type
1. 22468 Bushfire Statement 20201030-5.pdf	Bushfire Attack Level(BAL) assessment
2. 22468 Subdivision Report 20201030-4.pdf	Subdivision Report/s
3. 22468-01A Subdivision_Aerial-7.pdf	Required Information about the Proposal
4. 22468-01A Subdivision-3.pdf	Subdivision Plan
5. Consent to Apply-2.pdf	Authorised Letter of Consent
6. CT 1394-360-1.pdf	Certificate of Title
7. Form_1A_CheckList-6.pdf	Required Information about the Proposal

Perth	Albany	Bunbury	Geraldton	Mandurah
140 William Street	PO Box 1108	Sixth Floor	Regional Planning and Strategy	Unit 2B
Perth	Albany	Bunbury Tower	Office 10	11-13 Pinjarra Road
Western Australia, 6000,	Western Australia, 6330	61 Victoria Street	209 Foreshore Drive	Mandurah
Locked Bag 2506 Perth, 6001		Bunbury	Geraldton	Western Australia, 6210
		Western Australia, 6230	Western Australia, 6530	
Tel: (08) 6551 9000	Tel: (08) 9892 7333	Tel: (08) 9791 0577	Tel: (08) 9960 6999	Tel: (08) 9586 4680
Fax: (08) 6551 9001	Fax: (08) 9841 8304	Fax: (08) 9791 0576	Fax: (08) 9964 2912	Fax: (08) 9581 5491

WESTERN



AUSTRALIA

REGISTER NUMBER 3/P4578	
DUPLICATE EDITION N/A	DATE DUPLICATE ISSUED 2/2/2018

RECORD OF CERTIFICATE OF TITLE UNDER THE TRANSFER OF LAND ACT 1893

VOLUME
1394FOLIO
360

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.



REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 3 ON PLAN 4578

REGISTERED PROPRIETOR: (FIRST SCHEDULE)

TURANA FARMS PTY LTD OF MIDLANDS ROAD, THREE SPRINGS

(T K952571) REGISTERED 26/5/2009

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS: (SECOND SCHEDULE)

1. *THE LAND THE SUBJECT OF THIS CERTIFICATE OF TITLE EXCLUDES ALL PORTIONS OF THE LOT DESCRIBED ABOVE EXCEPT THAT PORTION SHOWN IN THE SKETCH OF THE SUPERSEDED PAPER VERSION OF THIS TITLE.
2. *TITLE EXCLUDES THE LAND SHOWN ON DIAGRAM 70176.
3. *EXCEPT AND RESERVING METALS, MINERALS, GEMS AND MINERAL OIL SPECIFIED IN TRANSFER 8/1908 AND 4482/1909.
4. *28807/1964 EASEMENT BURDEN FOR RIGHT OF CARRIAGEWAY PURPOSES - SEE SKETCH ON VOL 1394 FOL 360. REGISTERED 6/5/1964.
5. *E112428 EASEMENT TO THE STATE ENERGY COMMISSION OF WESTERN AUSTRALIA FOR ELECTRICITY PURPOSES - SEE SKETCH ON VOL 1394 FOL 360. REGISTERED 26/5/1989.
6. *E380231 EASEMENT TO THE STATE ENERGY COMMISSION OF WESTERN AUSTRALIA FOR RIGHT OF CARRIAGEWAY PURPOSES - SEE SKETCH ON VOL 1394 FOL 360. REGISTERED 12/6/1990.
7. *K952572 MORTGAGE TO RABOBANK AUSTRALIA LTD REGISTERED 26/5/2009.
8. *N796600 EASEMENT TO KARARA POWER PTY LTD FOR ELECTRICITY TRANSMISSION PURPOSES - SEE DEPOSITED PLAN 401808. REGISTERED 22/12/2017.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

-----END OF CERTIFICATE OF TITLE-----

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:

1394-360 (3/P4578)

END OF PAGE 1 - CONTINUED OVER



RECORD OF CERTIFICATE OF TITLE

REGISTER NUMBER: 3/P4578

VOLUME/FOLIO: 1394-360

PAGE 2

PREVIOUS TITLE:

1394-360

PROPERTY STREET ADDRESS:

3024 PERENJORI-THREE SPRINGS RD, WOMARDEN.

LOCAL GOVERNMENT AUTHORITY:

SHIRE OF THREE SPRINGS

NOTE 1:

DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING
K952572

NOTE 2:

M942920

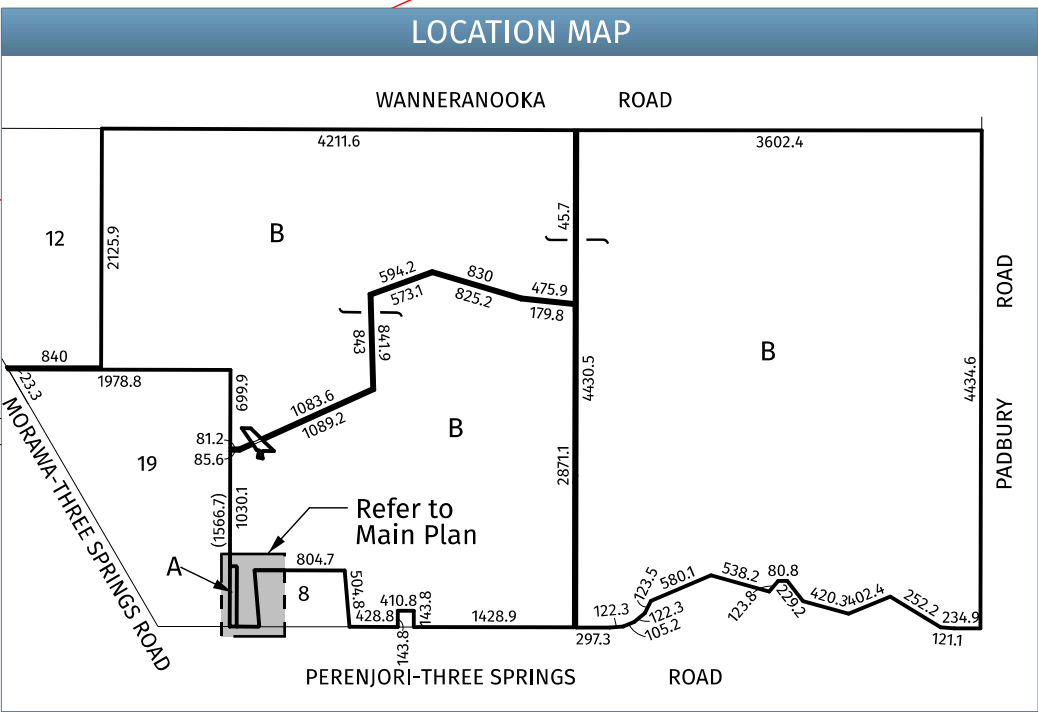
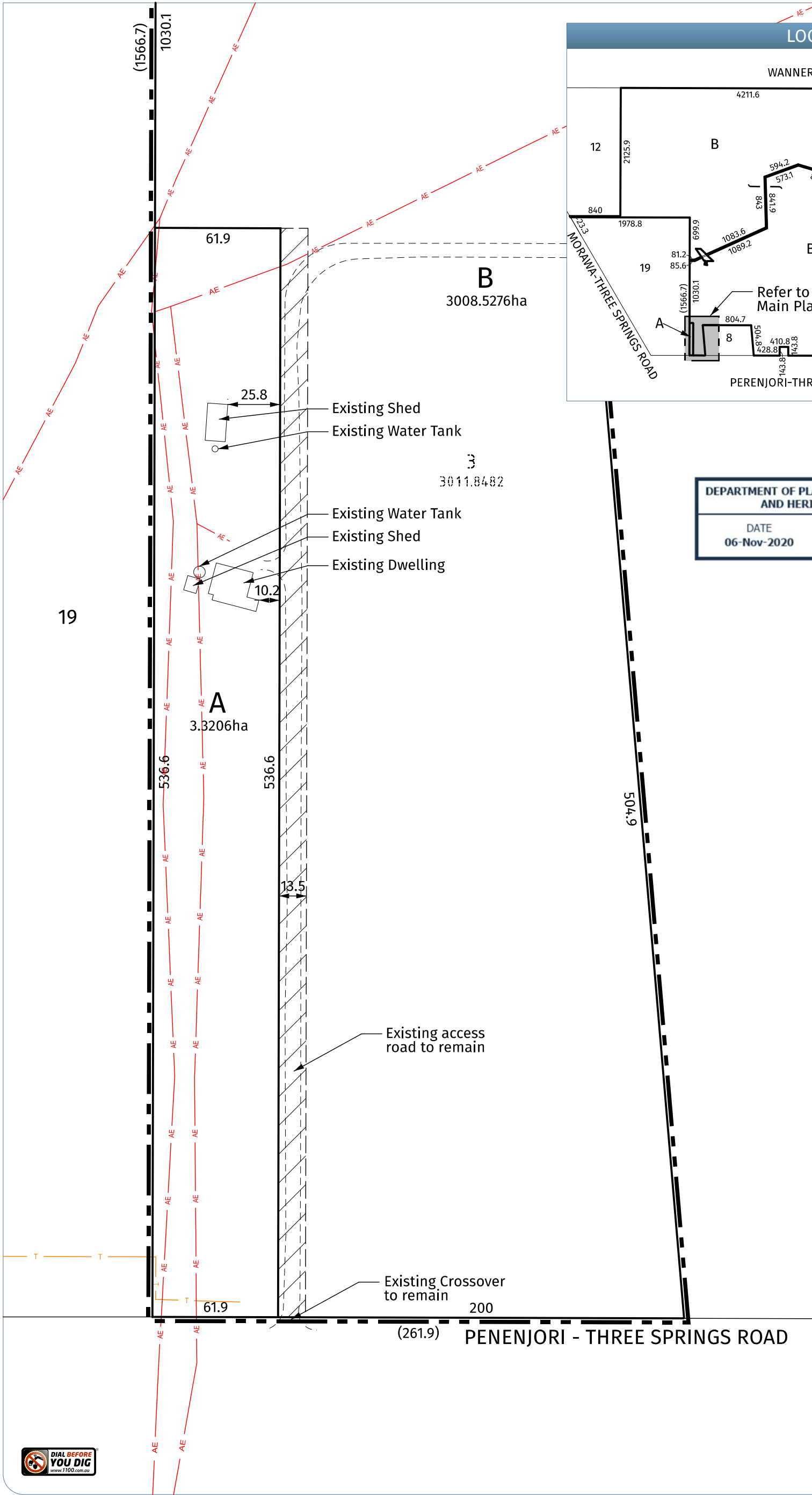
DEPOSITED PLAN 73796 LODGED.

NOTE 3:

M942921

DEPOSITED PLAN (INTEREST ONLY) 73797 LODGED.





DEPARTMENT OF PLANNING, LANDS AND HERITAGE	
DATE	FILE
06-Nov-2020	160116

LEGEND	
PROPOSAL DETAILS	
Subject Land	
Area of Subject Land	3011.8482
No of Existing Lots	1
No of Proposed Lots	2
Minimum Lot Size	3.3206ha
Average Lot Size	1505.9241ha
Proposed Lot Boundaries	
Right of Carriageway Easement	
LAND DETAILS	
Local Government Area	Shire of Three Springs
Zoning	Rural
Existing Boundaries	
SERVICING INFORMATION (DBYD)	
Overhead Electricity	
Reticulated Water	Not Available
Reticulated Sewer	Not Available
Telecommunications	
Reticulated Gas	Not Available
Note: All Existing Structures to be Retained	



PLAN OF SUBDIVISION

Lot 3 (No. 3024) Perenjori-Three Springs Road, WOMANRDEN

Plan No. | 22468-01
Date | 29/10/20
Drawn | NP
Checked | BdR
Revision | A

BUNBURY OFFICE:
21 Spencer Street,
BUNBURY WA 6230
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E: bunbury@harleydykstra.com.au
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ALBANY | BUNBURY | BUSSELTON | FORRESTDALE | PERTH

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Scale | 1:2000@A3

0 20m 40m 60m



NOTE: This plan has been prepared for planning purposes. Areas, Contours and Dimensions shown are subject to survey

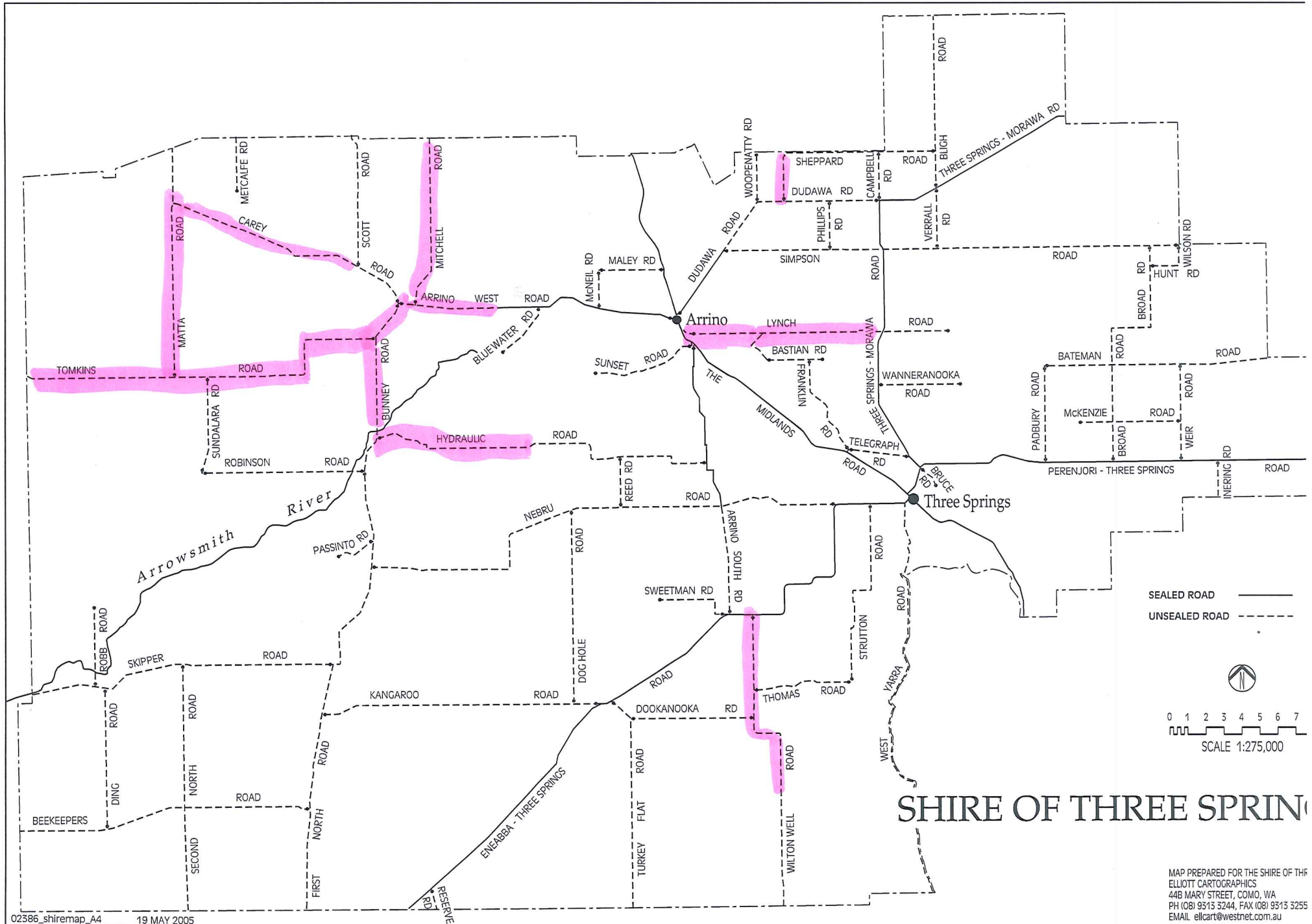


Harley Dykstra

PLANNING & SURVEY SOLUTIONS

November 2020

Attach 10.7



SHIRE OF THREE SPRINGS

SHIRE OF THREE SPRINGS

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 30 November 2020

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

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PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 07 December 2020

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 13.

