



**Shire of Derby /
West Kimberley**

AGENDA

Compliance and Strategic Review Committee Meeting Thursday, 12 September 2019

I hereby give notice that a Compliance and Strategic Review Committee Meeting will be held on:

Date: Thursday, 12 September 2019

Time: 4.00 pm

**Location: Council Chambers
Clarendon Street
Derby**

Amanda O'Halloran Chief Executive Officer



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1 DECLARATION OF OPENING, ANNOUNCEMENT OF VISITORS**2 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS**

In accordance with regulation 14A of the Local Government (Administration) Regulations 1996 Council must approve (by Absolute Majority) the attendance of a person, not physically present at a meeting of Council, by audio contact. The person must be in a 'suitable place' as approved (by absolute majority) by Council. A 'suitable place' means a place that is located in a townsite or other residential area and 150km or further from the place at which the meeting is to be held.

3 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION**4 DISCLOSURE OF INTERESTS**

Section 5.65 and 5.70 of the *Local Government Act 1995* requires an Elected Member or officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Elected Member or officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

An Elected Member who makes a disclosure under section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow an Elected Member to speak, the extent of the interest must also be stated.

4.1 Declaration of Financial Interests**4.2 Declaration of Proximity Interests****4.3 Declaration of Impartiality Interests****5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS****RECOMMENDATION**

That the Minutes of the Compliance and Strategic Review Committee Meeting held at the Council Chambers, Clarendon Street, Derby, on 29 August 2019 be CONFIRMED.

6 REPORTS

6.1 USE OF DELEGATIONS AND COMMON SEAL

File Number: 4110 - Internal Audit

Author: Danielle Hurstfield, Manager Administration and Governance

Responsible Officer: Amanda O'Halloran, Chief Executive Officer

Authority/Discretion: Information

SUMMARY

For the Committee to receive the information detailing the use of the Common Seal and actions performed under delegated authority requiring referral to Council for the month of August 2019.

DISCLOSURE OF ANY INTEREST

Nil.

BACKGROUND

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

The Committee will ensure compliance in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems to meet statutory requirements.

In accordance with sections 5.16 and 5.42 of the Act, a local government can delegate certain functions to a committee of Council, or to the Chief Executive Officer. A variety of other legislation also permits the delegations of functions to the Chief Executive Officer, as well as other officers. The Chief Executive Officer's statutory powers and duties under the Act and any powers or duties delegated by the Council can be further delegated by the Chief Executive Officer to other officers of Council. Delegation details must be recorded in a register, which is available for inspection by the public.

STATUTORY ENVIRONMENT:

Local Government Act 1995

5.16. Delegation of some powers and duties to certain committees

- (1) *Under and subject to section 5.17, a local government may delegate* to a committee any of its powers and duties other than this power of delegation.*

** Absolute majority required.*

- (2) *A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.*
- (3) *Without limiting the application of sections 58 and 59 of the Interpretation Act 1984 —*
- (a) *a delegation made under this section has effect for the period of time specified in the delegation or if no period has been specified, indefinitely; and*
- (b) *any decision to amend or revoke a delegation under this section is to be by an absolute majority.*
- (4) *Nothing in this section is to be read as preventing a local government from performing any of its functions by acting through another person.*

5.17. Limits on delegation of powers and duties to certain committees

- (1) *A local government can delegate —*
- (a) *to a committee comprising council members only, any of the council's powers or duties under this Act except —*

- (i) any power or duty that requires a decision of an absolute majority or a 75% majority of the local government; and*
- (ii) any other power or duty that is prescribed;*

And

- (b) to a committee comprising council members and employees, any of the local government's powers or duties that can be delegated to the CEO under Division 4; and*
 - (c) to a committee referred to in section 5.9(2)(c), (d) or (e), any of the local government's powers or duties that are necessary or convenient for the proper management of —*
 - (i) the local government's property; or*
 - (ii) an event in which the local government is involved.*
- (2) A local government cannot delegate any of its powers or duties to a committee referred to in section 5.9(2)(f).*

5.18. Register of delegations to committees

A local government is to keep a register of the delegations made under this Division and review the delegations at least once every financial year.

5.42. Delegation of some powers and duties to CEO

- (1) A local government may delegate* to the CEO the exercise of any of its powers or the discharge of any of its duties under*
- (a) this Act other than those referred to in section 5.43.*
 - (b) the Planning and Development Act 2005 section 214(2), (3) or (5)*

** Absolute majority required.*

- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.*

5.43. Limits on delegations to CEO

A local government cannot delegate to a CEO any of the following powers or duties —

- (a) any power or duty that requires a decision of an absolute majority or a 75% majority of the local government;*
- (b) accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;*
- (c) appointing an auditor;*

- (d) acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph;*
- (e) any of the local government's powers under section 5.98, 5.98A, 5.99, 5.99A or 5.100;*
- (f) borrowing money on behalf of the local government;*
- (g) hearing or determining an objection of a kind referred to in section 9.5;*
- (ha) the power under section 9.49A(4) to authorise a person to sign documents on behalf of the local government;*
- (h) any power or duty that requires the approval of the Minister or the Governor;*
- (i) such other powers or duties as may be prescribed.*

5.44. CEO may delegate powers and duties to other employees

- (1) A CEO may delegate to any employee of the local government the exercise of any of the CEO's powers or the discharge of any of the CEO's duties under this Act other than this power of delegation.*
- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.*
- (3) This section extends to a power or duty the exercise or discharge of which has been delegated by a local government to the CEO under section 5.42, but in the case of such a power or duty —*
 - (a) The CEO's power under this section to delegate the exercise of that power or the discharge of that duty; and*
 - (b) the exercise of that power or the discharge of that duty by the CEO's delegate, are subject to any conditions imposed by the local government on its delegation to the CEO.*
- (4) Subsection (3) (b) does not limit the CEO's power to impose conditions or further conditions on a delegation under this section.*
- (5) In subsections (3) and (4) —*

conditions includes qualifications, limitations or exceptions.

5.45. Other matters relevant to delegations under this Division

- (1) Without limiting the application of sections 58 and 59 of the Interpretation Act 1984 —*
 - (a) A delegation made under this Division has effect for the period of time specified in the delegation or where no period has been specified, indefinitely; and*
 - (b) Any decision to amend or revoke a delegation by a local government under this Division is to be by an absolute majority.*

- (2) *Nothing in this Division is to be read as preventing —*
- (a) *A local government from performing any of its functions by acting through a person other than the CEO; or*
 - (b) *A CEO from performing any of his or her functions by acting through another person.*

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

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

Regulation 19 of the Local Government (Administration) Regulations relates to records to be kept of delegations exercised.

19. Delegates to keep certain records (Act s. 5.46(3))

Where a power or duty has been delegated under the Act to the CEO or to any other local government employee, the person to whom the power or duty has been delegated is to keep a written record of —

- (a) *how the person exercised the power or discharged the duty; and*
- (b) *when the person exercised the power or discharged the duty; and*
- (c) *the persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.*

Building Act 2011 section 127

Bush Fires Act 1954 section 48

Cat Act 2011 section 44

Dog Act 1976 section 10AA

Food Act 2008 section 118

Public Health Act 2016 section 21

Road Traffic (Events on Roads) Regulations 1991

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Severe	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION

Internal consultation has been undertaken with relevant areas to collate information.

COMMENT

The Council Seal has not been applied to any documents for the period 1 August – 31 August 2019. The attached register details the actions performed under delegation during August 2019.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. Use of Delegations - August 2019. [!\[\]\(5566824f1de50810f1231123a4a4b4b6_img.jpg\)](#) 

RECOMMENDATION

That the Compliance and Strategic Review Committee RECEIVES the information contained in this item and attached register detailing the use of delegations of authority and Common Seal.