SIGNIFICANT ACCOUNTING POLICES

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

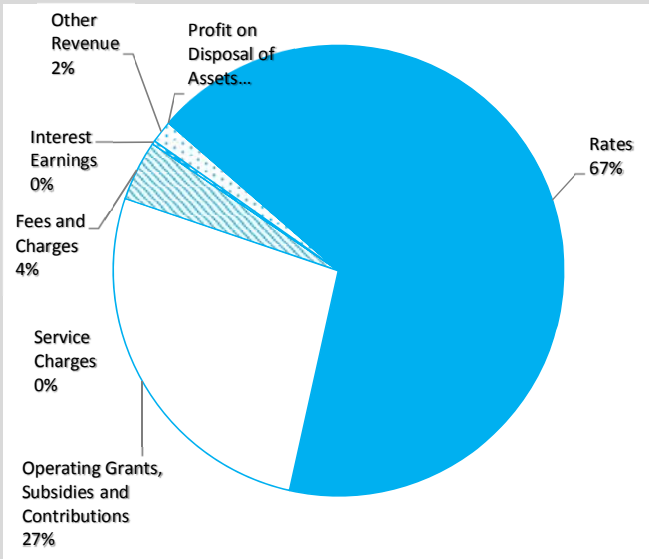
CRITICAL ACCOUNTING ESTIMATES

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.

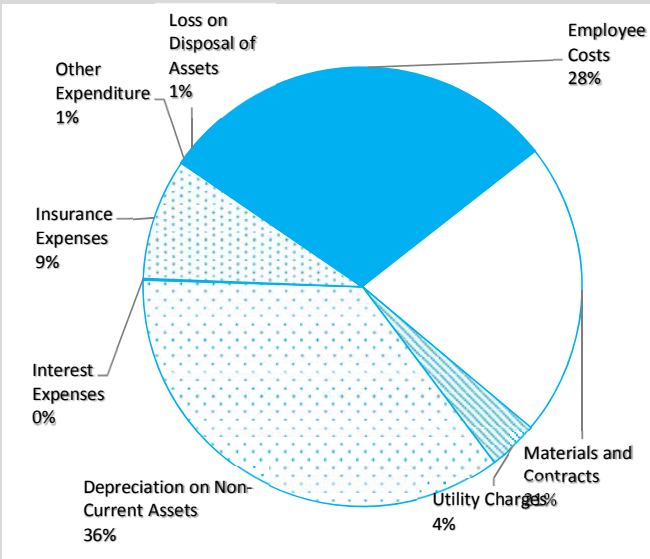
ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

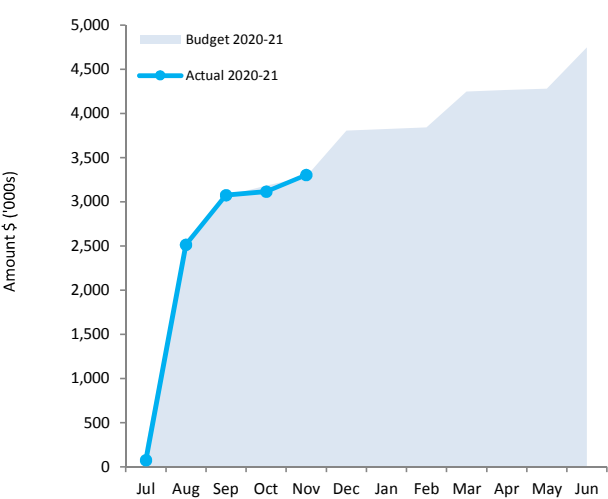
OPERATING REVENUE



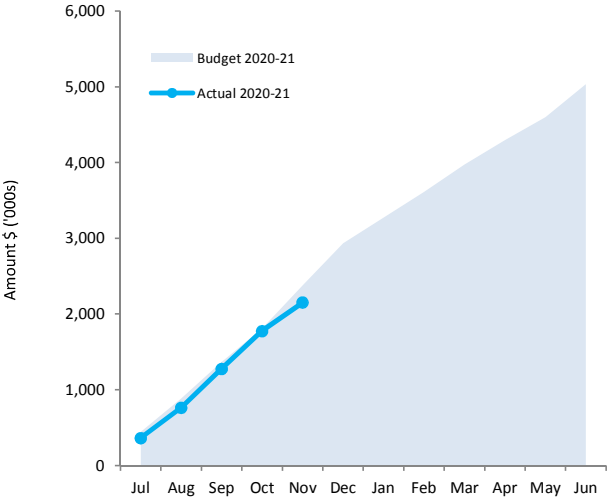
OPERATING EXPENSES



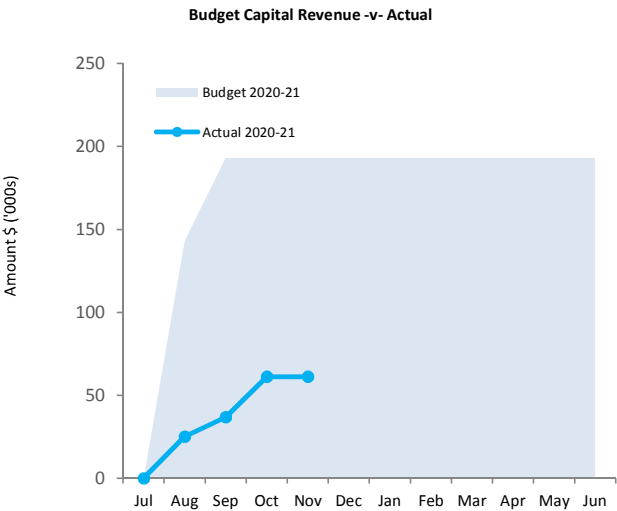
Budget Operating Revenues -v- Actual



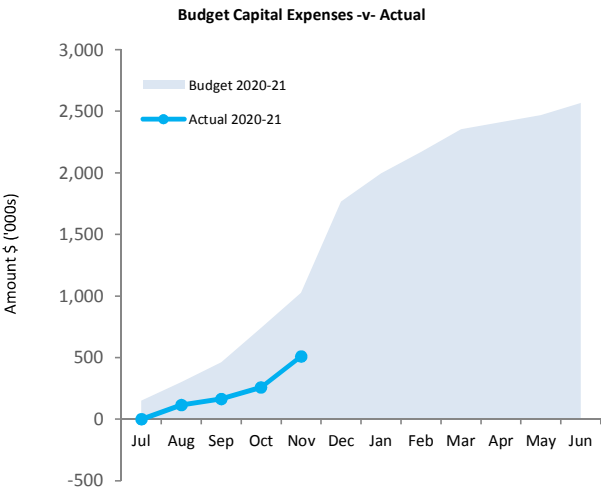
Budget Operating Expenses -v- YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



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

KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 NOVEMBER 2020

STATUTORY REPORTING PROGRAMS

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

	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council. Other costs that relate to the tasks of assisting elected members and taxpayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to fund provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To ensure a safer community in which to live.	Supervision of various local laws, fire prevention, emergency services and animal control.
HEALTH To provide an operational framework for good community health.	Food quality and pest control, maintenance of child health centre, medical centre, dental clinic and administration of group health scheme.
EDUCATION AND WELFARE To support the needs of the community in education and welfare.	Assistance to Day Care Centre, Playgroup, Youth activities and other voluntary services.
HOUSING Provide adequate housing to attract and retain staff and non-staff.	Maintenance of council owned housing.
COMMUNITY AMENITIES Provide services as required by the community.	Rubbish collection services, tip operation, noise control, town planning administration.
RECREATION AND CULTURE To establish and efficiently manage infrastructure and resources which will help the social well-being of the community.	Maintenance of swimming pool, recreation centre, library, parks, gardens and reserves.
TRANSPORT To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, cycleways, depot maintenance and airstrip maintenance.
ECONOMIC SERVICES To help promote the shire and improve its economic well-being.	The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes.
OTHER PROPERTY AND SERVICES To monitor and control overheads operating accounts.	Private works operations, plant repairs and operations and engineering costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,012,765	1,012,765	833,617	(179,148)	(17.69%)	
Revenue from operating activities							
Governance		47,186	22,261	30,473	8,212	36.89%	
General purpose funding - rates	6	2,148,202	2,148,202	2,148,202	0	0.00%	
General purpose funding - other		1,473,062	374,898	747,006	372,108	99.26%	▲
Law, order and public safety		31,957	7,989	8,154	165	2.07%	
Health		78,573	7,000	7,298	298	4.26%	
Education and welfare		2,300	1,325	3,789	2,464	185.96%	
Housing		115,260	46,685	47,415	730	1.56%	
Community amenities		79,125	70,912	70,765	(147)	(0.21%)	
Recreation and culture		14,650	7,067	2,763	(4,304)	(60.90%)	
Transport		129,585	118,640	118,929	289	0.24%	
Economic services		6,140	2,034	6,417	4,383	215.49%	
Other property and services		53,000	19,997	7,735	(12,262)	(61.32%)	▼
		4,179,040	2,827,010	3,198,946	371,936		▲
Expenditure from operating activities							
Governance		(781,555)	(374,566)	(264,571)	109,995	29.37%	▲
General purpose funding		(136,189)	(55,482)	(47,831)	7,651	13.79%	
Law, order and public safety		(392,705)	(254,199)	(78,419)	175,780	69.15%	▲
Health		(253,233)	(113,216)	(118,846)	(5,630)	(4.97%)	
Education and welfare		(46,183)	(19,475)	(47,197)	(27,722)	(142.35%)	▼
Housing		(399,163)	(172,595)	(177,312)	(4,717)	(2.73%)	
Community amenities		(356,002)	(146,848)	(146,641)	207	0.14%	
Recreation and culture		(938,598)	(409,147)	(371,846)	37,301	9.12%	
Transport		(1,557,135)	(698,923)	(756,490)	(57,567)	(8.24%)	
Economic services		(224,826)	(100,555)	(99,681)	874	0.87%	
Other property and services		5,375	(45,000)	(37,026)	7,974	17.72%	
		(5,080,214)	(2,390,006)	(2,145,860)	244,146		▲
Non-cash amounts excluded from operating activities	1(a)	1,700,496	722,477	792,754	70,277	9.73%	
Amount attributable to operating activities		799,322	1,159,481	1,845,840	686,359		▲
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	12(b)	568,458	456,303	100,533	(355,770)	(77.97%)	▼
Proceeds from disposal of assets	7	143,000	61,268	61,268	0	0.00%	
Purchase of property, plant and equipment	8	(2,494,513)	(1,014,609)	(498,976)	515,633	50.82%	▲
Amount attributable to investing activities		(1,783,055)	(497,038)	(337,175)	159,863		▲
Financing Activities							
Transfer from reserves	10	50,000	50,000	0	(50,000)	(100.00%)	▼
Repayment of debentures	9	(21,065)	0	0	0	0.00%	
Transfer to reserves	10	(53,000)	(4,261)	(4,261)	0	0.00%	
Amount attributable to financing activities		(24,065)	45,739	(4,261)	(50,000)		
Closing funding surplus / (deficit)	1(c)	4,967	1,720,947	2,338,022			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 15 for an explanation of the reasons for the variance.

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

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 30 NOVEMBER 2020

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

FEES AND CHARGES

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

SERVICE CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,012,765	1,012,765	833,617	(179,148)	(17.69%)	▼
Revenue from operating activities							
Rates	6	2,148,202	2,148,202	2,148,202	0	0.00%	
Operating grants, subsidies and contributions	12(a)	1,599,960	486,153	854,973	368,820	75.87%	▲
Fees and charges		242,375	136,821	138,909	2,088	1.53%	
Interest earnings		30,600	7,649	7,878	229	2.99%	
Other revenue		157,903	48,185	51,604	3,419	7.10%	
		4,179,040	2,827,010	3,201,566	374,556		▲
Expenditure from operating activities							
Employee costs		(1,530,153)	(641,434)	(602,121)	39,313	6.13%	
Materials and contracts		(1,335,732)	(743,250)	(465,372)	277,878	37.39%	▲
Utility charges		(243,355)	(107,380)	(79,093)	28,287	26.34%	▲
Depreciation on non-current assets		(1,671,065)	(696,260)	(767,811)	(71,551)	(10.28%)	▼
Interest expenses		(6,795)	(1,455)	(2,448)	(993)	(68.25%)	
Insurance expenses		(183,795)	(153,185)	(191,859)	(38,674)	(25.25%)	▼
Other expenditure		(83,100)	(20,825)	(15,146)	5,679	27.27%	
Loss on disposal of assets	7	(26,218)	(26,217)	(24,630)	1,587	6.05%	
		(5,080,213)	(2,390,006)	(2,148,480)	241,526		▲
Non-cash amounts excluded from operating activities	1(a)	1,700,496	722,477	792,754	70,277	9.73%	
Amount attributable to operating activities		799,323	1,159,481	1,845,840	686,359		▲
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	12(b)	568,458	456,303	100,533	(355,770)	(77.97%)	▼
Proceeds from disposal of assets	7	143,000	61,268	61,268	0	0.00%	
Payments for property, plant and equipment	8	(2,494,513)	(1,014,609)	(498,976)	515,633	(50.82%)	▲
Amount attributable to investing activities		(1,783,055)	(497,038)	(337,175)	159,863		▲
Financing Activities							
Transfer from reserves	10	50,000	50,000	0	(50,000)	(100.00%)	▼
Repayment of debentures	9	(21,065)	0	0	0	0.00%	
Transfer to reserves	10	(53,000)	(4,261)	(4,261)	0	0.00%	
Amount attributable to financing activities		(24,065)	45,739	(4,261)	(50,000)		▼
Closing funding surplus / (deficit)	1(c)	4,968	1,720,947	2,338,022			

KEY INFORMATION

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

Refer to Note 15 for an explanation of the reasons for the variance.

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

(a) Non-cash items excluded from operating activities

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

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Less: Movement in liabilities associated with restricted cash		3,213	0	313
Add: Loss on asset disposals		26,218	26,217	24,630
Add: Depreciation on assets		1,671,065	696,260	767,811
Total non-cash items excluded from operating activities		1,700,496	722,477	792,754

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

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

		Last Year Closing 30 June 2020	This Time Last Year 30 November 2019	Year to Date 30 November 2020
Adjustments to net current assets				
Less: Reserves - restricted cash	10	(1,858,011)		(1,862,272)
Add: Borrowings	9	21,065		21,065
Add: Provisions - employee	11	134,449		134,762
Total adjustments to net current assets		(1,702,497)	0	(1,706,444)

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

Current assets				
Cash and cash equivalents	2	2,912,470		3,914,925
Rates receivables	3	50,723		438,961
Receivables	3	138,212		38,982
Other current assets	4	4,805		4,220
Less: Current liabilities				
Payables	5	(426,637)		(209,161)
Borrowings	9	(21,065)		(21,065)
Provisions	11	(122,394)		(122,394)
Less: Total adjustments to net current assets	1(b)	(1,702,497)	0	(1,706,444)
Closing funding surplus / (deficit)		833,617	0	2,338,024

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Cash on hand								
Cash at Bank Muni A/C	Cash and cash equivalents	2,052,315	0	2,052,315	0	NAB	0.55%	ongoing
Cash at Licensing Bank A/C	Cash and cash equivalents	312	0	312	0	NAB	Variable	ongoing
Cash on Hand	Cash and cash equivalents	27	0	27	0	n/a	n/a	n/a
Reserve Funds	Cash and cash equivalents	0	1,862,272	1,862,272	0	NAB	0.70%	08-Dec-20
Total		2,052,653	1,862,272	3,914,925	0			
Comprising								
Cash and cash equivalents		2,052,653	1,862,272	3,914,925	0			
		2,052,653	1,862,272	3,914,925	0			

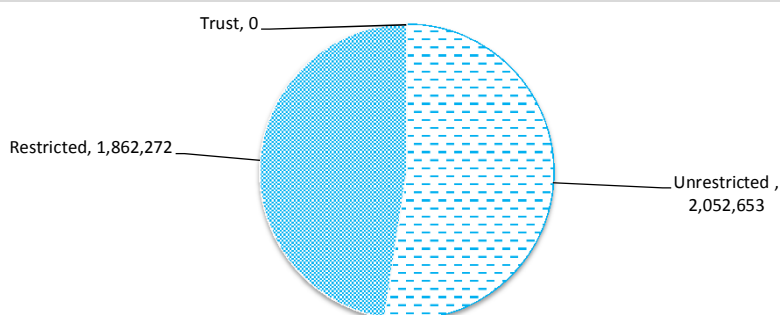
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

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

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

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



Total Cash	Unrestricted
\$3.91 M	\$2.05 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

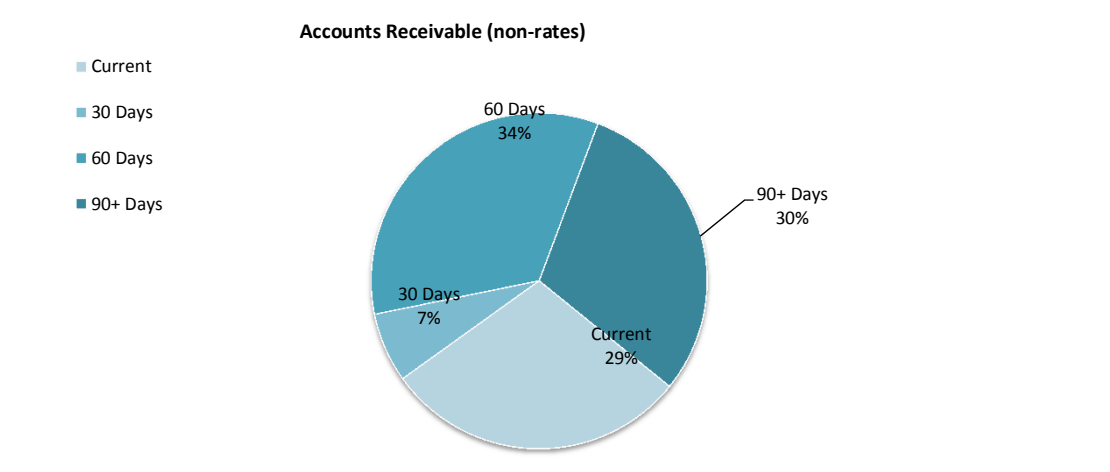
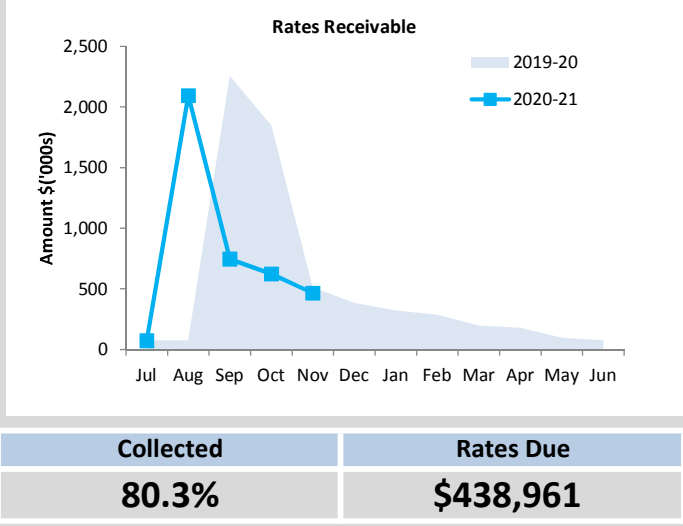
OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

Rates receivable	30 Jun 2020	30 Nov 20
	\$	\$
Opening arrears previous years	82,187	76,668
Levied this year	2,217,026	2,148,202
Less - collections to date	(2,222,545)	(1,785,909)
Equals current outstanding	76,668	438,961
Net rates collectable	76,668	438,961
% Collected	96.7%	80.3%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(809)	2,118	485	2,454	2,182	6,431
Percentage	(12.6%)	32.9%	7.5%	38.2%	33.9%	
Balance per trial balance						
Sundry receivable						6,431
GST receivable						32,631
Provision for doubtful debts						(80)
Total receivables general outstanding						38,982
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



Debtors Due
\$38,982
Over 30 Days
80%
Over 90 Days
33.9%

	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 30 November 2020
Other current assets	\$	\$	\$	\$
Inventory				
Stock on hand	4,805	0	0	4,220
Total other current assets				4,220
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Inventory

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

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

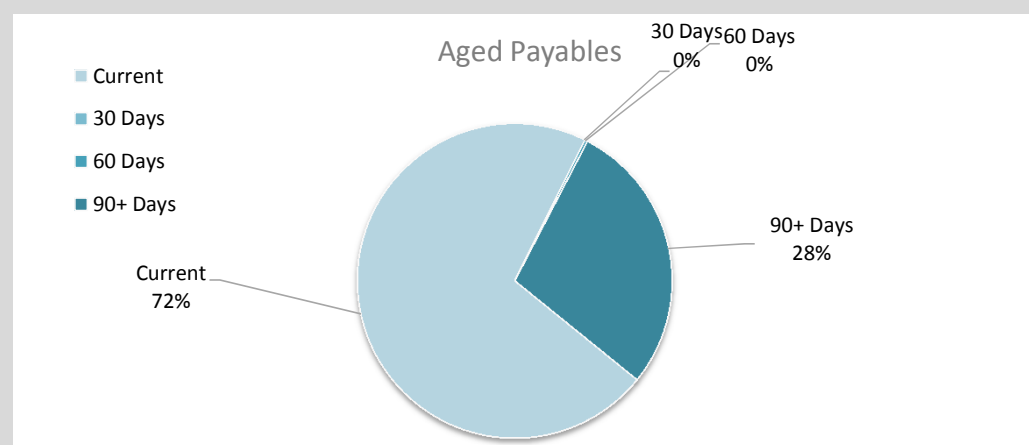
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

OPERATING ACTIVITIES
NOTE 5
Payables

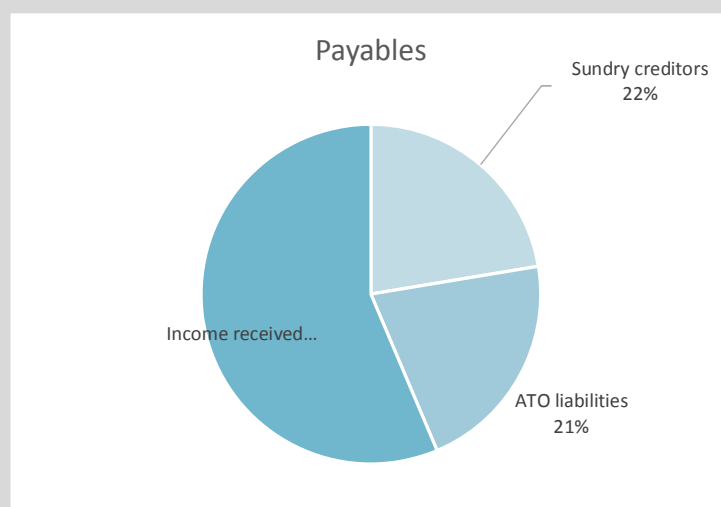
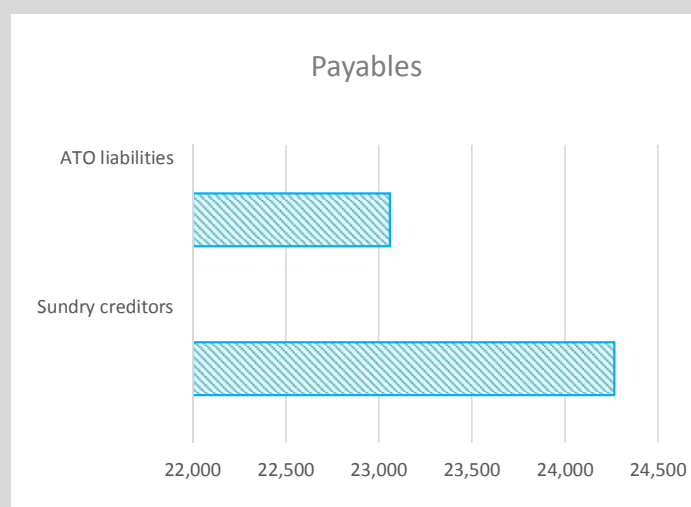
Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	6,658	0	(27)	2,624	9,255
Percentage	0.0%	71.9%	0%	-0.3%	28.4%	
Balance per trial balance						
Sundry creditors						24,264
ATO liabilities						23,059
Income received in advance						61,162
Bonds and deposits held						100,676
Total payables general outstanding						209,161
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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



Creditors Due
\$209,161
Over 30 Days
28%
Over 90 Days
28.4%



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

General rate revenue

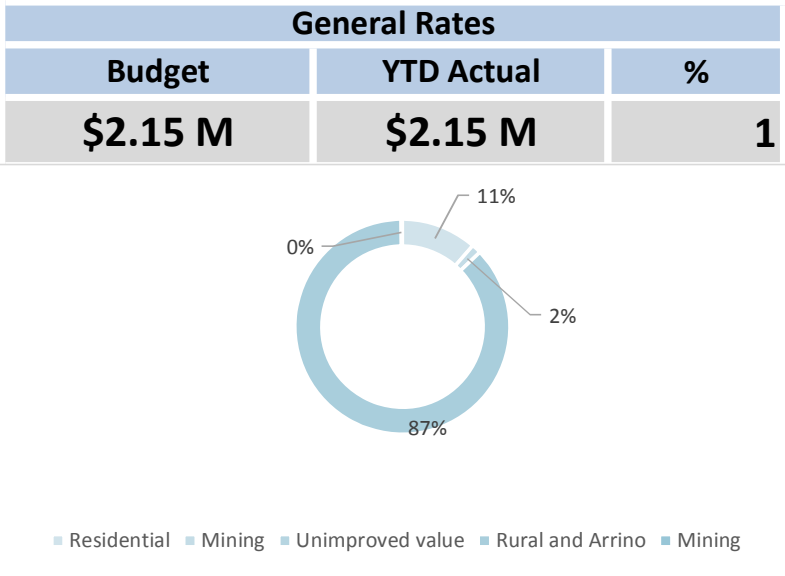
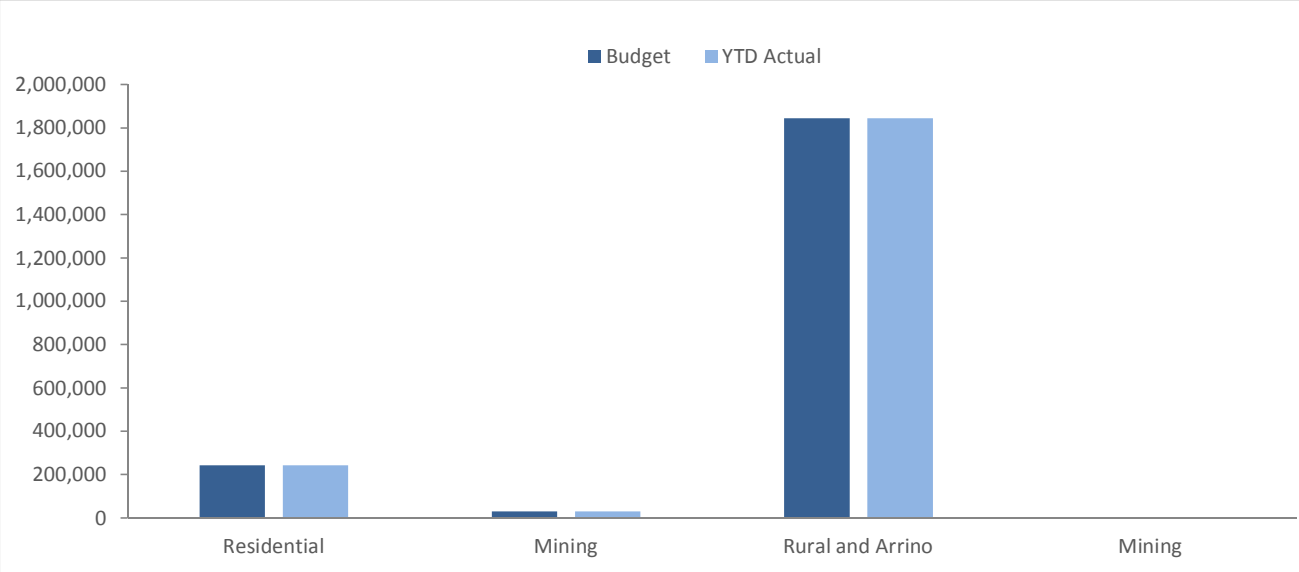
	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Gross rental value											
Residential	0.119607	206	2,021,136	241,742	0	0	241,742	241,742	0	0	241,742
Mining	0.119607	1	252,500	30,201	0	0	30,201	30,201	0	0	30,201
Unimproved value											
Rural and Arrino	0.014416	182	127,974,500	1,844,880	0	0	1,844,880	1,844,880	0	0	1,844,880
Mining	0.014416	5	251,385	3,624	0	0	3,624	3,624	0	0	3,624
Sub-Total		394	130,499,521	2,120,447	0	0	2,120,447	2,120,447	0	0	2,120,447
Minimum payment	Minimum \$										
Gross rental value											
Residential	455	19	308,100	8,645	0	0	8,645	8,645			8,645
Unimproved value											
Rural and Arrino	455	24	39,089	10,920	0	0	10,920	10,920			10,920
Mining	455	18	158,827	8,190	0	0	8,190	8,190			8,190
Sub-total		61	506,016	27,755	0	0	27,755	27,755	0	0	27,755
Amount from general rates							2,148,202				2,148,202
Total general rates							2,148,202				2,148,202