Records of exercise of delegated powers or duties

Reference	Function	Category	Officer	Date of decision	Decision	Description	Person or classes of persons	Address	Details	Comments
F1	PAYMENTS FROM MUNICIPAL FUNDS – INCURRING LIABILITIES AND MAKING PAYMENTS	Finance	Director of Technical and Development Services	1 Aug 2019	Granted	2nd authorisation from Bank account to pay Tax	n/a	n/a	2nd authorisation from Bank account to pay Tax	---
F1	PAYMENTS FROM MUNICIPAL FUNDS – INCURRING LIABILITIES AND MAKING PAYMENTS	Finance	Director of Technical and Development Services	5 Aug 2019	Granted	2nd authorization of transfer of Funds to multiple payees	Numerous companies or entities	N/A	2nd authorization of transfer of Funds to multiple payees	---
F1	PAYMENTS FROM MUNICIPAL FUNDS – INCURRING LIABILITIES AND MAKING PAYMENTS	Finance	Director of Technical and Development Services	6 Aug 2019	Granted	2nd Authorisation of payment to Buckley's	Buckley's Earthworks and Paving	Wells St, Derby	2nd Authorisation of payment to Buckley's	---



Records of exercise of delegated powers or duties

Reference	Function	Category	Officer	Date of decision	Decision	Description	Person or classes of persons	Address	Details	Comments
F1	PAYMENTS FROM MUNICIPAL FUNDS – INCURRING LIABILITIES AND MAKING PAYMENTS	Finance	Director of Technical and Development Services	9 Aug 2019	Granted	2nd authorization of Payments	numerous creditors	N/A	2nd authorization of payments - 2 creditor batches, payroll and a tax payment.	---
F1	PAYMENTS FROM MUNICIPAL FUNDS – INCURRING LIABILITIES AND MAKING PAYMENTS	Finance	Director of Technical and Development Services	22 Aug 2019	Granted	2nd Authorisation of Payroll and Creditor payments	Creditors	numerous	2nd Authorisation of Payroll and Creditor payments	---
H2	TRADERS AND STALLHOLDERS LICENSING	Health	Manager Development Services	7 Aug 2019	Granted	stallholder permit granted to trade at the Derby outback rodeo & campdraft 2019	Tania Turei	12 Bell Creek Way Derby WA 6728	stallholder permit granted to trade at the Derby outback rodeo & campdraft 2019	permit sent to applicant, copy of permit filed on physical file and x:drive



Records of exercise of delegated powers or duties

Reference	Function	Category	Officer	Date of decision	Decision	Description	Person or classes of persons	Address	Details	Comments
H2	TRADERS AND STALLHOLDERS LICENSING	Health	Manager Development Services	7 Aug 2019	Granted	traders permit granted to trade at the Derby outback rodeo & campdraft 2019	Richard Hosking	11 Archer Street Derby WA 6728	traders permit granted to trade at the Derby outback rodeo & campdraft 2019	permit sent to applicant, copy of permit filed on x:drive and physical file
H2	TRADERS AND STALLHOLDERS LICENSING	Health	Manager Development Services	8 Aug 2019	Granted	traders permit granted to trade at the Derby outback rodeo & camp draft 2019	Phanthipa Napvalsri	68 Knowsley Street Derby WA 6728	traders permit granted to trade at the Derby outback rodeo & camp draft 2019	permit sent to applicant, copy of permit filed on physical file and x:drive
H2	TRADERS AND STALLHOLDERS LICENSING	Health	Manager Development Services	23 Aug 2019	Granted	stallholder permit granted to trade at Tarunda Shopping Centre in Fitzroy Crossing	Roderick Urquhart	14 Wayside Court Ravenswood WA 6208	stallholder permit granted to trade at Tarunda Shopping Centre in Fitzroy Crossing	stallholder permit sent to applicant copy filed on physical file and x:drive

6.2 COMPLIANCE REPORTS - COUNCIL MINUTE MANAGEMENT AND COUNCILLOR ATTENDANCE**File Number:** 4110 - Internal Audit**Author:** Danielle Hurstfield, Manager Administration and Governance**Responsible Officer:** Amanda O'Halloran, Chief Executive Officer**Authority/Discretion:** Information**SUMMARY**

For the Committee to receive the information provided in the attached reports and provide strategic direction as required.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

The Committee will ensure compliance in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems to meet statutory requirements.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Severe	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION

Internal consultation has been undertaken with relevant areas to collate information.

COMMENT

Nil

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. Councillor Meeting Attendance Table - August 2019. [!\[\]\(927753982fca4c21e781b80aafaaf020_img.jpg\) !\[\]\(f511252eefa420911a255ecaea94a046_img.jpg\)](#)
2. Council Minute Management August 2019 [!\[\]\(a373605dc6cc42c371cd3ec54b8e11f9_img.jpg\) !\[\]\(444e7b87f0f3e3b94b8a5abf75887287_img.jpg\)](#)

RECOMMENDATION

That the Compliance and Strategic Review Committee RECEIVES the information contained in the reports detailing Councillor meeting attendance and Council Minute management.



MEETING ATTENDANCE

The following table provides information on attendance at the 2019 Ordinary and Special Council Meetings:

Councillor	28 Feb 2019	14 Mar 2019	28 Mar 2019	11 Apr 2019	18 Apr 2019	30 May 2019	30 May 2019	27 Jun 2019	5 Jul 2019	25 Jul 2019	29 Aug 2019	26 Sep 2019	31 Oct 2019	21 Nov 2019	12 Dec 2019
	OCM	SCM	OCM	SCM	OCM	OCM	AGM	OCM	SCM	OCM	OCM	OCM	OCM	OCM	OCM
P White	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
P Coggins	✓	✓	✓	A	✓	LOA	A	✓	A	✓	✓				
C Kloss	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
P McCumstie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
I Prouse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
A Twaddle	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓				
G Davis	*	*	*	*	*	*	*	*	*	*	*				
G Haerewa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
D Andrews	LOA	A	A	A	✓	✓	A	A	✓	A	✓				

*Determination finalised by State Administrative Tribunal (SAT) on 28 August 2019. SAT determined that Councillor Geoff Davis is not disqualified from holding office as a Councillor of the Shire of Derby/West Kimberley.