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

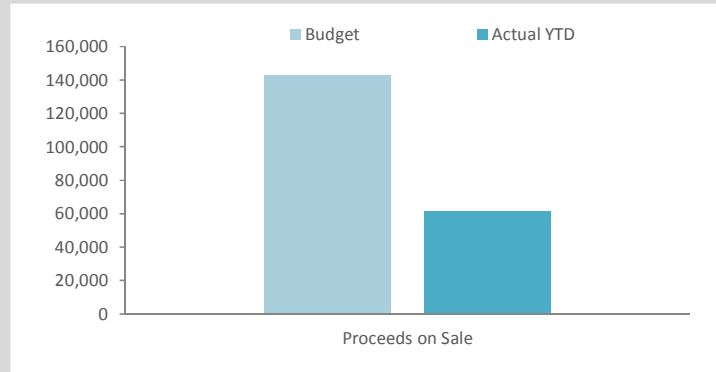
KEY INFORMATION

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



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment									
Transport									
P50306	Western Star Prime Mover TS 5003	81,512	80,000	0	(1,512)	0	0	0	0
P50100	Mitsubishi Canter TS 5010	7,437	5,000	0	(2,437)	0	0	0	0
PM005	2017 Holden Calais Auto White 0TS	27,919	20,000	0	(7,919)	27,575	24,318	0	(3,257)
PM001A	2019 For Escape SUV TS 125	21,523	18,000	0	(3,523)	0	0	0	0
PM003	2017 Volkswagon Amrok Dual Cab TS 5	30,827	20,000	0	(10,827)	30,830	25,142	0	(5,688)
P50022	Caterplilar Highway Truck	0	0	0	0	27,492	11,808	0	(15,684)
		169,218	143,000	0	(26,218)	85,898	61,268	0	(24,629)

KEY INFORMATION



Proceeds on sale		
Annual Budget	YTD Actual	%
\$143,000	\$61,268	43%

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

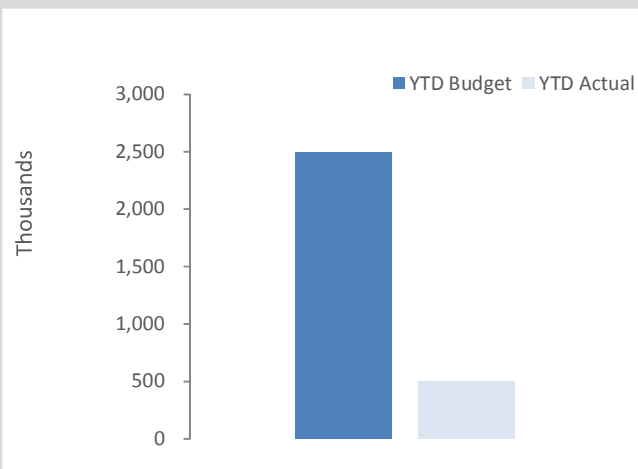
**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings	474,695	154,906	78,507	(76,399)
Furniture & Equipment	62,000	41,332	0	(41,332)
Plant & Equipment	176,000	172,665	101,920	(70,745)
Infrastructure - Roads	1,554,255	645,706	255,583	(390,123)
Infrastructure - Footpaths	62,563	0	62,874	62,874
Infrastructure - Parks & Ovals	165,000	0	92	92
Capital Expenditure Totals	2,494,513	1,014,609	498,976	(515,633)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	568,458	456,303	100,533	(355,770)
Other (disposals & C/Fwd)	143,000	61,268	61,268	0
Cash backed reserves				
Swimming Pool Equipment	50,000		0	0
Day Care Centre	0	500,000	0	(500,000)
Contribution - operations	1,733,055	(2,962)	337,175	340,137
Capital funding total	2,494,513	1,014,609	498,976	(515,633)

SIGNIFICANT ACCOUNTING POLICIES

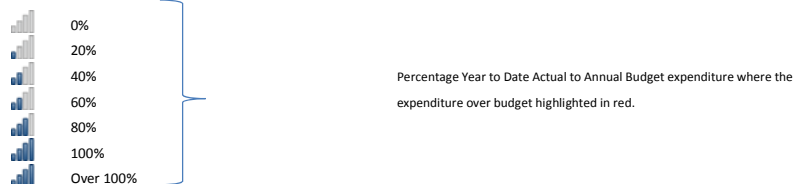
All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current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

KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	\$2.49 M	\$0.5 M	20%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$0.57 M	\$0.1 M	18%

Capital expenditure total
Level of completion indicators



Level of completion indicator, please see table at the end of this note for further detail.

		Adopted			
		Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over
Capital Expenditure					
Buildings					
1732		16,900	0	314	314
1744	Building Capital -Staff Housing	63,900	0	1,448	1,448
2404	Buildings	10,000	8,330	110	(8,220)
2814	Building - Pavilion	185,000	0	0	0
2834	Buildings	105,000	70,000	43,164	(26,836)
3494	Buildings	83,895	69,910	33,472	(36,438)
0024	Buildings	10,000	6,666	0	(6,666)
Buildings Total		474,695	154,906	78,507	(76,399)
Furniture & Equipment					
2854	Furniture & Equipment (Pool)	62,000	41,332	0	(41,332)
Furniture & Equipment Total		62,000	41,332	0	(41,332)
Plant & Equipment					
3544	Purchase of Motor Vehicles	96,000	96,000	93,288	(2,712)
3554	Purchase Plant & Equipment	60,000	60,000	0	(60,000)
3564	Tools & Equipment	20,000	16,665	8,632	(8,033)
Plant & Equipment Total		176,000	172,665	101,920	(70,745)
Infrastructure - Footpaths					
3224	Footpaths	62,563	0	62,874	62,874
Infrastructure - Footpaths Total		62,563	0	62,874	62,874
Infrastructure - Parks & Ovals					
2865	Infrastructure - Parks & Ovals	165,000	0	0	0
3854	Infrastructure - Tourism Promotion	0	0	92	92
Infrastructure - Parks & Ovals Total		165,000	0	92	92
Infrastructure - Roads					
3134	Roads To Recovery Grants	395,483	0	56,674	56,674
3154	MRWA - Road Projects	369,688	246,456	137,214	(109,242)
3164	Road Construction - Municipal Fund	734,729	399,250	54,319	(344,931)
5594	Town Streets - Kerbing & Drainage	54,356	0	6,354	6,354
5584	Arrino South Road - 2nd coat seal	0	0	1,021	1,021
Infrastructure - Roads Total		1,554,255	645,706	255,583	(390,123)
Grand Total		2,494,513	1,014,609	498,974	(515,635)

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

FINANCING ACTIVITIES
NOTE 9
BORROWINGS

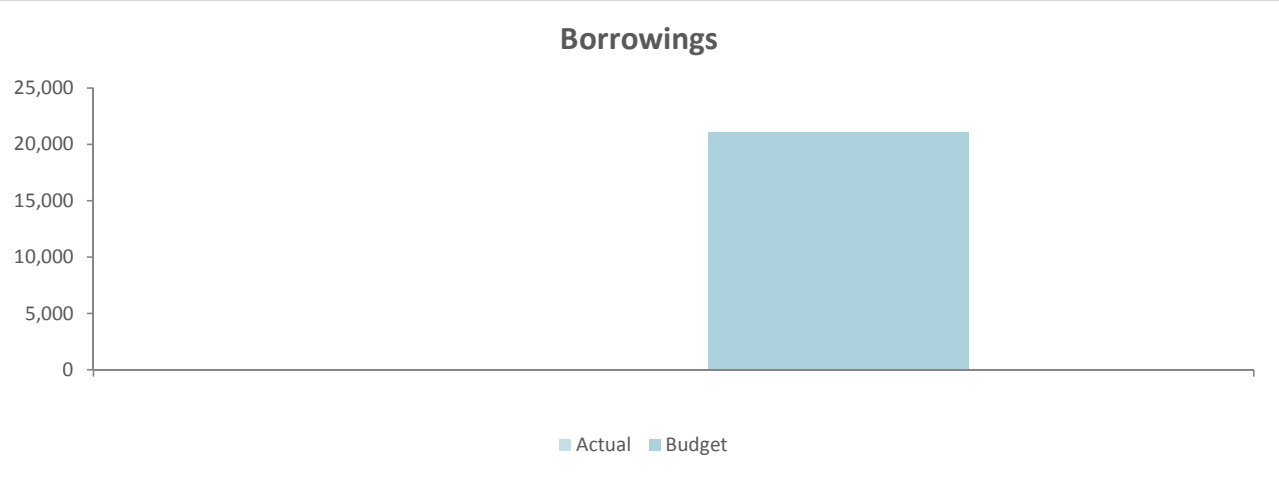
Repayments - borrowings

Information on borrowings		New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	1 July 2020	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture									
Loan 160 Swimming pool	89,385	0	0		21,065	89,385	68,320	0	3,291
	89,385	0	0	0	21,065	89,385	68,320	0	3,291
Total	89,385	0	0	0	21,065	89,385	68,320	0	3,291
Current borrowings	21,065					21,065			
Non-current borrowings	68,320					68,320			
	89,385					89,385			

All debenture repayments were financed by general purpose revenue.

KEY INFORMATION

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



	Principal repayments
	\$0
Interest earned	Interest expense
\$7,878	\$0
Reserves balance	Loans due
\$1.86 M	\$.09 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

OPERATING ACTIVITIES

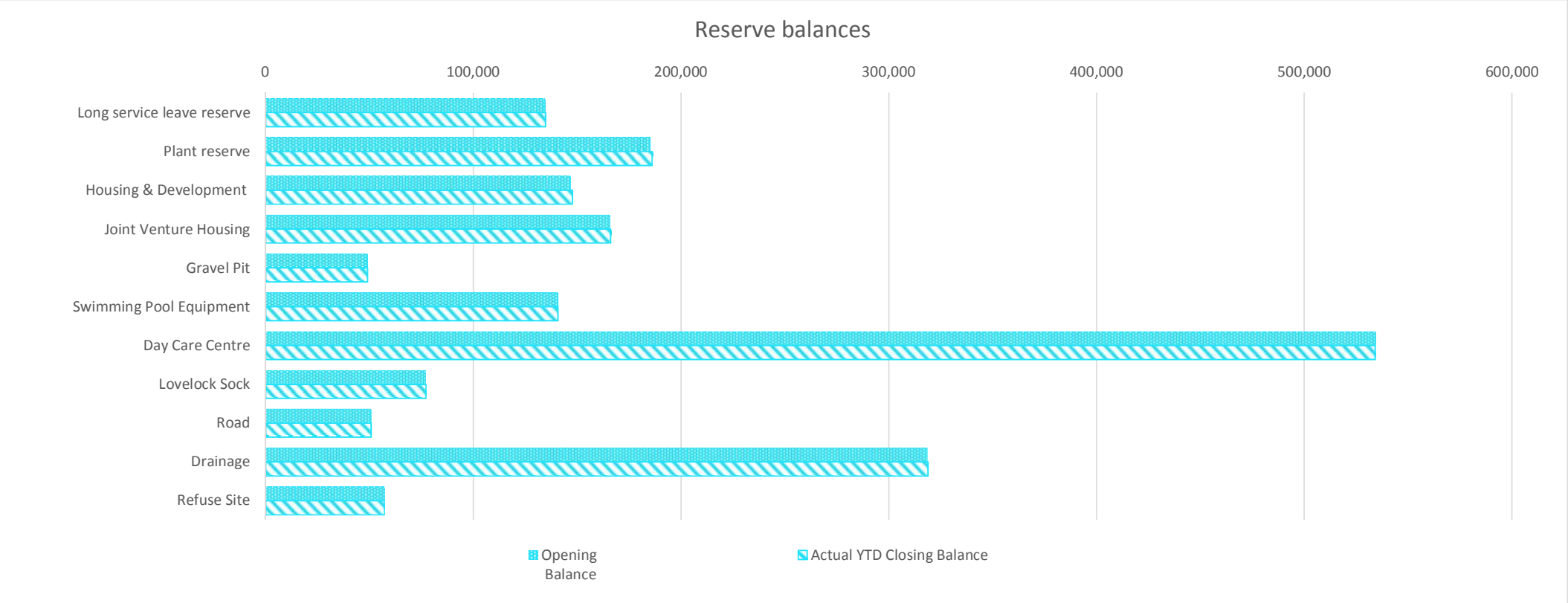
NOTE 10

CASH RESERVES

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long service leave reserve	134,449	1,500	313					135,949	134,762
Plant reserve	185,200	3,838	848	32,562				221,600	186,048
Housing & Development	146,418	6,000	1,245					152,418	147,663
Joint Venture Housing	165,623	2,000	386					167,623	166,009
Gravel Pit	48,906	500	114					49,406	49,020
Swimming Pool Equipment	140,343	1,250	291			(50,000)		91,593	140,634
Day Care Centre	534,030	500	85					534,530	534,115
Lovelock Sock	76,912	1,000	237					77,912	77,149
Road	50,631	1,200	233					51,831	50,864
Drainage	318,499	2,000	376					320,499	318,875
Refuse Site	57,000	650	133					57,650	57,133
	1,858,011	20,438	4,261	32,562	0	(50,000)	0	1,861,011	1,862,272

KEY INFORMATION



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

OPERATING ACTIVITIES
NOTE 11
OTHER CURRENT LIABILITIES

Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 30 November 2020
		\$	\$	\$	\$
Provisions					
Annual leave		92,050	0	0	92,050
Long service leave		30,344	0	0	30,344
Total Provisions					122,394
Total other current assets					122,394
Amounts shown above include GST (where applicable)					

KEY INFORMATION

Provisions

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

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

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

NOTE 12(a)

Provider	Unspent operating grant, subsidies and contributions liability					OPERATING GRANTS AND CONTRIBUTIONS		
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Operating grants, subsidies and contributions revenue		
	\$	\$	\$	\$	\$	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
						\$	\$	\$
Operating grants and subsidies								
General purpose funding								
FAGS - Local road grant	0	0	0	0	0	251,001	62,750	109,802
FAGS - General purpose grant	0	0	0	0	0	1,203,217	300,804	623,457
Law, order, public safety								
Grants - Fire protection	0	0	0	0	0	30,857	7,714	7,030
Education and welfare								
Seniors Events Grants	0	0	0	0	0	1,000	1,000	2,000
Recreation and culture								
Community Grant	0	0	0	0	0	1,000	1,000	0
Transport								
Grants - Street lighting	0	0	0	0	0	200	200	0
Grants - Direct MRWA	0	0	0	0	0	112,685	112,685	112,685
	0	0	0	0	0	1,599,960	486,153	854,974
TOTALS	0	0	0	0	0	1,599,960	486,153	854,974

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

NOTE 12(b)

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies								
Law, order, public safety								
Grants - Fire protection	0	0	0	0	0	0	7,714	0
Transport								
Grants - RRG projects	0	0	0	0	0	246,458	164,304	100,533
Grants - Roads to Recovery	0	0	0	0	0	292,000	291,999	0
Grants - Country Pathways	0	0	0	0	0	30,000	0	0
	0	0	0	0	0	568,458	464,017	100,533
TOTALS	0	0	0	0	0	568,458	464,017	100,533

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**NOTE 13
TRUST FUND**

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

Description	Opening Balance 1 July 2020	Amount Received	Amount Paid	Closing Balance 30 November 2020
	\$	\$	\$	\$
Nomination Fees	0	400	(400)	0
	0	400	(400)	0

NOTE 14

BUDGET AMENDMENTS

[illegible]

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020

NOTE 14
BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
							0
							0
							0
							0
				0	35,000	(35,000)	

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**NOTE 15
EXPLANATION OF MATERIAL VARIANCES**

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

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

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
General purpose funding - other	372,108	99.26%	▲ Timing	Early Payment of Draught & Local Roads Grants
Other property and services	(12,262)	(61.32%)	▼ Permanent	Private Works and Fuel Tax Credit under budget
Expenditure from operating activities				
Governance	109,995	29.37%	▲ Timing	Various Accounts under budget including Community Funds
Law, order and public safety	175,780	69.15%	▲ Timing	Various Accounts under budget including COVID-19 response
Education and welfare	(27,722)	(142.35%)	▼ Timing	Expense Over Budget including ECLC - Depreciation for New Child Care Centre
Investing activities				
Non-operating grants, subsidies and contributions	(355,770)	(77.97%)	▼ Timing	RTR Funding is now in Oct-Nov 20
Capital acquisitions	515,633	50.82%	▲ Timing	Late start of Capital Projects including Main St Revitalisation
Financing activities			▲	
Transfer from reserves	(50,000)	(100.00%)	▼ Timing	Transfer from Reserve to Muni - March 2021

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SHIRE OF THREE SPRINGS

		Debtors Trial Balance							
		As at 30.11.2020							
Debtor #	Name	Credit Limit	01.09.2020		01.10.2020	31.10.2020	30.11.2020	Total	
			GT 90 days	Age	GT 60 days	GT 30 days	Current		
			Of						
			Oldest						
			Invoice						
		(90Days)							
B33			0.00	0	0.00	0.00	30.00	30.00	
B76			140.00	152	0.00	0.00	0.00	140.00	
B101			0.00	0	0.00	0.00	300.00	300.00	
C92			0.00	0	0.00	0.00	112.39	112.39	
C102			0.00	0	0.00	0.00	134.69	134.69	
C114			0.00	0	0.00	0.00	68.89	68.89	
D14			0.00	0	0.00	0.00	0.00	-60.00	
D87			0.00	0	0.00	0.00	40.00	40.00	
D90			0.00	0	0.00	0.00	100.00	100.00	
D91			0.00	0	0.00	50.15	0.00	50.15	
G31			0.00	0	0.00	0.00	134.00	134.00	
H54			0.00	0	0.00	0.00	0.00	-0.02	
J17			0.00	0	0.00	0.00	0.00	-10.00	
L94			0.00	0	120.00	0.00	40.00	160.00	
N7			0.00	0	779.68	0.00	0.00	779.68	
O17			0.00	0	0.00	0.00	0.00	-360.00	
P43			0.00	0	0.00	0.00	0.00	-40.00	
P57			0.00	0	0.00	0.00	18.27	18.27	
P60			59.90	125	0.00	0.00	0.00	59.90	
Q4			0.00	0	0.00	14.95	0.00	14.95	
S115			0.00	0	0.00	0.00	0.00	-200.00	
T52			416.90	118	1440.00	0.00	640.00	2496.90	
T57			0.00	0	0.00	0.00	20.00	20.00	
T85			0.00	0	0.00	59.93	0.00	59.93	
W60			0.00	0	0.00	0.00	0.00	-138.61	
W64			0.00	0	0.00	0.00	80.00	80.00	
W69			30.00	213	0.00	0.00	0.00	30.00	
W101			0.00	0	114.62	0.00	400.00	514.62	
W102			0.00	0	0.00	300.00	0.00	300.00	
W103			0.00	0	0.00	60.29	0.00	60.29	
Totals --- Credit Balances:		-808.63	646.80		2454.30	485.32	2118.24	4896.03	

National Business Visa Card

21 October, 2020 to 20 November, 2020

Chief Executive Officer

Diesel Fuel for OTS	\$	42.12
Diesel Fuel for OTS	\$	25.79
	\$	67.91

Deputy Chief Executive Officer

Diesel Fuel for 001TS	\$	39.34
Animal Repeller for OTS, 001TS & TS5001	\$	20.97
Diesel Fuel for 001TS	\$	71.63
Parking Charge for 001TS	\$	18.17
Parking Charge for 001TS	\$	18.17
Diesel Fuel for 001TS	\$	30.72
Accommodation for DCEO - Workshop	\$	323.84
Department of Justice - Application for Security Bond	\$	71.70
Department of Justice - Application for Security Bond	\$	71.70
Diesel Fuel for 001TS	\$	78.45
IDPWD Event - Theraquatics Aquafit Equipment	\$	586.31
	\$	1,331.00

Bank Charges	\$	18.00
	\$	18.00

Total Direct Debit Payment made on 25/11/2020	\$	1,416.91
--	-----------	-----------------

Police Licensing

Direct Debits from Trust Account

1 November, 2020 to 30 November, 2020

Tuesday, 3 November 2020	-\$	28.50
Wednesday, 4 November 2020	-\$	347.45
Thursday, 5 November 2020	-\$	1,660.70
Tuesday, 10 November 2020	-\$	1,630.55
Thursday, 12 November 2020	-\$	90.70
Tuesday, 17 November 2020	-\$	931.80
Thursday, 19 November 2020	-\$	1,263.35
Tuesday, 24 November 2020	-\$	177.15
Wednesday, 25 November 2020	-\$	907.35
Thursday, 26 November 2020	-\$	1,342.75
	-\$	8,380.30

Bank Fees

Direct Debits from Muni Account
1 November, 2020 to 30 November, 2020

Total direct debited from Municipal Account	-\$	267.26
---	-----	---------------

Payroll

Direct Payments from Muni Account
1 November, 2020 to 30 November, 2020

Wednesday, 11 November 2020	\$	42,492.51
Wednesday, 25 November 2020	\$	41,153.69
	\$	83,646.20

Date: 02/12/2020
Time: 1:34:54PM

SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2020

USER: Donna Newton
PAGE: 1

Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
		City Of Greater Geraldton		
11619	25/11/2020	Building Certification Services July - September 2020		396.68
		Three Springs Engineering		
11620	25/11/2020	Monthly Account		605.00
		Winc Australia Pty Limited		
EFT16586	06/11/2020	Monthly Account		95.92
		Government Of Western Australia - Central Regional TAFE		
EFT16587	06/11/2020	Staff Training		990.00
		INFINITUM TECHNOLOGIES PTY LTD		
EFT16588	06/11/2020	Medical Centre IT Services		1,064.36
		Landgate Midland		
EFT16589	06/11/2020	Monthly Account		40.60
		Midwest Aero Medical Air Ambulance P/I		
EFT16590	06/11/2020	Pre-Employment Medical		251.50
		Midwest Turf Supplies		
EFT16591	06/11/2020	Contractor		12,270.00
		The Trustee For McAuliffe Family Trust T/A Mingenew Tyre Services Pty Ltd		
EFT16592	06/11/2020	Tyre Services		2,019.36
		Ray's Farm Services		
EFT16593	06/11/2020	Contractor		16,346.00
		Sweetman's Hardware		
EFT16594	06/11/2020	Monthly Account		252.05
		Three Springs Rural Services		
EFT16595	06/11/2020	Monthly Account		532.26
		Westrac Pty Ltd		
EFT16596	06/11/2020	Monthly Account		5,348.76
		Australian Taxation Office		
EFT16597	13/11/2020	BAS Remittance for October 2020		376.00
		Bellaluca Construction & Stone Pty Ltd		
EFT16598	13/11/2020	Monthly Account		11,000.00
		Toll Transport Pty Ltd		
EFT16599	13/11/2020	Freight Monthly Account		21.51
		Cleanaway Pty Ltd		
EFT16600	13/11/2020	Monthly Refuse Collection		4,292.89
		Geraldton Fuel Company Pty Ltd (Refuel Australia)		
EFT16601	13/11/2020	Monthly Account		200.00
		Health Insurance Fund (HIF) Of Australia Ltd		
EFT16602	13/11/2020	Payroll deductions		151.35
		IT Vision Australia Pty Ltd		
EFT16603	13/11/2020	Contractor		275.00
		Shire of Irwin		
EFT16604	13/11/2020	Consultant - EHO Services September 2020		2,159.75
		KCTT T/A KC TRAFFIC AND TRANSPORT PTY LTD		
EFT16605	13/11/2020	Contractor		5,189.09
		Mcleods Barristers and Solicitors		
EFT16606	13/11/2020	Legal Matters		584.03
		M & B (Building Products) Sales Pty Ltd		
EFT16607	13/11/2020	Monthly Account		454.69
		The Trustee For McAuliffe Family Trust T/A Mingenew Tyre Services Pty Ltd		

Date: 02/12/2020
Time: 1:34:54PM

SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2020

USER: Donna Newton
PAGE: 2

Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
		The Trustee For McAuliffe Family Trust T/A Mingenew		
		Tyre Services Pty Ltd		
EFT16608	13/11/2020	Tyre Services		66.00
		Dudawa Haulage		
EFT16609	13/11/2020	Contractor		7,317.75
		North Midlands Sub Centre - St. John Ambulance		
		Western Australia Inc.		
EFT16610	13/11/2020	Battery for Swimming Pool		423.00
		Three Springs Rural Services		
EFT16611	13/11/2020	Monthly Account		206.24
		Van't Veer Services		
EFT16612	13/11/2020	Monthly Account		129.99
		Westrac Pty Ltd		
EFT16613	13/11/2020	Monthly Account		303.45
		Zed Elect		
EFT16614	13/11/2020	Contractor		1,283.98
		AMPAC Debt Recovery (WA) Pty Ltd		
EFT16615	25/11/2020	Debt Recovery Costs		511.00
		BOC Gases		
EFT16616	25/11/2020	Monthly Account		46.07
		Blackwoods		
EFT16617	25/11/2020	Monthly Account		1,820.50
		Bob Waddell & Associates Pty Ltd		
EFT16618	25/11/2020	Consultant		264.00
		BAGOC Pty Ltd		
EFT16619	25/11/2020	Provision of Medical Services for the Shire of Three Springs		55,000.00
		Breeze Connect Pty Ltd		
EFT16620	25/11/2020	Monthly Account		58.73
		Robert Ross Waddell T/A Bob Waddell Consultant		
EFT16621	25/11/2020	Consultant		165.00
		Toll Transport Pty Ltd		
EFT16622	25/11/2020	Freight Account		91.58
		Winc Australia Pty Limited		
EFT16623	25/11/2020	Monthly Meterplan Charges		1,951.96
		Corsign WA Pty Ltd		
EFT16624	25/11/2020	Signage		1,878.80
		Department of Fire and Emergency Services (DFES)		
EFT16625	25/11/2020	2020/21 ESL Quarter 2		10,936.80
		Geraldton Fuel Company Pty Ltd (Refuel Australia)		
EFT16626	25/11/2020	Monthly Fuel Account, 9,000.00 Litres @ \$1.0662 per Litre		10,867.49
		Mitchell & Brown		
EFT16627	25/11/2020	Monthly Account		1,070.00
		Great Basket Pty Ltd T/A Geraldton Motor Inn		
EFT16628	25/11/2020	Staff Accomodation		600.00
		Graeme Gibbons Photos		
EFT16629	25/11/2020	Council Photographs		575.00
		Grace Resources Pty Ltd T/as Keen Bros		
EFT16630	25/11/2020	Staff Training - HC Licence Course Michael Pajich		1,450.00
		Health Communication Network T/A Medical Director		
EFT16631	25/11/2020	Annual Subscription		1,240.80
		NAPA Auto Parts		
EFT16632	25/11/2020	Monthly Account		277.20
		Irwin Plumbing Services		

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SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2020

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
EFT16633	25/11/2020	Irwin Plumbing Services Contractor		6,185.85
EFT16634	25/11/2020	Jurien Bay Hotel Motel Staff Accomodation		120.00
EFT16635	25/11/2020	Joondalup Golf Management (AUST) Pty Ltd T/A Joondalup Resort Staff Accomodation		590.00
EFT16636	25/11/2020	Kleenheat (Wesfarmers Kleenheat Gas Pty Ltd) Annual Cylinder Charge		85.80
EFT16637	25/11/2020	Kimberley Leonard Boulton Records Management Review and Training		1,807.74
EFT16638	25/11/2020	KARIS HEALTH PTY. LTD Pre Employment Medical		198.00
EFT16639	25/11/2020	Totally Workwear Geraldton Staff Uniforms		678.28
EFT16640	25/11/2020	Moore Australia Audit (WA) Pty Ltd Staff Training		440.00
EFT16641	25/11/2020	Midwest Turf Supplies Contractor		8,069.00
EFT16642	25/11/2020	The Trustee For McAuliffe Family Trust T/A Mingenew Tyre Services Pty Ltd Monthly Account		37.40
EFT16643	25/11/2020	Officeworks Monthly Account		295.23
EFT16644	25/11/2020	Perfect Computer Solutions Pty Ltd Contractor		382.50
EFT16645	25/11/2020	John Phillips Consulting Consultant		2,750.00
EFT16646	25/11/2020	St John Ambulance - Belmont First Aid Kit Servicing		686.08
EFT16647	25/11/2020	Astrotourism Wa Pty Ltd Astro Tourism Towns Community Event & Membership		5,500.00
EFT16648	25/11/2020	Silverwing Holding Pty Ltd t/a Three Springs Sandblasting Contractor		67,896.40
EFT16649	25/11/2020	Three Springs IGA Monthly Account October 2020		715.32
EFT16650	25/11/2020	Three Springs Rural Services Monthly Account		10,861.01
EFT16651	25/11/2020	Three Springs Motel (Barracks) Contractor Accomodation		300.00
EFT16652	25/11/2020	Top-Flight Roof Restoration & Painting Services Contractor		1,144.00
EFT16653	25/11/2020	Titanium Services T/A Sheds n Homes Geraldton Contractor		2,867.50
EFT16654	25/11/2020	Twinkarri Pty Ltd Contractor		75,000.00
EFT16655	25/11/2020	Three Springs Nutrien Ag Solutions (Landmark Operations Ltd) Monthly Account		1,524.60
EFT16656	25/11/2020	Wren Oil Oil Waste Disposal		709.50
		Dave Watson Contracting Pty Ltd		