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Last Reviewed - 6 September 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments If Action not completed, report on plan to rectify
		MINUTE NO. 062/2017	That Council DELEGATE to the Chief Executive Officer to finalise, sign and execute the User Agreement with the Derby Sporting Shooters Association.			Stephen Gash - CEO				To be reviewed and remaining actions assessed
		MINUTE NO. 077/2017	That Council: 1. AUTHORISES the Chief Executive Officer to extend all existing Memorandum of Understanding's at the Derby Wharf Precinct; 2. AUTHORISES the Shire President and Chief Executive Officer to sign and affix the Common Seal to the Memorandum of Understanding between the Shire of Derby/West Kimberley and the relevant parties.			Stephen Gash - CEO				To be reviewed and remaining actions assessed
OCM 2018-02-22		MINUTE NO. 012/2018	That Council RESOLVE to allow the Derby Volunteer Fire and Rescue Unit the use for restoration the historical Bedford fire truck currently housed at Derby Airport.			Ross Sullivan				
OCM 2018-03-29	7072	MINUTE NO. 024/2018	That Council: 1. Pursuant to Division 1, clause 6.5, subclause 1 of the Shire of Derby/West Kimberley's Activities on Thoroughfares and Trading in Thoroughfares and Public Places Local Law, that Council APPROVE the application for an amendment of Condition 2 of the annual Traders Permit issued to Ampom's Thai Food on the 5 December 2017. 2. Pursuant to Division 1, clause 6.6, subclause 1 of the Shire of Derby/West Kimberley's Activities on Thoroughfares and Trading in Thoroughfares and Public Places Local Law, that Council issue the approval with the following adjustment to Condition 2: a. No pre-packaged food items are to be sold and sale of drinks is restricted to pre-packaged, canned and bottled drinks only.			Taryn Dyer - Environmental Health Officer (Previous)				
OCM 2018-08-30	A300219	MINUTE NO. 078/2018	That Council BY ABSOLUTE MAJORITY authorises the Shire President and Chief Executive officer to sign and affix the Common Seal to Amendment No.1 to the Lease between the Shire of Derby/West Kimberley and the Fitzroy Valley Rodeo Club Inc.	Draft Lease has been drawn in consultation with DoL. Draft now in form suitable for execution and will be forwarded to Fitzroy Rodeo Club for execution and return.	viz endFeb 2019	Noel Myers - Manager Planning Services/Stephen Gash - CEO	N		N13496	MPS has liaised with FX Area Mgr to obtain a replacement Common Seal so that the Club may execute the lease - anticipate matter to be completed by next reporting period.
OCM 2018-08-30	8005.24	MINUTE NO. 085/2018	That Council delegate authority to the Chief Executive Officer to negotiate and execute a lease with One Tree Community Services under exemption from Section 3.58 of the Local Government Act 1995 by virtue of Section 30 Local Government (Functions and General) Regulations 1996. Such a lease will include the following: (i) Lease term of 5 years with a further term of 5 years at the discretion of Council; (ii) Lessee to pay for all costs associated with preparing the lease; (iii) Rental based on one peppercorn (nominal) per annum; (iv) Other standard terms and conditions of Shire lease agreements.	Council's comments regarding renewal option provided to Mcleods for drafting into lease.	30/11/2018	Ross Sullivan - Manager Community Services	N			Lease is with One Tree for their review and comments Awaiting response from One tree (09/02/2019)
OCM 2018-10-25	4110	MINUTE NO. 099/2018	That Council endorse the Compliance Program attached.			Danielle Hurstfield - Manager Administration and Governance/Stephen Gash - CEO	N			Ongoing - on track for all proposed policies to be adopted 28/2 as planned.
OCM 2018-10-25		MINUTE NO. 103/2018	That Council convey support for the Firefighting resources at Cambalin.			Ross Sullivan - Manager Community Services				
OCM 2018-11-28	2301	MINUTE NO. 111/2018	That Council:- 1. Pursuant to the Part 6 of the Planning and Development Act 2005, initiates a Local Interim Development Order for land within the Shire of Derby/West Kimberley not covered by Town Planning Scheme No 5 and Town Planning Scheme No.7; 2. Refers the Local Interim Development Order to the Western Australian Planning Commission for comment; 3. Advises the Western Australian Planning Commission that the Interim Development Order is required to control ad hoc development outside current planning Scheme areas while a District Wide Local Planning Scheme is implemented. 4. Advertises the Local Interim Development Order for a period of 28 days after making any modifications required by the Western Australian Planning Commission. 5. By ABSOLUTE MAJORITY delegates authority to the Chief Executive Officer to modify the draft provisions of the Interim Development Order based on advice received from the Western Australian Planning Commission. Such delegation is based on any modifications proposed not being assessed by the Chief Executive Officer as being contrary to the intent and purpose of the provisions detailed within the draft document considered by Council.	Ongoing	End March 2019	Noel Myers - Manager Planning	N			Progress of draft LPS has been held over whilst the State progresses the preparation of the Fitzroy River Management Plan and undertakes preparation of Water Allocation Plan linked to State Government election promises surrounding creation of National Parks and water planning to encourage economic development across the FX Valley. MPS is currently working with DPUH to finalise LPS to final draft status before determining the appropriate timing of progressing to advertising having regard to the ongoing work being undertaken by the state in the FX Valley.
OCM 2018-12-10	5480	MINUTE NO. 119/2018	That Council: 1. Accept the intent of the invalid petition received from Kelly Betambeau, and 2. Highlight the support of the wider community in further correspondence to the Commissioner of Main Roads Western Australia (MRWA) in accordance with Council minute no 092/2018			Danielle Hurstfield - Manager Administration and Governance	N			Letter drafted to be reviewed
OCM 2018-12-10	5115	MINUTE NO. 122/2018	That Council advertise notice of intention to dispose of the ex-Curtin Accommodation Block 1 by gifting to the Derby Speedway Club in accordance with Section 3.58 of the Local Government Act 1995.			Ross Sullivan - Manager Community Services	Y			

Last Reviewed - 6 September 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments If Action not completed, report on plan to rectify
OCM 2019-02-28		MINUTE NO. 005/2019	That Council adopt: 1. Reviewed policies AF6 Risk and Opportunity Management AF14 Significant Accounting Policies AF24 Attendance at Conferences, Seminars and Training AF18 Sundry Debtors Collection Policy AF19 Outstanding Rates Collection AF20 Rating Administration Policy AF34 Community Funding Scheme 2. New policies AF41 Fraud, Misconduct Control and Resilience AF43 Portable and Attractive Items 3. Reclad policies C1 Smoking – Workplace/Council Buildings C2 Mobile phones in meetings C3 Local Government Conferences C4 Code of Conduct C8 Electoral advertising C9 Tourism C10 Health and Wellbeing C11 Compliance and Strategic Review Committee AF2 Disposal of lease vehicles AF4 Financial assistance to organisations and clubs AF5 Local History Collections AF9 Sexual harassment AF12 Equal opportunity and diversity AF17 Occupational Health and Safety AF22 Use of Council equipment by community organisations AF25 Report Format – Agendas and Minutes AF26 Submission of Council Contributions			Danielle Hurstfield - Manager Administration and Governance	Y	17/05/2019		Item Finalised
OCM 2019-02-28		MINUTE NO. 006/2019	That the Compliance and Strategic Review Committee adopt: 1. Reviewed policies AF3 Asset Management AF32 Council Light Vehicle Fleet – Staff and Elected Member Usage C5 Council Meetings – Date, Time and Venue C6 Use of Council Chambers C7 Presentations on Completion of Service H2 Traders and Stallholders Permits W1 Crossovers 2. New policies AF44 Local Publication AF45 Transaction Cards 3. That the adopted policies be presented to Council for adoption			Danielle Hurstfield - Manager Administration and Governance	N			Website Updated
OCM 2019-02-28		MINUTE NO. 007/2019	That Council receive policy TP1 Caretakers and Drivers Accommodation in Industrial Areas and approve advertising for 28 days. Reason for Amendment: A Statutory Planning Policy requires advertising to comply provision of Town Planning Scheme No. 5 in response to the preparation and adoption of a policy.			Noel Myers - Manager Planning				
OCM 2019-02-28		MINUTE NO. 008/2019	That Council adopt the Code of Conduct, Statement of Business Ethics and Governance Manual.			Danielle Hurstfield - Manager Administration and Governance	N			All staff trained at monthly meetings June/July 2019. Council training to be confirmed.
OCM 2019-02-28		MINUTE NO. 009/2019	That Council, BY AN ABSOLUTE MAJORITY: 1. ENDORSES the review of its delegations in accordance with sections 5.46 of the Local Government Act 1995; 2. REPEAL the Register of Delegations of Authority contained in the Shire of Derby/West Kimberley Register of Delegations of Authority dated September 2017 in accordance with section 5.45 of the Local Government Act 1995; and 3. DELEGATE authority to the Chief Executive Officer, the local government functions as listed in the amended Register of Delegations of Authority attached, in accordance with section 5.42 of the Local Government Act 1995, acknowledging the relevant heads of power in addition to the Local Government Act 1995: • Building Act 2011 – section 127 • Bush Fires Act 1954 – section 48 • Cat Act 2011 – section 44 • Dog Act 1976 – section 10AA • Food Act 2008 – section 118 • Public Health Act 2016 – section 21 • Road Traffic (Events on Roads) Regulations 1991.			Danielle Hurstfield - Manager Administration and Governance	N			Delegated authorities available in attain system. Delegations currently subject to review of Financial Management Review
OCM 2019-02-28		MINUTE NO. 012/2019	That Council adopt the revised Policy – AF1 Procurement of Goods and Services, as attached, to comply with the Local Government (Functions and General) Regulations 1996.			Danielle Hurstfield - Manager Administration and Governance	Y	17/05/2019		Available on website - Item Finalised
OCM 2019-02-28		MINUTE NO. 015/2019	That Council advertise notice of intention to dispose of the ex-Curtin Accommodation Block 2 to the Derby Turf Club in accordance with Section 3.58 of the Local Government Act 1995.			Ross Sullivan - Manager Community Services	Y			