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SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2020

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
EFT16657	25/11/2020	Dave Watson Contracting Pty Ltd Contractor		962.50
EFT16658	25/11/2020	Wright-Way Glass & Mirrors Geraldton Contractor		1,039.50
EFT16659	25/11/2020	Zed Elect Contractor		3,027.75
EFT16660	05/11/2020	Water Corporation Water Usage and Service Charges		37.27
DD12640.1	10/11/2020	WA Super Payroll deductions		4,974.39
DD12640.2	10/11/2020	Australian Super Superannuation contributions		967.63
DD12640.3	10/11/2020	Colonial First State - FirstChoice Wholesale Personal Super Payroll deductions		518.70
DD12640.4	10/11/2020	ANZ Smart Choice Super Superannuation contributions		205.85
DD12640.5	10/11/2020	Retail Employees Superannuation Pty Ltd (REST) Superannuation contributions		208.13
DD12640.6	10/11/2020	Cbus Super Superannuation contributions		204.18
DD12657.1	02/11/2020	Water Corporation Water Usage and Service Charges		3,021.95
DD12658.1	05/11/2020	Water Corporation Water Usage and Service Charges		361.49
DD12659.1	06/11/2020	Water Corporation Water Usage and Service Charges		9,205.65
DD12660.1	09/11/2020	Telstra Monthly Account		1,345.87
DD12661.1	15/11/2020	Telstra Monthly Account		490.36
DD12662.1	17/11/2020	Synergy Monthly Account		5,047.23
DD12663.1	23/11/2020	Synergy Electricity Usage		2,237.92
DD12664.1	24/11/2020	Synergy Electricity Usage		2,062.19
DD12664.2	24/11/2020	Telstra Monthly Account		587.39
DD12665.1	30/11/2020	Telstra Monthly Account		50.00
DD12670.1	24/11/2020	The Trustee For Aware Super T/a Aware Super Pty Ltd Payroll deductions		5,398.07
DD12670.2	24/11/2020	Colonial First State - FirstChoice Wholesale Personal Super Payroll deductions		518.70
DD12670.3	24/11/2020	Australian Super Superannuation contributions		352.07
DD12670.4	24/11/2020	ANZ Smart Choice Super Superannuation contributions		205.85
DD12670.5	24/11/2020	Retail Employees Superannuation Pty Ltd (REST) Superannuation contributions		208.13
		Cbus Super		

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SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2020

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
DD12670.6	24/11/2020	Cbus Super Superannuation contributions		204.18
DD12673.1	06/11/2020	Water Corporation Water USage and Service Charges		90.51
DD12675.1	17/11/2020	Synergy Electriciry Account Credit		-1,200.00
DD12677.1	25/11/2020	National Mastercard Monthly Credit Card Account		1,416.91
DD12679.1	30/11/2020	Department Of Transport - Daily Licensing POLICE LICENSING PAYMENTS FOR NOVEMBER 2020		9,007.50

REPORT TOTALS

Bank Code	Bank Name	TOTAL
L	POLICE LICENSING	9,007.50
M	MUNICIPAL BANK	396,046.72
TOTAL		405,054.22

SHIRE OF THREE SPRINGS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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COMMUNITY VISION

Three Springs becomes a Healthy and Unified Community with a bright future
HEART OF NORTH MIDLANDS

Principal place of business:
 132 Railway Road
 Three Springs WA 6519

**SHIRE OF THREE SPRINGS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Three Springs for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Three Springs at 30 June 2020 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 9 day of December 2020



Chief Executive Officer

Keith Woodward

Name of Chief Executive Officer



SHIRE OF THREE SPRINGS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	24(a)	2,148,285	2,180,247	2,042,588
Operating grants, subsidies and contributions	2(a)	1,341,202	726,086	1,462,762
Fees and charges	2(a)	249,240	238,032	258,268
Interest earnings	2(a)	50,007	64,071	70,584
Other revenue	2(a)	209,387	46,000	133,888
		3,998,121	3,254,436	3,968,090
Expenses				
Employee costs		(1,303,130)	(1,400,686)	(1,338,757)
Materials and contracts		(1,164,448)	(705,146)	(272,381)
Utility charges		(259,621)	(212,382)	(175,679)
Depreciation on non-current assets	11(c)	(1,739,964)	(1,113,248)	(1,868,196)
Interest expenses	2(b)	(8,487)	(9,026)	(11,167)
Insurance expenses		(187,849)	(186,614)	(174,521)
Other expenditure		(62,961)	(65,847)	(28,542)
		(4,726,460)	(3,692,949)	(3,869,243)
		(728,339)	(438,513)	98,847
Non-operating grants, subsidies and contributions	2(a)	1,645,901	2,224,293	1,067,378
Profit on asset disposals	11(a)	0	19,000	16,289
(Loss) on asset disposals	11(a)	(66,543)	(17,300)	(78,426)
Fair value adjustments to financial assets at fair value through profit or loss		1,153	0	0
		1,580,511	2,225,993	1,005,241
Net result for the period		852,172	1,787,480	1,104,088
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	42,595
Total other comprehensive income for the period		0	0	42,595
Total comprehensive income for the period		852,172	1,787,480	1,146,683

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



SHIRE OF THREE SPRINGS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Governance	2(a)	88,622	34,563	45,224
General purpose funding		3,367,726	2,771,305	3,418,876
Law, order, public safety		45,500	24,020	26,033
Health		74,497	17,150	16,284
Education and welfare		3,800	14,762	17,093
Housing		116,016	97,639	96,866
Community amenities		82,143	83,153	87,646
Recreation and culture		18,131	23,313	23,992
Transport		135,804	137,557	128,991
Economic services		6,769	8,219	31,120
Other property and services		59,113	42,755	75,965
		3,998,121	3,254,436	3,968,090
Expenses				
Governance	2(b)	(430,852)	(419,488)	(251,819)
General purpose funding		(45,354)	(44,711)	(38,296)
Law, order, public safety		(217,044)	(214,423)	(195,511)
Health		(182,365)	(140,010)	(126,478)
Education and welfare		(40,049)	(15,340)	(11,066)
Housing		(464,309)	(408,605)	(363,210)
Community amenities		(327,563)	(324,626)	(241,147)
Recreation and culture		(988,002)	(940,332)	(808,356)
Transport		(1,823,166)	(943,079)	(1,618,293)
Economic services		(184,597)	(180,734)	(125,428)
Other property and services		(14,672)	(52,575)	(78,472)
		(4,717,973)	(3,683,923)	(3,858,076)
Finance Costs				
Governance	2(b)	(3,597)	0	(3,258)
General purpose funding		0	(3,500)	0
Recreation and culture		(3,527)	(4,092)	(4,698)
Transport		(1,363)	(1,434)	(3,211)
		(8,487)	(9,026)	(11,167)
		(728,339)	(438,513)	98,847
Non-operating grants, subsidies and contributions	2(a)	1,645,901	2,224,293	1,067,378
Profit on disposal of assets	11(a)	0	19,000	16,289
(Loss) on disposal of assets	11(a)	(66,543)	(17,300)	(78,426)
Fair value adjustments to financial assets at fair value through profit or loss		1,153	0	0
		1,580,511	2,225,993	1,005,241
Net result for the period		852,172	1,787,480	1,104,088
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	42,595
Total other comprehensive income for the period		0	0	42,595
Total comprehensive income for the period		852,172	1,787,480	1,146,683



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

**SHIRE OF THREE SPRINGS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,912,470	4,333,118
Trade and other receivables	6	126,123	180,766
Inventories	7	4,805	3,125
Other assets	8	62,813	28,065
TOTAL CURRENT ASSETS		3,106,211	4,545,074
NON-CURRENT ASSETS			
Trade and other receivables	6	25,945	23,758
Other financial assets	5(a)	71,221	70,068
Property, plant and equipment	9	15,347,904	14,430,247
Infrastructure	10	36,734,824	35,788,396
TOTAL NON-CURRENT ASSETS		52,179,894	50,312,469
TOTAL ASSETS		55,286,105	54,857,543
CURRENT LIABILITIES			
Trade and other payables	14	350,307	687,250
Contract liabilities	15	17,832	0
Borrowings	16(a)	21,065	51,289
Employee related provisions	17	122,394	142,339
TOTAL CURRENT LIABILITIES		511,598	880,878
NON-CURRENT LIABILITIES			
Contract liabilities	15	58,500	0
Borrowings	16(a)	68,320	89,385
Employee related provisions	17	21,972	55,237
TOTAL NON-CURRENT LIABILITIES		148,792	144,622
TOTAL LIABILITIES		660,390	1,025,500
NET ASSETS		54,625,715	53,832,043
EQUITY			
Retained surplus		30,367,636	29,456,440
Reserves - cash backed	4	1,858,011	1,975,535
Revaluation surplus	13	22,400,068	22,400,068
TOTAL EQUITY		54,625,715	53,832,043

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



SHIRE OF THREE SPRINGS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		28,603,835	1,724,052	22,357,473	52,685,360
Comprehensive income					
Net result for the period		1,104,088	0	0	1,104,088
Other comprehensive income	13	0	0	42,595	42,595
Total comprehensive income		1,104,088	0	42,595	1,146,683
Transfers to reserves	4	(251,483)	251,483	0	0
Balance as at 30 June 2019		29,456,440	1,975,535	22,400,068	53,832,043
Change in accounting policy	26(b)	(58,500)	0	0	(58,500)
Restated total equity at 1 July 2019		29,397,940	1,975,535	22,400,068	53,773,543
Comprehensive income					
Net result for the period		852,172	0	0	852,172
Total comprehensive income		852,172	0	0	852,172
Transfers from reserves	4	776,000	(776,000)	0	0
Transfers to reserves	4	(658,476)	658,476	0	0
Balance as at 30 June 2020		30,367,636	1,858,011	22,400,068	54,625,715

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

**SHIRE OF THREE SPRINGS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,156,849	2,180,247	2,039,524
Operating grants, subsidies and contributions		1,405,971	726,086	1,645,535
Fees and charges		249,240	238,032	258,439
Interest received		50,007	64,071	70,584
Goods and services tax received		418,954	146,653	52,899
Other revenue		209,387	46,000	133,888
		4,490,408	3,401,089	4,200,869
Payments				
Employee costs		(1,345,826)	(1,400,686)	(919,055)
Materials and contracts		(1,551,378)	(705,146)	(170,622)
Utility charges		(259,621)	(212,382)	(175,679)
Interest expenses		(8,487)	(9,026)	(18,178)
Insurance paid		(187,849)	(186,614)	(174,521)
Goods and services tax paid		(418,954)	(146,653)	(135,805)
Other expenditure		(62,961)	(65,847)	(28,542)
		(3,835,076)	(2,726,354)	(1,622,402)
Net cash provided by (used in) operating activities	18	655,332	674,735	2,578,467
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,906,959)	(2,093,000)	(1,241,607)
Payments for construction of infrastructure	10(a)	(1,862,359)	(2,638,513)	(1,397,095)
Non-operating grants, subsidies and contributions	2(a)	1,645,901	2,224,293	1,067,378
Proceeds from sale of property, plant & equipment	11(a)	98,726	123,000	157,000
Net cash provided by (used in) investment activities		(2,024,691)	(2,384,220)	(1,414,324)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(51,289)	(51,289)	(66,234)
Net cash provided by (used in) financing activities		(51,289)	(51,289)	(66,234)
Net increase (decrease) in cash held		(1,420,648)	(1,760,774)	1,097,909
Cash at beginning of year		4,333,118	4,236,940	3,235,209
Cash and cash equivalents at the end of the year	18	2,912,470	2,476,166	4,333,118

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

**SHIRE OF THREE SPRINGS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	1,874,399	1,890,870	1,614,198
		1,874,399	1,890,870	1,614,198
Revenue from operating activities (excluding rates)				
Governance		89,775	34,563	45,224
General purpose funding		1,219,441	596,058	1,376,288
Law, order, public safety		45,500	24,020	26,033
Health		74,497	17,150	16,284
Education and welfare		3,800	14,762	17,093
Housing		116,016	97,639	96,866
Community amenities		82,143	83,153	87,646
Recreation and culture		18,131	23,313	23,992
Transport		135,804	151,557	145,280
Economic services		6,769	8,219	31,120
Other property and services		59,113	42,755	75,965
		1,850,989	1,093,189	1,941,791
Expenditure from operating activities				
Governance		(437,399)	(419,488)	(333,503)
General purpose funding		(45,354)	(48,211)	(38,296)
Law, order, public safety		(217,044)	(214,423)	(195,511)
Health		(182,365)	(140,010)	(126,478)
Education and welfare		(40,049)	(15,340)	(11,066)
Housing		(464,309)	(408,605)	(363,210)
Community amenities		(327,563)	(324,626)	(241,147)
Recreation and culture		(991,529)	(944,424)	(813,054)
Transport		(1,888,122)	(961,813)	(1,621,504)
Economic services		(184,597)	(180,734)	(125,428)
Other property and services		(14,672)	(52,575)	(78,472)
		(4,793,003)	(3,710,249)	(3,947,669)
Non-cash amounts excluded from operating activities	25(a)	1,772,142	1,114,761	1,955,532
Amount attributable to operating activities		704,527	388,571	1,563,852
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,645,901	2,224,293	1,067,378
Proceeds from disposal of assets	11(a)	98,726	123,000	157,000
Purchase of property, plant and equipment	9(a)	(1,906,959)	(2,093,000)	(1,241,607)
Purchase and construction of infrastructure	10(a)	(1,862,359)	(2,638,513)	(1,397,095)
Amount attributable to investing activities		(2,024,691)	(2,384,220)	(1,414,324)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(51,289)	(51,289)	(66,234)
Transfers to reserves (restricted assets)	4	(658,476)	(633,309)	(251,483)
Transfers from reserves (restricted assets)	4	776,000	500,000	0
Amount attributable to financing activities		66,235	(184,598)	(317,717)
Surplus/(deficit) before imposition of general rates		(1,253,929)	(2,180,247)	(168,189)
Total amount raised from general rates	24(a)	2,148,285	2,180,247	2,042,588
Surplus/(deficit) after imposition of general rates	25(b)	894,356	0	1,874,399