Last Reviewed - 6 September 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action/Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	If Action not completed, report on plan to rectify	Comments
OCM 2019-02-28		MINUTE NO. 018/2019	That Council: 1. As pursuant to Section 6.26 2(g) of the Local Government Act, 1995, approve the Rate Exemption Application for A900252, A900572 and A900430. 2. As pursuant to Section 6.12 of the Local Government Act 1995, with effect of \$6,103.00 being rates already paid to the properties for 2018/19 Billing period and refund credits to the company on approval. 3. Foundation Housing are to reapply for the rate exemption on all properties before the end of every financial year to maintain status. If application is not received, full rates will be charged to properties.			Emma Gugel - Finance Officer Myra Henry - Finance Manager					
OCM 2019-03-28	4160	MINUTE NO. 12/19	That Council: 1. Adopt Reviewed Policies: AF7 GPS Fleet Tracking AF21 Fire Control Officers Authorities AF30 Legal Representation Costs Indemnification 2. Rescind TP5 Radio Masts and provide formal notification in accordance with Town Planning Scheme No. 5 3. Note TP7 Minimum Finished Floor Level for New Buildings (other than outbuildings) Fitzroy Crossing and Camballin requires further review and will be presented to the Compliance and Strategic Review Committee at a later date. 4. AF23 Provision of Staff Housing be put on hold until commencement of new CEO to be reviewed with Workforce Plan. 5. Adopt reviewed policy AF33 – Regional Price Preference noting it supports existing practice; and 6. Consult with the community on the definition of 'local business' and that policy AF33 be referred back to the Compliance and Strategic Review Committee after consultation.			Danielle Huxfield - Manager Administration and Governance	N	17/05/2019		Item Finalised	
OCM 2019-03-28	4160	MINUTE NO. 13/19	That Council adopt the draft Customer Service Charter attached.			Danielle Huxfield - Manager Administration and Governance	N		Updated website	Investigation currently underway to provide reporting functions to both Officers and Compliance & Strategic Review Committee. Report structure to be finalised by end August with reporting to CSRC to commence September 2019	
OCM 2019-03-28	5122	MINUTE NO. 14/19	That Council adopts by ABSOLUTE MAJORITY the 2018-2019 budget review, as attached to this report with no budget amendments.			Myra Henry - Manager Finance			N14874 - Emailed to the Department	Item Finalised	
OCM 2019-03-28	6055	MINUTE NO. 15/19	1. That the Council endorses the Draft Minute of Consent Orders and Draft Minute of Consent Determination (dated 5 March 2019) for the Bunuba # 2 Part B Native Title Application; and 2. That Council by Absolute Majority delegates authority to the Chief Executive Officer to authorise Council's Solicitor on the Federal Court Record to execute the Minute Consent Determination as it applied to the Bunuba # 2 Part B Native Title Application on the condition there is no further significant amendments to the document that would adversely impact upon the Shire; and 3. That Council by Absolute Majority delegates authority to the Chief Executive Officer and Shire President to affix the Common Seal of the Shire of DerbyWest Kimberley to the final version of the Bunuba # 2 Part B Native Title Application on the condition that the final version of the document does not include any significant amendment to the draft document dated 5 March 2019 that would adversely impact upon the Shire; and 4. That Council by Absolute Majority delegates authority to the Chief Executive Officer to authorise Council's Solicitor on the Federal Court Record to execute any procedural documents on behalf of the Shire that may be required to assist with the progression of the matter towards the Consent Determination Hearing.			Noel Myers - Manager Planning	N			awaiting further instruction from federal court concerning date of consent determination	
OCM 2019-03-28	6055	MINUTE NO. 16/19	1. That Council endorses the Draft Minute of Consent Orders and Draft Minute of Consent Determination (dated 4 March 2019) for the Mayala # 2 Native Title Application; and 2. That Council By Absolute Majority delegates authority to the Chief Executive Officer and Shire President to execute the final version of the Minute of Consent Orders and Minute of Consent Determination as it applies to the Mayala #2 Native Title Application documents and affix the Common Seal of the Shire of DerbyWest Kimberley to those documents as required on the condition that there is no significant amendment to the document that would adversely impact upon the Shire and further authorises the Chief Executive Officer and the Shire President to execute any procedural documents associated with the progression of the matter towards the Consent Determination Hearing.			Noel Myers - Manager Planning	N			awaiting further instruction from federal court concerning date of consent determination	

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OCM 2019-03-28	0490 - Ports	MINUTE NO. 17/19	That Council: 1. Award tender T11-2018 for Maintenance work at the Derby Wharf as follows: a) Parts A – Handrail replacement and Part B – Shed Repairs to H&M Tracey b) Part C – Fender Replacement on Berth 2 to the Pacific Construction Group and should a contract fail to be signed and executed for this component that the work be retendered. 2. Note the contractual obligations for consideration in the 2019/2020 budget.			Wayne Neale - Director Technical and Development Services	Yes		File 0490 Contract document in safe	Works Finalised	
OCM 2019-03-28	107880	MINUTE NO. 20/19	That council issue and order under section 110 of the Building Act 2011 requiring the building to be vacated and then removed as per section 112 (2) (g) (ii) and (iv) of the Building Act 2011.			Wayne Neale - Director Technical and Development Services					
OCM 2019-03-28		MINUTE NO. 23/19	That Item 18.2 lay on the table pending further consideration and be resubmitted to the next Ordinary Council Meeting on 18 April 2019.			Wayne Neale - Director Technical and Development Services					
OCM 2018-03-28			Gardwa Service Agreement: Council noted the service agreement has been finalised on the existing terms of: - Cash contribution of \$35,000 - 2 houses (with conditions) to the market value of \$30,000 The Chief Executive Office advised this agreement is able to be executed by the Chief Executive Office on the basis of a previous direction of Council.			Wayne Neale - Director Technical and Development Services					
OCM 2019-04-18	4160		That the Compliance and Strategic Review Committee: 1. Adopt Reviewed Policies: AF37 Defence Reservist/Volunteer Emergency Service Leave W3 Underground Public Utilities/Services that Cross Council Controlled Thoroughfares 2. Defer: TP40 Transportable/Relocated Dwellings to the May 2019 Compliance and Strategic Review Committee. W2 Derby Townsite Streetscape until after the adoption of the Community Strategic Plan TP8 Town Centre Development Policy – for inclusion in major review in conjunction with preparation of New Town Planning Scheme. AF35 Establishment of Leases and User Agreements – until after review of existing Leases, MOU's and agreements in May 2019 3. That the recommendations above be presented to Council for adoption. In Favour: Cllr Geoff Haerewa, Paul White, Denise Andrews, Peter Coggins.			Danielle Hurstfield - Manager Administration and Governance	Y	17/05/2019		Item Finalised	
OCM 2019-04-18	5151		That Council BY AN ABSOLUTE MAJORITY: 1. ENDORSES the 2017-18 Annual Financial Report of the Shire of Derby/West Kimberley and the accompanying 2017-18 Audit Report, as attached to this report, and recommends adoption by Council; 2. NOTES the Auditor's Management Report to the Compliance and Strategic Review Committee for the year ended 30 June 2018 supplied by Council's Auditor, Mr Greg Godwin of Moore Stephens (WA) Pty Ltd. 3. If required the Compliance and Strategic Review Committee will prepare and provide a report to the Minister within 3 months addressing any significant matters identified in Auditor's Management Report stating what actions the Shire will take to resolve the significant issues. 4. NOTES the			Myra Henry - Manager Finance	N		N14943 - Emailed to the Department	Report to CSRC for consideration 16/5/2019	
OCM 2019-04-18	4280		That Council, 1. Increase the Presidential allowance for the 2018/2019 financial year from \$40,000 to \$62,727. 2. Determine that the increase in the allowance is to be paid retrospectively to the president from 1st July 2018. 3. Reallocate \$22,727 from account number 410102 Members of Council – core services materials and contracts to account to account number 410107- Presidential allowance.			Acting CEO Myra Henry - Manager Finance		21/05/2019	Synergy record ref: 21,6/2019	Item Finalised	
OCM 2019-04-18	0140		That Council 1. Defer this item until such time as negotiations are completed to the satisfaction of Council.			Acting CEO Danielle Hurstfield - Manager Administration and Governance					

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OCM 2019-04-18	7190		That Council: 1. Supports the Regional Waste Management Plan 2018 – 2023 in line with the Kimberley Regional Group recommendations.			Stuart Martin - Acting Director Technical and Development Services	Y	6/05/2019		Advice of support given to Waste Technical Advisory Group during May meeting
OCM 2019-04-18	A500003		1. That Council by Absolute Majority delegates authority to the Chief Executive Officer to issue Development Approval for the Alterations and Additions to the Bell Gorge Wilderness Camp located on portion of Reserve 40571, Lot 216 Gibb River Road as shown on the application and plans subject to the following conditions: (a) Receipt and confirmation from the Department Fire and Emergency Services that they have endorsed both the Bushfire Management and Bushfire Emergency Plans as they apply to the subject development; (b) All development being consistent with the advice and recommendations of Department of Fire and Emergency Services endorsed Bushfire Management and Bushfire Emergency Plans.			Noel Myers - Manager Planning Services		N		Approval issued post receipt of advices from DFES re suitability of BMP and BEP - approval issued by CEO under delegation from the Council.
OCM 2019-04-18			That Council approves the increase to the Chief Executive Officers contract specifically Item 12 of Schedule 2 to \$12,500 for re-location expenses.			Acting CEO Danielle Huxfield - Manager Administration and Governance	Yes			Completed by Wayne Neate - acting CEO
OCM 2019-05-30			That Council: 1. Supports the proposals included in the rating model as outlined in this report be adopted "in principle" as Council's proposed rating structure for the 2019/2020 financial year, which includes the following proposed rates:- (a) A GRV rate of 13.3772 cents in the dollar for all GRV rated properties; (b) A UV rate of 22.9955 cents in the dollar for all UV rated properties, except those used or coded as used for mining and pastoral purposes; (c) A UV differential rate of 28.4327 cents in the dollar for all those properties predominantly used for mining purposes, or where held as a lease for mining purposes; (d) A UV differential rate of 6.8300 cents in the dollar for all those properties predominantly used for pastoral purposes; (e) A minimum rate of \$1027 for all properties, both GRV valuations and UV valuations. 2. That a provision be included in the budget for the offering of a 2.0% discount on the early payment of rates for the 2019/2020 year. 3. Advise for public comment, the differential rates and the minimum payments stated in 1 above, as per the requirements of section 6.36 of the Local Government Act 1995. 4. If no submissions are received, apply to the Minister for Local Government for approval to impose differential general rates which are more than twice the lowest differential rate, for the 2019/2020 financial year, as per section 6.33(3) of the Local Government Act 1995.			Myra Henry - Manager Finance			N14858 - Application to Minister	Notice of intention advertised Submission received and responded to Application to the Minister completed Resubmission of revised Statement of Objects and Reasons. Waiting on Approval Still to adopt the budget and raise rates
OCM 2019-05-30			That Council: 1. Adopts the following budget amendments by ABSOLUTE MAJORITY: (a) Decrease 920142 - Other Property Cost from \$366,100 to \$346,100; (b) Increase 440112 - Expenses - Strategic Services (Area Promotion) from \$17,000 to \$37,000.			Myra Henry - Manager Finance			NA budget amendment in Synergy	

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OCM 2019-05-30			That Council pursuant to Town Planning Scheme No.5 APPROVES the application for a proposed Change of Use from Office to Art Gallery at Lot 276 (No.28) Lodd Street, Derby in accordance with plans dated 25 February 2019, subject to the following conditions and associated determination advice notes: 1. This approval relates to the Change of Use from Office to Art Gallery as shown on plans dated 25 February 2019. It does not relate to any other development of the site; 2. The parking bays, driveways and access points servicing the development are to be designed and constructed in accordance with Australian Standard for Off-Street Car Parking (AS/NZS2890.6 as amended) and Off-Street Car Parking for People with Disabilities (AS/NZS2890.6 as amended). Such areas are to be constructed, drained and marked prior to the commencement of use and thereafter maintained to the satisfaction of the Director, Technical and Development Services; 3. The vehicle crossover shall be constructed and sealed to Council specifications to connect the site access to the existing road seal and be designed so as to not impact on existing street drainage system and is to grade into the road seal. Such works are to be installed prior to the use and occupation of the approved use; 4. The applicant is responsible for any upgrade or modification to the existing pedestrian access way that may be affected by the installation of the new crossover required by way of Condition 3 above; Determination Advice Notes: - If the development the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of the determination, the approval will lapse and be of no further effect. - Where an approval has so lapsed, no development must be carried out. That Council: 1. Recognises the revised scope of the abatement upgrade; and 2. Approves the release of \$10,000 to the West Kimberley Turf Club from the 2018-19 Community Grants Scheme.			Noel Myers - Manager Planning Services		31/05/2019			DA Notice Complied delivered by hand to applicant 31/05/2019
OCM 2019-05-30			That Council: 1. Recognises the revised scope of the abatement upgrade; and 2. Approves the release of \$10,000 to the West Kimberley Turf Club from the 2018-19 Community Grants Scheme.			Ross Sullivan - Manager Community Services	Y	30/05/2019	Council minutes		
OCM 2019-05-30			That Council: 1. Advise the West Kimberley Turf Club that the accommodation block is available for release to them; 2. Requires prior to the location of buildings on site, all relevant approvals to be obtained. Council Reserves the right to remove those buildings if relevant approvals are not gained.			Ross Sullivan - Manager Community Services	Y	6/06/2019			
OCM 2019-05-30			That Council: 1. Advise the Derby Speedway Club be advised the accommodation block is available for release to them. 2. Requires prior to the location of buildings on site, all relevant approvals to be obtained. Council Reserves the right to remove those buildings if relevant approvals are not gained.			Ross Sullivan - Manager Community Services	Y	6/06/2019			
SCM 2019-06-20											
OCM 2019-06-27			That Council: 1. Endorse the Freedom of Information – Information Statement as attached; 2. Requires the Information Statement be published on the Shire of Derby West Kimberley Website; and 3. Requires the CEO to provide a copy of the amended Information Statement to the Information Commissioner.	Information Commissioner advised 5 July 2019 and published to website		Danielle Hurstfield - Manager of Administration and Governance	Y	5/07/2019	O27034 - Copy of Information Statement		Item Finalised
OCM 2019-06-27			That Council 1. Receives and endorses the resolutions of the Kimberley Zone of WALGA and Kimberley Regional Group as attached in the minutes from the Joint Meeting held 11 June 2019; 2. Notes and endorses: (a) Resources to investigate the regional grant funding for Takeaway Alcohol Management Systems (TAMS); (b) The Position Paper – Cattle on Roads (c) The Communications Plan – Tanami Road (d) Group Governance Manual (e) Regional Business Plan – Status Report			Amanda O'Halloran - Chief Executive Officer					
OCM 2019-06-27			That Council approve the attendance of the Shire President, Deputy Shire President, Chief Executive Officer and Cr Kloss and Cr McCumstie to the 2019 WALGA Convention in Perth and Zone Meeting from 5-9 August 2019.			Amanda O'Halloran - Chief Executive Officer					
OCM 2019-06-27			That Council: 1. Approves the branding presented in the Shire of Derby/West Kimberley 2019 Corporate Style Guide. 2. Authorises the implementation of branding across all forms of communication. 3. Include an Acknowledgement of Country on branding.	13 August 2019. Morning tea planned to launch brand with staff internally. Will take place at the Derby Depot and FX Office. Will introduce all new templates and branding.	13-Aug-19	Carlie McCulloch - Executive Services Coordinator	N				22/06/2019 to be completed by 4th September 2019