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

SHIRE OF THREE SPRINGS
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FOR THE YEAR ENDED 30 JUNE 2020

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1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has no vested land under zero cost concessionary leases and thus the amendment had no effect.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 to these financial statements.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming. Compliance safety check	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,184,561	559,447	1,333,203
Law, order, public safety	44,289	22,500	24,563
Education and welfare	0	2,000	0
Recreation and culture	909	3,409	3,409
Transport	111,443	111,431	101,587
	1,341,202	698,787	1,462,762
Non-operating grants, subsidies and contributions			
Law, order, public safety	57,378	59,878	50,235
Education and welfare	739,995	780,000	270,000
Recreation and culture	0	1,750	0
Transport	848,528	1,382,665	747,143
	1,645,901	2,224,293	1,067,378
Total grants, subsidies and contributions	2,987,103	2,923,080	2,530,140
Fees and charges			
Governance	2,064	6,040	6,028
General purpose funding	6,503	10,000	9,721
Law, order, public safety	1,211	1,520	1,470
Health	12,724	17,150	16,281
Education and welfare	591	0	
Housing	104,717	86,860	86,177
Community amenities	79,826	81,812	82,199
Recreation and culture	9,794	12,700	11,719
Economic services	5,557	6,950	29,881
Other property and services	26,253	15,000	14,792
	249,240	238,032	258,268

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020
2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	45,198	27,909	28,314
Fees and charges	244,586	225,575	247,031
Other revenue	135,041	0	102,545
Non-operating grants, subsidies and contributions	1,645,901	2,224,293	1,067,378
	2,070,726	2,477,777	1,445,268

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Contracts from transfers intended for acquiring or constructing recognisable non financial assets included as a contract liability at the start of the period

	58,500	0	0
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Contracts from transfers intended for acquiring or constructing recognisable non financial assets during the year

	1,587,401	2,224,293	1,067,378
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Other revenue from contracts with customers recognised during the year

	379,627	225,575	349,576
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Other revenue from performance obligations satisfied during the year

	45,198	27,909	28,314
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	2,070,726	2,477,777	1,445,268
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Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	75,479	0	55,054
Contract liabilities from transfers for recognisable non financial assets	(76,332)	0	0

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates	2,148,285	2,180,247	2,043,699
Statutory permits and licences	4,554	12,257	11,037
Fines	100	200	200
	2,152,939	2,192,704	2,054,936

Other revenue

Reimbursements and recoveries	74,346	46,000	31,343
Other	135,041	0	102,545
	209,387	46,000	133,888

Interest earnings

Interest on reserve funds	26,674	42,344	44,959
Rates instalment and penalty interest (refer Note 24(c))	11,419	10,227	13,757
Other interest earnings	11,914	11,500	11,868
	50,007	64,071	70,584

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

- Borrowings
- Interest expense

Other expenditure

- Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	39,000	45,000	39,000
	800	0	4,335
	39,800	45,000	43,335
16(b)	4,890	5,524	11,167
	3,597	3,502	0
	8,487	9,026	11,167
	62,961	65,847	28,542
	62,961	65,847	28,542

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		1,054,459	2,357,583
Term deposits		1,858,011	1,975,535
Total cash and cash equivalents		2,912,470	4,333,118
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		2,035,788	2,132,211
		2,035,788	2,132,211

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	1,858,011	1,975,535
Contract liabilities from transfers for recognisable non financial assets	15	76,332	0
Unspent grants, subsidies and contributions		0	60,500
Bonds and deposits		101,445	96,176
Total restricted assets		2,035,788	2,132,211

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Leave reserve	\$ 34,449	\$ 2,240	\$ 0	\$ 136,689	\$ 0	\$ 0	\$ 137,661	\$ 131,141	\$ 3,308	\$ 0	\$ 134,449
(b) Plant reserve	302,724	117,069	(50,000)	369,793	0	0	516,224	240,654	62,070	0	302,724
(c) Housing and development reserve	146,418	396,686	0	543,104	261,486	0	407,904	123,308	23,110	0	146,418
(d) Joint venture housing reserve	165,622	2,760	0	168,382	3,958	0	169,581	161,549	4,073	0	165,622
(e) Gravel pit reserve	48,906	815	0	49,721	1,169	0	50,075	47,703	1,203	0	48,906
(f) Swimming pool equipment reserve	140,344	2,338	(16,000)	126,682	3,354	0	143,698	136,891	3,453	0	140,344
(g) Day care centre reserve	534,031	3,185	(500,000)	37,216	12,762	(500,000)	46,793	520,893	13,138	0	534,031
(h) Lovelock sock reserve	76,911	26,282	0	103,193	26,241	0	103,152	50,634	26,277	0	76,911
(i) Road reserve	50,631	50,843	0	101,474	50,612	0	101,243	25,000	25,631	0	50,631
(j) Drainage reserve	318,499	55,308	(210,000)	163,807	57,014	0	375,513	286,279	32,220	0	318,499
(k) Refuse reserve	57,000	950	0	57,950	0	0	57,000	0	57,000	0	57,000
	1,975,535	658,476	(776,000)	1,858,011	633,309	(500,000)	2,108,844	1,724,052	251,483	0	1,975,535

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget 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
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Housing and development reserve	Ongoing	To be used to fund housing/accommodation projects.
(d) Joint venture housing reserve	Ongoing	To be used to maintain the joint Ministry of Housing/Local Government properties.
(e) Gravel pit reserve	Ongoing	To be used for the rehabilitation of disused gravel pits.
(f) Swimming pool equipment reserve	Ongoing	To be used to purchase recreational equipment for the swimming pool.
(g) Day care centre reserve	March 2021	To be used to upgrade Child Care Building and equipment.
(h) Lovelock sock reserve	Ongoing	To be used to upgrade potable water infrastructure.
(i) Road reserve	Ongoing	To be used for future capital road works.
(j) Drainage reserve	Ongoing	To be used for construction of proper town drainage system.
(k) Refuse reserve	Ongoing	To be used for the future development and maintenance of the refuse site.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5 OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2020	2019
\$	\$
71,221	70,068
71,221	70,068
71,221	70,068
71,221	70,068

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 Allowance for impairment of receivables

Non-current

Pensioner's rates and ESL deferred

2020	2019
\$	\$
50,723	58,429
75,479	122,416
(79)	(79)
126,123	180,766
25,945	23,758
25,945	23,758

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current

Fuel and materials

2020	2019
\$	\$
4,805	3,125
4,805	3,125
3,125	5,497
0	(2,372)
1,680	0
4,805	3,125

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

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.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

8. OTHER ASSETS

Other assets - current

Accrued income

2020	2019
\$	\$
62,813	28,065
62,813	28,065

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	850,132	850,132	10,741,690	10,741,690	11,591,822	182,995	2,516,082	0	14,290,899
Additions	0	0	597,513	597,513	597,513	113,577	530,517	0	1,241,607
Write off assets under \$5,000 threshold	0	0	0			(48,369)	(22,300)	0	(70,669)
(Disposals)	0	0	0	0	0	(7,559)	(140,909)	0	(148,468)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	42,595	0	42,595
Depreciation (expense)	0	0	(513,365)	(513,365)	(513,365)	(55,210)	(366,322)		(934,897)
Transfers	0	0	46,114	46,114	46,114	(36,934)	0		9,180
Carrying amount at 30 June 2019	850,132	850,132	10,871,952	10,871,952	11,722,084	148,500	2,559,663	0	14,430,247
Comprises:									
Gross carrying amount at 30 June 2019	850,132	850,132	12,355,348	12,355,348	13,205,480	154,425	2,563,317	0	15,923,222
Accumulated depreciation at 30 June 2019	0	0	(1,483,396)	(1,483,396)	(1,483,396)	(5,925)	(3,654)	0	(1,492,975)
Carrying amount at 30 June 2019	850,132	850,132	10,871,952	10,871,952	11,722,084	148,500	2,559,663	0	14,430,247
Additions	0	0	1,324,821	1,324,821	1,324,821	80,228	474,969	26,941	1,906,959
(Disposals)	0	0	0	0	0	0	(165,269)	0	(165,269)
Depreciation (expense)	0	0	(526,213)	(526,213)	(526,213)	(31,445)	(266,375)	0	(824,033)
Carrying amount at 30 June 2020	850,132	850,132	11,670,560	11,670,560	12,520,692	197,283	2,602,988	26,941	15,347,904
Comprises:									
Gross carrying amount at 30 June 2020	850,132	850,132	13,680,170	13,680,170	14,530,302	234,654	2,855,787	26,941	17,647,684
Accumulated depreciation at 30 June 2020	0	0	(2,009,610)	(2,009,610)	(2,009,610)	(37,371)	(252,799)	0	(2,299,780)
Carrying amount at 30 June 2020	850,132	850,132	11,670,560	11,670,560	12,520,692	197,283	2,602,988	26,941	15,347,904

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2016	Price per square metre
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2016	Price per square metre
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	July 2016	Improvements to buildings using construction costs and current condition, residual values and remaining useful life assessments inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments inputs
Plant and equipment	3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments 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.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - airfield	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2018	34,048,514	221,686	722,100	332,300	35,324,600
Additions	1,295,755	95,522	5,818	0	1,397,095
Depreciation (expense)	(756,720)	(6,012)	(99,332)	(71,235)	(933,299)
Carrying amount at 30 June 2019	34,587,549	311,196	628,586	261,065	35,788,396
Comprises:					
Gross carrying amount at 30 June 2019	36,842,132	328,159	1,179,018	791,500	39,140,809
Accumulated depreciation at 30 June 2019	(2,254,583)	(16,963)	(550,432)	(530,435)	(3,352,413)
Carrying amount at 30 June 2019	34,587,549	311,196	628,586	261,065	35,788,396
Additions	1,776,393	61,792	24,174	0	1,862,359
Depreciation (expense)	(736,729)	(8,204)	(99,763)	(71,235)	(915,931)
Carrying amount at 30 June 2020	35,627,213	364,784	552,997	189,830	36,734,824
Comprises:					
Gross carrying amount at 30 June 2020	38,618,525	389,951	1,203,193	791,500	41,003,169
Accumulated depreciation at 30 June 2020	(2,991,312)	(25,167)	(650,196)	(601,670)	(4,268,345)
Carrying amount at 30 June 2020	35,627,213	364,784	552,997	189,830	36,734,824

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	July 2016	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	July 2016	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	July 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - airfield	3	Cost approach using depreciated replacement cost	Independent registered valuers	July 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Recognition and measurement

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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.

Items of plant and equipment are subsequently measured using the cost model.

Individual assets that are land, buildings, infrastructure and investment properties 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 land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

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 land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested 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.

Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 was not included as an asset of the Shire.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	0	0	0	0	0	0	0	0	7,559	0	0	(7,559)
Plant and equipment	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)	140,909	157,000	16,289	(198)
	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)	148,468	157,000	16,289	(7,757)

Write off assets below the \$5,000 threshold

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	0	0	0	0	0	0	0	0	48,369	0	0	(48,369)
Plant and equipment	0	0	0	0	0	0	0	0	22,300	0	0	(22,300)
	0	0	0	0	0	0	0	0	70,669	0	0	(70,669)
Total Disposal of Assets	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)	219,137	157,000	16,289	(78,426)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Transport				
Caterpillar Roller TS 5013	33,853	19,210	0	(14,643)
2014 Mitsubishi Canter TS 5004	44,606	17,596	0	(27,010)
Tandem Axle Trailer TS 7008	17,390	10,721	0	(6,669)
Nissan Pathfinder - 001 - TS	21,669	18,718	0	(2,951)
Toyota RAV 4 - TS - 125	19,742	15,045	0	(4,697)
Ranger PX Single Cab TD - 5015	10,337	8,263	0	(2,074)
Ranger PX Single Cab TD - 523	17,672	9,173	0	(8,499)
	165,269	98,726	0	(66,543)

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2020	2019
	\$	\$
Buildings - non-specialised	44,000	3,000
Furniture and equipment	5,925	5,925
Plant and equipment	10,370	1,380
	60,295	10,305

SHIRE OF THREE SPRINGS
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11. FIXED ASSETS

(c) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	526,213	152,807	513,365
Buildings - specialised	0	359,076	0
Furniture and equipment	31,445	51,832	55,210
Plant and equipment	266,375	371,188	366,322
Infrastructure - roads	736,729	0	756,720
Infrastructure - footpaths	8,204	6,073	6,012
Infrastructure - parks and ovals	99,763	100,325	99,332
Infrastructure - airfield	71,235	71,947	71,235
	1,739,964	1,113,248	1,868,196

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings - non specialised	5 to 50 years
Buildings - specialised	5 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
gravel sheet	10 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure - parks and ovals	10 to 20 years
Infrastructure - airfield	10 to 20 years

Depreciation on revaluation

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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

12. LEASES

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

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

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF THREE SPRINGS
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13. REVALUATION SURPLUS

	2020 Opening Balance \$	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - land and buildings	7,993,685	0	0	0	7,993,685	7,993,685	0	0	0	7,993,685
Revaluation surplus - Plant and equipment	660,497	0	0	0	660,497	617,902	42,595	0	42,595	660,497
Revaluation surplus - Infrastructure - roads	13,134,301	0	0	0	13,134,301	13,134,301	0	0	0	13,134,301
Revaluation surplus - Infrastructure - parks and ovals	298,269	0	0	0	298,269	298,269	0	0	0	298,269
Revaluation surplus - Infrastructure - airfield	313,316	0	0	0	313,316	313,316	0	0	0	313,316
	22,400,068	0	0	0	22,400,068	22,357,473	42,595	0	42,595	22,400,068

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF THREE SPRINGS
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FOR THE YEAR ENDED 30 JUNE 2020

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued salaries and wages
 Bonds and deposits held
 Accrued interest
 Accrued expenditure

2020	2019
\$	\$
109,033	479,188
6,111	3,066
24,872	14,358
101,445	96,176
76	711
108,770	93,751
350,307	687,250

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 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

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

15. CONTRACT LIABILITIES

Current

Contract liabilities from transfers for recognisable non financial assets

17,832 0

17,832 0

Non-current

Contract liabilities from transfers for recognisable non financial assets

58,500 0

58,500 0

76,332 0

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

17,832

> 5 years

58,500

76,332

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS

(a) Borrowings

	2020	2019
	\$	\$
Current	21,065	51,289
Non-current	68,320	89,385
	89,385	140,674

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019	30 June 2019
				Principal	Actual	Actual	Actual	Budget		Budget	Budget	Budget						
				1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding		Principal	New Loans	Principal repayments	Interest repayments		Principal outstanding	1 July 2018	New Loans	Principal repayments
				\$	\$	\$	\$	\$		\$	\$	\$	\$		\$	\$	\$	\$
Recreation and culture																		
Swimming Pool	156	WATC*	5.32%	0	0	0	0	0	0	0	0	0	0	17,531	0	17,531	3,258	0
Swimming Pool	160	WATC*	3.91%	109,650	0	20,265	3,527	89,385	109,649	0	20,265	4,091	89,384	129,146	0	19,496	4,698	109,650
Transport																		
Grader	157	WATC*	6.13%	31,024	0	31,024	1,363	0	31,024	0	31,024	1,433	0	60,231	0	29,207	3,211	31,024
				140,674	0	51,289	4,890	89,385	140,673	0	51,289	5,524	89,384	206,908	0	66,234	11,167	140,674

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS (Continued)

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2020	2019
	\$	\$
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	11,000	11,000
Credit card balance at balance date	249	0
Total amount of credit unused	11,249	11,000

Loan facilities

Loan facilities - current	21,065	51,289
Loan facilities - non-current	68,320	89,385
Total facilities in use at balance date	89,385	140,674

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.