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OCM 2019-06-27			That Council 1. Commits to the inclusion of \$96,077 in the 2019/20 Annual Budget for additional resourcing to support the appointment of the Executive Services Coordinator. 2. Approves the commencement of expenditure from the 1 July 2019, given the Council will not finalise the 2019/20 Annual Budget until August 2019.			Amanda O'Halloran - Chief Executive Officer				Item Finalised
OCM 2019-06-27			That Council BY AN ABSOLUTE MAJORITY: 1. APPROVES Cr Peter McCormick's attendance at the Council Meeting held 25 July 2019 via telephone or instantaneous communications in accordance with regulation 14A(1) of the Local Government (administration) Regulations 1996; 2. APPROVES Perth, Western Australia, as a suitable place for Councilor attendance in accordance with regulation 14A(4) of the Local Government (Administration) Regulations 1996.			Amanda O'Halloran - Chief Executive Officer				Item Finalised
OCM 2019-06-27			That Council by absolute majority 1. Approves the assigning Lot 226, Reserve 35 129 Crown Land lease (Derby 4 Kids Inc.) to the Kimberley Enduro Club Inc. 2. Approves the CEO to negotiate further lease period using the Shire's Solicitors Lease Template as the base document. In Association with Minute no 156/2013 3. That the Shire's Solicitors approve the lease prior to the lease being submitted for execution. 4. Delegates to Shire President and CEO to be the signatories on the signing and sealing of the final lease document subject to confirmation of the correct entities. Reason for change: to provide clarification on signed body.			Robert Verboon - Manager Recreation and Aquatic				
OCM 2019-06-27			That Council: 1. Nominate Shire President Geoff Haemwa and Deputy Shire President as the Voting Delegates on behalf of the Shire of Derby/West Kimberley for the WALGA 2019 Annual General Meeting to be held on Wednesday 7 August 2019. 2. Nominate Cr McCormick and Cr Kloss as Proxy Voting Delegates.			Danielle Hurstfield - Manager of Administration and Governance	Y	3/07/2019	O27025 - Voting Delegate Information	Item Finalised
OCM 2019-06-27			That Council: 1. Adopts the attached Policy - Public Statements by Councillors and Chief Executive Officer.			Danielle Hurstfield - Manager of Administration and Governance				
OCM 2019-06-27			That Council receives the report on the outcomes of the Annual Electors Meeting held on 30 May 2019 and notes the minutes of that meeting.			Danielle Hurstfield - Manager of Administration and Governance	Y	27/06/2019		Minutes published on website - Item Finalised
OCM 2019-06-27			That the Council endorses the following for the upgrading of the Fitzroy Crossing Airport fencing: 1. The acceptance of the grant from the Commonwealth Department of Industry, Innovation and Science for \$175,000. Council will receive \$140,000 in the 18/19 financial year and \$35,000 in the 19/20 financial year. 2. The acceptance of the grant from the State Department of Transport for \$195,325. Council will receive all of these funds in the financial year 2020/21 unless timing of the grant is brought forward. 3. The sum of \$240,250 be allowed for in the 2019/20 budget with \$195,325 of this amount being refunded as per point 2 of this recommendation.			Wayne Neale - Director Technical and Development Services				In Negotiation with the state Government regarding their portion of the Funding. Meeting on the 21st Aug with Minister Sifioti gave indication that the State would approve \$175,000 which is approximately \$20,000 less than initially proposed.

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OCM 2019-06-27			That Council pursuant to Town Planning Scheme No.5 APPROVES the application for a proposed Caretakers Dwelling on a portion of Reserve No. 35129 Lot 226 Worsley Road, Derby subject to the following conditions and associated determination advice notes: (i) This approval relates to the Caretakers Accommodation dwelling as shown on plans dated 31/05/2019. It does not relate to any other development on the site; (ii) The use and occupation of the dwelling is strictly limited to persons directly associated with and responsible for the caretaking and maintenance of the Derby Motors facility. Determination Advice Notes: • If the development the subject of this approval is not substantially commenced within a period of 2 years, or another period specified in the approval after the date of the determination, the approval will lapse and be of no further effect; • Where an approval has lapsed, no development must be carried out without further approval of the local government having first being sought and obtained; • If an applicant or owner is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the Planning and Development Act 2005 Part 14. An application must be made within 28 days of the determination.			Noel Myers - Manager Planning				DA issued to applicant post OCM
OCM 2019-06-27			That Council commit to include \$5,000 in the 2019-20 budget for financial support of the 2019 Kimberley Economic Forum held in Derby and hosted by the Derby Chamber of Commerce.			Ross Sullivan - Manager Community Services	N			Included in budget but not yet adopted
OCM 2019-06-27			That Council: 1. Agree to a one year (12 Month) extension of the Memorandum of Understanding for investigations to occur at the Derby Airport and Derby Wharf with the Derby Infrastructure Joint Venture participants WGPL Property No.3 Pty Ltd and ACE Infrastructure SPV Pty Ltd 2. Authorise the Chief Executive Officer and Shire President to sign and execute the deed of extension by affixing the common seal of the Shire of Derby/West Kimberley.			Wayne Neale - Director Technical and Development Services				22/08/2019 Legal Process is proceeding
SCM 2019-07-05			That Council: 1. Acknowledge and note the submissions received as per ATTACHMENT; 2. Adopt the following advertised 2019/20 Differential Rates for consideration for 2019/20 Budget: GRV General Rate 13.3772 UV General Rate 22.9955 UV Mining 28.4327 UV Pastoral 6.8300 General Minimum Rate for both GRV and UV of \$1027 3. Request the Chief Executive Officer seek Ministerial approval to impose differential general rates which are more than twice the lowest differential rate for the 2019/20 financial year, in accordance with Section 6.33(3) of the Local Government Act 1995.			Amanda O'Halloran - Chief Executive Officer				22/08/2019 - The application is continuing, with a number of queries being asked by the department. The Shire President and CEO have discussed the issue with the Minister and highlighted the importance of the approval proceeding in a timely manner. The Finance Manager is confident the approval will be received prior to the OCM on the 29 August 2019.
OCM 2019-07-25			That Council commits to the inclusion and immediate expenditure of \$17,870.00 in the 2019/20 Annual Budget to undertake the restructure to the final chart of accounts.	Purchase order completed and sent on the 26/07/2019		Amanda O'Halloran - Chief Executive Officer				22/08/2019 Project is underway and due for completion in 8 weeks - anticipating delivery by 30 September 2019
OCM 2019-07-25			That Council adopts the attached Policies 1. Public Art 2. Memorials in Public Parks and Reserves			Ross Sullivan - Manager Community Services	N			20/08/2019 Engaged McLeods Lawyers to assist development of agreement for artists.
OCM 2019-07-25			That Council by ABSOLUTE MAJORITY 1. Approves the Derby Boxing Club User Agreement as attached for the two (2) year use of the Derby Recreation Centre Squash courts. 2. Approves the assigned Fees and Bonds identified in the Derby Boxing Clubs Recreational Centre User Agreement as follows: • User Agreement Fee \$1815.00 per annum inclusive of 30% indoor utility fee • Facility \$1,000.00 • Key Bond \$100.00 per key			Robert Verboon - Manager Recreation and Aquatic				20/08/2019 User Agreement and Council Resolution is currently with the Derby Boxing Club 09/08/2019 awaiting to hear back for signing and exchange of keys
OCM 2019-07-25			That Council by ABSOLUTE MAJORITY 1. Agree to a 50% reduction in the Lease payments to the 30th June 2020 with a further review in June 2020 prior to an extension of this arrangement. 2. Agree with Air-Port that should there be changes in usage at the Derby Airport which result in an increase of fuel sales by Air-Port that a review of the lease fees be undertaken. 3. Authorise the Chief Executive Officer to sign the agreement with Air-Port in relation to the modified lease payments.			Wayne Neale - Director Technical and Development Services				20/08/2019 BP has been informed and legal process is underway.

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OCM 2019-08-29			That Council: 1. Adopt the Elections – Caretaker Policy attached. (This item lay on the table until Oct OCM) That Council: 1. Municipal Fund Budget for 2019/20 as per Attachment 2 Adopts, pursuant to the provisions of section 6.2 of the Local Government Act 1995 and part 3 of the Local Government (Financial Management) Regulations 1996, the Municipal Fund Budget for the Shire of Derby West Kimberley for the 2019/20 financial year, as contained in Attachment 1, which includes the following: • Statement of Comprehensive Income by Nature or Type showing a net result for the year of \$4,889,279 (Page 2); • Statement of Comprehensive Income by Program showing a net result for the year of \$4,889,279 (Page 4); • Statement of Cash Flows showing cash at the end of the year of \$1,921,068 (Page 6); • Rate Setting Statement showing the amount required to be raised from rates of \$7,285,776 (Page 7); • Notes to and Forming Part of the Budget (Pages 8 to 25); • Transfers from Reserve Accounts \$20,000 (Pages 19); • Transfer to Reserves \$288,465 (Pages 19); and • Capital Expenditure and New Initiatives - \$5,482,735 (Pages 14) ABSOLUTE MAJORITY REQUIRED 2. General and Minimum Rates. Instalment Payment Arrangements: a) For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part 1 above, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995, imposes the following differential general rates and minimum payments on Gross Rental and Unimproved Values. 1.1 Differential Rates GRV General 13.372 cents in the dollar LIV General 22.9955 cents in the dollar			Danielle Hurstfield - Manager of Administration and Governance				
OCM 2019-08-29			That the Compliance and Strategic Review Committee recommend Council 1. endorse the report by Management on the matters identified as significant by Moore Stephens Auditors Report for 2017-2018; and 2. that it is forwarded to the Department of Local Government, Sport and Cultural Industries and published on the Shires Website as required by section 7.12A duties of Local government with respect to audits.			Myra Henry - Manager Finance				
OCM 2019-08-29			1. Approve the installation of the "No Parking" signage at Derby Hospital, with the costs of the signs being recouped from the Western Australian Country Health Service being Derby Hospital and the cost of installation the responsibility of the Shire of Derby West Kimberley. 2. Approve the installation of bollards to the heritage sign outside of the Mary Island Fishing Club and Elder Street. 3. Approve the installation of bollards to protect the footpath outside of Sampey Meats to the corner of Neville and Rowan Street. AMENDMENT RESOLUTION 90/19 Amend Point 2 – Subject to no issue with the Heritage Trail Plan, that the Heritage Sign outside of the Mary Island Fishing Club be moved to the intersection of the Old Jetty Road and Elders Street.			Wayne Neale - Director Technical and Development Services				
OCM 2019-08-29			That Council 1. Receives and endorses the resolutions of the Kimberley Zone of WALGA and Kimberley Regional Group as attached in the minutes from the Joint Meeting held 6 August 2019; 2. Notes and endorses: (a) Business Plan Status Report (b) Executive Support Report 1 May 2019 to 30 June 2019 (c) Annual Performance Report 2019 (d) Financial Activity Report for the period ended 30 June 2019 (e) Alcohol Management Report July 2019 (f) Disaster Relief Funding Arrangements (g) Outcomes from the Joint Pilbara Kimberley Forum			Amanda O'Halloran - Chief Executive Officer				

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OCM 2019-08-29			That Council approve the CEO to install Shade Sails, Pool and associated fencing at her own cost, provided all improvements are subject to the necessary building licensing and approval processes and the following conditions are met 1. All costs associated with the installation of the Shade sails, pool, associated fencing and landscaping are in the first instance paid by the CEO 2. All establishment and ongoing running costs associated with the shade sails, pool, fencing and landscaping including the replacement of equipment be the responsibility of the CEO during their tenure. 3. Council and the CEO to discuss at the end of the CEO's tenure the decision to either purchase the shade sails, pool, associated fencing at an agreed value, if no agreement is entered into the responsibility is on the CEO to remove all structures and remediate the property to the original occupancy state.			Amanda O'Halloran - Chief Executive Officer					
OCM 2019-08-29			That Council 1. Approve the relocation of the Council Chamber to the Derby Public Library. 2. Approve expenditure of up to \$5,000 for minor amendments to the Derby Public Library to accommodate the Council Chamber. 3. Advise the amendment to meeting location on 31 October 2019 and 12 December 2019. 4. Advise an amendment to the opening days of the Derby Public Library to advise it is closed to the public on Thursday instead of Wednesday.			Danielle Hurstfield - Manager Administration and Governance					
OCM 2019-08-29			That Council 1. That Council adopts the revised 2019-20 Statement of Objects and Reasons for Levying Differential Rates, as presented.			Myra Henry - Manager Finance					
OCM 2019-08-29			That Council 1. Endorse the proposed Christmas closure from Saturday 21 December 2019 to Sunday 5 January 2020 as outlined in Table 1 of this report. 2. Notes the Derby and Fitzroy Crossing waste management sites are closed and no kerbside collection will occur on the Christmas Day public holiday. 3. Acknowledges that employees will utilise annual or accrued leave for the above periods which are not public holidays; and 4. Notes the above closures are subject to a contingency plan outlining staff required to ensure essential services continue to be provided to the public.			Danielle Hurstfield - Manager Administration and Governance					
OCM 2019-08-29			That Council 1. Amend the date of the Ordinary Meeting of Council from Thursday 26 September 2019 to Wednesday 25 September 2019. 2. Give local public notice of the amendment of meeting date and venue.			Danielle Hurstfield - Manager Administration and Governance					
OCM 2019-08-29			That the application made by Ms Amanda O'Halloran for an exemption to have more than the prescribed number of dogs on the premises known as Lot 1305 (84) Woollybutt Corner, Derby be APPROVED subject to the following conditions: 1. The approval be limited to a maximum of three dogs on the premises; and 2. The approval be instantly be revoked should one or more of the dogs currently owned by the applicant is permanently removed from the premises.			John Carey - Senior Ranger					
OCM 2019-08-29			That Council approve the use of the Community Room at the Derby Recreation Centre for the use of Group Fitness Classes (Pump, Cycle and Functional Circuit training) by Sara Hennessy at \$15.00 per hour for the following times Monday 5.00pm – 6.00pm Tuesday 4.30pm – 5.30pm Wednesday 5.00pm – 6.00pm Friday 5.00am – 6.00am Saturday 7.30am – 9.30am (prior to Merle's Plates) Sara Hennessy will be responsible for her own insurance and/or any other extra costs associated with the running of the fitness classes. Arrangement to be reviewed and a user agreement considered prior to the commencement of January 2020.			Madison Church - Snr Aquatic and Recreation Officer					

Last Reviewed - 6 September 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments If Action not completed, report on plan to rectify
OCM 2019-08-29			That Council BY ABSOLUTE MAJORITY authorises the Shire President and Chief Executive officer to sign and affix the Common Seal to Deed of Variation and Extension between the Shire and Spring High Pty Ltd to November 2019.			Ross Sullivan - Manager Community Services				
OCM 2019-08-29			That Council: 1. Approves the write off of outstanding water charges to the Derby Speedway Club to the sum of \$30,750.50. 2. Note that the Derby Speedway Club are currently responsible for the current outstanding debt of \$8,305.65 after the debt write off and all water charges moving forward.			Wayne Neale - Director Technical and Development Services				

6.3 COMPLIANCE REGISTER**File Number:** 4110 - Internal Audit**Author:** Danielle Hurstfield, Manager Administration and Governance**Responsible Officer:** Amanda O'Halloran, Chief Executive Officer**Authority/Discretion:** Information**SUMMARY**

For the Committee to receive the information provided in the attached compliance register.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

The Committee will ensure compliance in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems to meet statutory requirements.

STATUTORY ENVIRONMENT:

Local Government Act 1995

Occupational Safety and Health Act 1984

Manual of Standards Part 139 – Aerodromes

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Severe	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION

Internal consultation has been undertaken with relevant areas to collate information.