Risk

Information regarding exposure to risk can be found at Note 26.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019

Current provisions
Non-current provisions

Amounts used

Balance at 30 June 2020

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	101,337	41,002	142,339
Non-current provisions	0	55,237	55,237
	101,337	96,239	197,576
Amounts used	(9,287)	(43,923)	(53,210)
Balance at 30 June 2020	92,050	52,316	144,366
Comprises			
Current	92,050	30,344	122,394
Non-current	0	21,972	21,972
	92,050	52,316	144,366

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

	2020	2019
	\$	\$
Less than 12 months after the reporting date	70,829	84,000
More than 12 months from reporting date	73,537	113,576
	144,366	197,576

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. 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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	2,912,470	2,476,166	4,333,118
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	852,172	1,787,480	1,104,088
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,153)	0	1
Depreciation on non-current assets	1,739,964	1,113,248	1,868,196
(Profit)/loss on sale of asset	66,543	(1,700)	62,137
Changes in assets and liabilities:			
(Increase)/decrease in receivables	52,456	0	96,974
(Increase)/decrease in other assets	(34,748)	0	0
(Increase)/decrease in inventories	(1,680)	0	2,372
Increase/(decrease) in payables	(336,943)	0	494,952
Increase/(decrease) in provisions	(53,210)	0	17,126
Increase/(decrease) in contract liabilities	17,832	0	0
Non-operating grants, subsidies and contributions	(1,645,901)	(2,224,293)	(1,067,378)
Net cash from operating activities	655,332	674,735	2,578,468

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19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	2,314,741	1,027,165
General purpose funding	76,668	5,249,592
Law, order, public safety	471,209	1,084,835
Health	1,678,741	1,726,506
Education and welfare	1,596,463	349,794
Housing	3,222,126	2,603,036
Community amenities	436,053	274,915
Recreation and culture	4,777,900	4,928,813
Transport	38,061,577	35,510,490
Economic services	109,790	92,642
Other property and services	2,540,837	2,009,755
	55,286,105	54,857,543

20. CONTINGENT ASSETS AND LIABILITIES

The Shire is not aware of any contingent assets or liabilities as at 30 June 2020.

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Apart from the LG FM reg changes effective 6 November 2020 (disclosed in Note 26), there were no other events occurring after balance date that have a significant effect on the financial statements.

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	22,400	25,500	9,075
Presidents allowance	10,000	10,000	7,500
Deputy President allowance	2,500	2,500	1,375
Telecommunications allowance	13,500	5,000	0
	48,400	43,000	17,950

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	498,571	429,947
Post-employment benefits	50,930	44,355
Other long-term benefits	32,062	4,271
Termination benefits	0	8,886
	581,563	487,459

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

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22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	73,712	8,700
Amounts outstanding from related parties:		
Trade and other receivables	0	12,680

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 (KMP). The associate person of KMP was employed by the Shire under normal employment terms and conditions.

ii. Other Related Parties

Any entity that is controlled by or over which KMP, or close family members of KMP have authority and responsibility for planning, directly and controlling the activities of the entity, directly or indirectly are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

(a) Joint operation - Aged residents housing

The Shire together with the Housing Authority constructed four units for aged residents in 2002/03 and a further two units in 2008/09, known as Kadathinni Units, Carter Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 22.34% equity in the first 4 units (units 1,2,3 and 4) and a 15.35% in the last two units (units 5 and 6) in this development and is included in Land and Buildings as follows:

Non current assets

Land and buildings

Less: accumulated depreciation

Total assets

2020	2019
\$	\$
142,674	142,674
(17,120)	(12,840)
125,554	129,834

(b) Joint operation - Community housing

The Shire together with the Housing Authority constructed two houses for community housing purposes in 1985/86 in Glyde Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 10.78% equity in 54 Glyde Street and 11.14% equity in 60 Glyde Street and is included in Land and Buildings as follows:

Non current assets

Land and buildings

Less: accumulated depreciation

Total assets

112,568	104,717
(21,544)	(12,840)
91,024	91,877

Statement of Comprehensive income

Fees and charges - housing revenue

Materials and contracts - housing expenditure

Net result for the period

30,250	40,388
(33,367)	(47,597)
(3,117)	(7,209)

Total comprehensive income for the period

(3,117)	(7,209)
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The Housing Authority does not participate in any share of profit or loss, is not responsible for operating costs or revenue from the properties.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

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

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FOR THE YEAR ENDED 30 JUNE 2020

24. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

GRV Residential

GRV Mining

Unimproved valuations

UV Rural and Arrino Town

UV Mining

Others

Sub-Total

Minimum payment

Gross rental valuations

GRV Residential

Unimproved valuations

UV Rural and Arrino Town

UV Mining

Sub-Total

Total amount raised from general rate

Concessions (Note 24(b))

Ex-gratia rates

Totals

	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
GRV Residential	0.119606	206	2,021,136	241,740	0	0	241,740	241,740	241,740	242,847
GRV Mining	0.119606	1	252,500	30,200	0	0	30,200	60,401	60,401	60,401
UV Rural and Arrino Town	0.015334	183	120,254,000	1,843,975	0	0	1,843,975	1,843,975	1,843,975	1,707,418
UV Mining	0.015334	5	237,418	3,641	92	(28)	3,705	11,266	11,266	11,139
Others	0	65	9,256	0	0	0	0	0	0	0
Sub-Total		460	122,774,310	2,119,556	92	(28)	2,119,620	2,157,382	2,157,382	2,021,805
Minimum payment	\$									
GRV Residential	455.00	20	13,439	9,100	0	0	9,100	9,100	9,100	9,100
UV Rural and Arrino Town	455.00	23	347,350	10,465	0	0	10,465	10,465	10,465	9,555
UV Mining	455.00	20	160,532	9,100	0	0	9,100	3,300	3,300	3,239
Sub-Total		63	521,321	28,665	0	0	28,665	22,865	22,865	21,894
		523	123,295,631	2,148,221	92	(28)	2,148,285	2,180,247	2,180,247	2,043,699
							2,148,285		2,180,247	2,043,699
							0		0	(1,111)
							0		0	8,844
Totals							2,148,285		2,180,247	2,051,432

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF THREE SPRINGS
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24. RATING INFORMATION (Continued)

(b) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
Rate assessment	write off	0.00%	0	0	0	1,111
Rate assessment - GRV Residential	waiver	80.00%	0.00	0	0	0
Photocopying	Waiver	Per Fees & Charges		1,691	3,500	0
Pool Admission	Waiver	Per Fees & Charges		593	200	0
Community Hall Hire	Waiver	Per Fees & Charges		2,384	3,000	0
Community Bus Hire	Waiver	Per Fees & Charges		538	1,000	0
				5,206	7,700	1,111
Total discounts/concessions (Note 24(a))				5,206	7,700	1,111

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
Rate assessment	Unrecoverable rates		
Rate assessment - GRV Residential	Indigenous Corporation applied for concession	Promote charity work	Property use for charitable purposes
Photocopying	Community groups requiring photocopying		
Pool Admission	Primary school swimming activities		
Community Hall Hire	Community groups requiring hall hire	Council considers support of these groups necessary for the benefit of the community	
Community Bus Hire	School excursions and recreational activities for community groups		

24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	8/10/2019			11.00%
Option Two				
First instalment	8/10/2019			11.00%
Second instalment	10/12/2019	12	5.50%	11.00%
Third instalment	11/02/2020	12	5.50%	11.00%
Fourth instalment	14/04/2020	12	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	6,140	6,227	8,302
Interest on instalment plan	5,279	4,000	5,455
Charges on instalment plan	2,064	2,040	2,028
	13,483	12,267	15,785

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. RATE SETTING STATEMENT INFORMATION

		2019/20 Budget	2019/20	2018/19
	(30 June 2020)	(30 June 2020)	(1 July 2019)	(30 June 2019)
Note	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	0	(19,000)	(16,289)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,153)	0	0
Movement in pensioner deferred rates (non-current)		(2,187)	0	(1,117)
Movement in employee benefit provisions (non-current)		(33,265)	0	23,009
Add: Loss on disposal of assets	11(a)	66,543	17,300	78,426
Add: Movement in leave reserve		2,240	3,213	3,307
Add: Depreciation on non-current assets	11(c)	1,739,964	1,113,248	1,868,196
Non cash amounts excluded from operating activities		1,772,142	1,955,532	1,955,532
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(1,858,011)	(2,108,844)	(1,975,535)
Less: Current assets not expected to be received at end of year				
- Component of leave liability not required to be funded		136,689	137,662	134,449
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16(a)	21,065	21,066	51,289
Total adjustments to net current assets		(1,700,257)	(1,950,116)	(1,789,797)
Net current assets used in the Rate Setting Statement				
Total current assets		3,106,211	1,950,116	4,545,074
Less: Total current liabilities		(511,598)	(880,878)	(880,878)
Less: Total adjustments to net current assets		(1,700,257)	(1,789,797)	(1,789,797)
Net current assets used in the Rate Setting Statement		894,356	0	1,874,399
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				4,545,074
- Contract assets	25(a)			0
Total current assets at 1 July 2019				4,545,074
Total current liabilities at 30 June 2019				(880,878)
Total current liabilities at 1 July 2019				(880,878)

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26. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	0.84%	2,912,470	1,858,011	1,054,432	27
2019					
Cash and cash equivalents	1.08%	4,236,943	1,975,535	2,261,108	300

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	10,544	22,611

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	6,153	24,758	14,817	30,940	76,668
Loss allowance	0	0	0	0	0
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,575	41,085	13,084	23,443	82,187
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	3.03%	
Gross carrying amount	71,019	20	1,830	2,610	75,479
Loss allowance	0	0	0	79	79
30 June 2019					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	3.09%	
Gross carrying amount	81,119	37,212	1,527	2,558	122,416
Loss allowance	0	0	0	79	79

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16.

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2020					
Payables	350,307	0	0	350,307	350,307
Borrowings	24,357	73,070	0	97,427	89,385
	374,664	73,070	0	447,734	439,692
2019					
Payables	687,250	0	0	687,250	0
Borrowings	56,815	97,426	0	154,241	140,674
	744,065	97,426	0	841,491	140,674

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25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. The adoption of AASB 15 does not have a material impact on the financial statements of the Shire.

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

		AASB 118 and AASB 1004 carrying amount		AASB 15 carrying amount
	Note	30 June 2019	Adjustment	01 July 2019
		\$	\$	\$
Contract liabilities non-current				
Contract liabilities from transfers for recognisable non financial assets	15	0	(58,500)	(58,500)
Adjustment to retained surplus from adoption of AASB 1058	26(b)		(58,500)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Bush Fire Services were not recognised as the fair value of the services cannot be reliably estimated.

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25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	24(a)	2,148,285	6,111	2,154,396
Operating grants, subsidies and contributions	2(a)	1,341,202	58,500	1,399,702
Fees and charges	2(a)	249,240	0	249,240
Non-operating grants, subsidies and contributions	2(a)	1,645,901	17,832	1,663,733
Net result		852,172	82,443	934,615
Statement of Financial Position				
Trade and other payables	14	350,307	(6,111)	344,196
Contract liabilities	15	76,332	(76,332)	0
Net assets		54,625,715	82,443	54,708,158
Statement of Changes in Equity				
Net result		852,172	82,443	934,615
Retained surplus		30,367,636	82,443	30,450,079

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(c) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. The Shire had no leases in place which required recognition on application of AASB 16.

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26. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously or during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

(b) Changes in equity due to change in accounting policies

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			29,455,440
Adjustment to retained surplus from adoption of AASB 15	25(a)	0	
Adjustment to retained surplus from adoption of AASB 1058	25(b)	(58,500)	(58,500)
Retained surplus - 1 July 2019			29,397,940

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27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient 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.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

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

Administration and operation of facilities to 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 fund provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To ensure a safer community in which to live.

Supervision of various local laws, fire prevention, emergency services and animal control.

HEALTH

To provide an operational framework for good community health.

Food quality and pest control, maintenance of child health centre, medical centre, dental clinic and administration of group health scheme.

EDUCATION AND WELFARE

To support the needs of the community in education and welfare.

Assistance to Day Care Centre, Playgroup, Youth activities and other voluntary services.

HOUSING

Provide adequate housing to attract and retain staff and non-staff.

Maintenance of council owned staff and non-staff housing.

COMMUNITY AMENITIES

Provide services as required by the community.

Rubbish collection services, tip operation, noise control, town planning administration, cemetery maintenance, rest centres, storm water drainage and FM radio retransmitter.

RECREATION AND CULTURE

To establish and efficiently manage infrastructure and resources that help the social wellbeing of the community.

Maintenance of the swimming pool, recreation centre, library, parks, gardens and reserves.

TRANSPORT

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, cycleways, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

To help promote the shire and improve its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes.

OTHER PROPERTY AND SERVICES

To monitor and control overheads and operating accounts.

Private works operations, plant repairs and operations and engineering costs.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

29. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	5.06	3.71	6.40
Asset consumption ratio	0.85	0.90	0.50
Asset renewal funding ratio	1.66	1.75	1.73
Asset sustainability ratio	1.07	0.88	1.24
Debt service cover ratio	16.99	24.76	26.16
Operating surplus ratio	(0.30)	0.02	0.14
Own source revenue coverage ratio	0.55	0.64	0.73

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Three Springs

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Three Springs which comprises the Statement of Financial Position as at 30 June 2020, and 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, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Three Springs:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 Leases which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

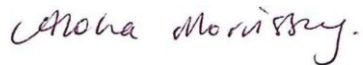
- (i) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. For approximately 6% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market, and no documentation to explain why other quotes were not sought.
 - b. We noted the purchased orders raised for approximately 5% of purchase transactions we sampled were dated after the dates of the corresponding supplier invoices.

These practices increase the risk of fraud or favouritism of suppliers, not obtaining value for money in procurement, and inappropriate or unnecessary purchases.

- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding 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 the Shire of Three Springs for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2020



Our Ref: 7962

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Keith Woodward
Chief Executive Officer
Shire of Three Springs
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THREE SPRINGS WA 6519

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PO Box 8489
PERTH WA 6849

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Dear Mr Woodward

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Matters of regulatory non-compliance are reported on page 2 of the auditor's report.

Management Control Issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7576 if you would like to discuss these matters further.

Yours faithfully

MIKEY FIORUCCI
ASSISTANT DIRECTOR FINANCIAL AUDIT
16 December 2020

Attach