COMMENT

Progress towards addressing outstanding issues has been significant. To date 9 out of 14 items at the port have been completed, all 15 items across the Shires 3 airports and 1 item also completed at the Derby Sportsmen's Club.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. Compliance and Strategic Status Report  

RECOMMENDATION

That the Compliance and Strategic Review Committee **RECEIVES** the information contained in the Compliance register.

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
9010.12	Derby Port	Worksafe 48000254	RCD's need to be tested and certificate of testing supplied	Completed	Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000255	Gaps in railing to be replaced and further railing to be installed to both sides of public areas	This will be a tender	Wayne Neate				In progress
9010.12	Derby Port	Worksafe 48000256	Conduct a risk assessment in relation to traffic movements through public areas so risk may be reduced of vehicle vs public incidents	Traffic management plan being discussed with a risk assessment as part of this process	Paul Glennon				
9010.12	Derby Port	Worksafe 48000257	Undertake a risk assessment of fuel bunkering on wharf potentially adopt a procedure		Paul Glennon				
9010.12	Derby Port	Worksafe 48000258	Conduct an inspection for asbestos within the wharf buildings and label and note appropriately any damaged/hazardous sheets to be removed	Complete	Nick Harrington	Yes	20/09/2018	Yes	
9010.12	Derby Port	Worksafe 48000259	Hazardous materials not to be stored in same fridge as employees food. Provide adequate storage	Removal of fridges where items stored with Food	Paul Glennon	Yes	27/02/2019	Yes	DWA removed fridges Shire will remove old coke fridge. New fridge supplied for staff
9010.12	Derby Port	Worksafe 48000260	Ensure sanitary facilities and shower are clean and safe to use	Old facilities need to be boarded up if not in use	Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000261	Conduct a risk assessment for each hazard on the Water tank, Correctly Label water tank		Paul Glennon	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000262	Develop man overboard procedure incase someone falls off wharf	Have a look at Broome Port or Wyndham Ports procedure	Wayne Neate				
9010.12	Derby Port	Worksafe 48000263	Portable Fire extinguisher to be installed as per AS2444 and training to be provided regarding use of fire extinguishers	Contact fire service providers	Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000264	Provide and Maintain a first aid kit appropriate to the activities being carried out on the wharf	Kit purchased in the process of being installed.	Paul Glennon	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000265	Old BARC facilities are in need of repair potentially hazardous	Old facilities need to be boarded up if not in use	Nick Harrington	Yes	1/12/2018	Yes	
9010.12	Derby Port	Worksafe 48000266	Vermin faecal matter throughout old BARC area	Old facilities need to be boarded up if not in use, Regular baiting required	Nick Harrington	Yes	10/01/2019	Yes	Worksafe notified on the 18/02/2019
9010.12	Derby Port	Worksafe 48000267	Old Tram rails present trip hazard in various areas need to be rectified		Paul Glennon				
9020.2	Derby Airport	CASA NCN 717001	Issues with physical characteristics of the Airport - Markers, lights, line marking etc and overall Airport Management. Current ARO's not performing duties correctly and lack of management control by the Shire	A lot of the Physical elements have been completed. Manual has been reviewed with several changes made to reporting procedure. Several new ARO's now trained and roster of duties allowing several eyes to look over Airport. Previous ARO still requires coaching to remove prior habits	Wayne Neate	Yes	7/12/2018	Yes	

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
9020.2	Derby Airport	CASA NCN 717005	Line marking and hold line points on the apron were incorrect	Inspection schedule on ATI included to allow for greater technical advice which would allow these issues to be picked up. Change to the aerodrome Manual has occurred	Wayne Neate	Yes	28/02/2019	Yes	
9020.2	Derby Airport	CASA NCN 717006	Not correct Markers along strip	New markers purchased and in place apart from runway 29 end	Wayne Neate	Yes	10/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717007	Not correct Markers along strip, procedure breakdown	New ARO's and new forms will hopefully solve this matter	Wayne Neate	Yes	10/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717008	Faded Line Markings on runway 11/29	Shire has purchased Line marker and undertaken work, New ARO's and procedural change has occurred to prevent this from occurring in the future	Wayne Neate	Yes	11/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717010	Earthing points to be removed	Will be removed	Wayne Neate	Yes	11/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717011	Manual to Include correct drawing numbers and appropriate drawings	Manual reviewed and changed to reflect correct drawing numbers. Drawings have now been updated	Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717014	Manual needs to be amended to outline procedures in a more clear and methodical manner with provision to allow cross check or document record		Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717015	ERSA needs to be amended		Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717016	Servicability Inspections and ATI reports need to be updated	As part of the review of the Manual both these sections have been reviewed	Wayne Neate	Yes	12/12/2018	Yes	
9030.2	Fitzroy Crossing Airport	CASA NCN 717064	Full review of the FX Aerodrome Manual including Servicability Inspections and ATI reports need to be updated	Manual needs to be reviewed as a severe lack of reporting by ARO's to management and lack of following procedure at both airports.	Wayne Neate	Yes	11/06/2019	Yes	
9030.2	Fitzroy Crossing Airport	CASA NCN 716886	Faded Line Markings on runway	Shire has purchased Line marker and undertaken work, New ARO's and procedural change has occurred to prevent this from occurring in the future	Wayne Neate	Yes	11/06/2019	Yes	
9030.2	Fitzroy Crossing Airport	CASA NCN 716937	Reporting on Wildlife as per procedure not being followed and BAS yet to supply certification of fuel bowser/storage	Manual and Wildlife management plan need to be reviewed as a severe lack of reporting by ARO's to management and lack of following procedure at both airports. Airport Manager following up BAS.	Wayne Neate	Yes	11/06/2019	Yes	
9030.2	Fitzroy Crossing Airport	CASA NCN 716887	Issues with physical characteristics of the Airport - Markers, lights, line marking etc and overall Airport Management. Current ARO's not performing duties correctly and lack of management control by the Shire	Manual in the process of being reviewed with several changes being made to reporting procedure. Previous ARO still requires coaching to remove prior habits	Wayne Neate	Yes	11/06/2019	Yes	
	Derby RADS Grant	Derby Airport	Acquital of RADS grant for lighting upgrade at Derby Airport	Acquital of grant to occur	Wayne Neate	Yes	30/10/2018	Yes	
8005.3	Derby Sportsmens Club	Worksafe 90011925	Ensure that identification and assessment of asbestos containing materials is carried out by a competent person in accordance with the code of practice		Wayne Neate	Yes	24/01/2019	Yes	

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Inability to reconcile the year end position. Council has engaged the external assistance of Moore Stephens to achieve an up-to-date an accurate Long Term Financial Management Plan and Asset Management Plan in conjunction with Council	LTFP & AMP work shop with Council in Derby to be completed by 30 August 2019	Amanda O'Halloran	Yes			
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Year End Audit Readiness and Efficiency.	Moore Stephens to undertake a Financial Management Review by September 30, 2019	Amanda O'Halloran	Yes	06/09/2019		Incorporated into Reg 17 report to September CSRC
			The Shire has engaged Moore Stephens to undertake an independent compliance check, by undertaking a Financial Management Review, to be undertaken over the next quarter. The Shire is working to increase the resourcing of the finance Team and improve long term retention issues. This week The CEO has engaged the services of 3 extra experienced staff to undertake, a audit readiness, reconciling review and improve financial management practices across the Shire.	Senior Finance Officer employed through HAYS for 4 months to support Audit Readiness, Senior Finance Officer employed locally and previous experienced Staff member contracted back locally to help meet immediate concerns.	Amanda O'Halloran	Yes	06/09/2019		2 x Staff to start on the 8 July 2019 and Senior Finance Officer to commence on the 9 September 2019
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Operating Ratio below the industry bench mark;	The Shires Operating Ratio has been impacted by the significant project works associated with WANDRRA, These works are due to be finalised during the 2019/20 Financial Year and this should improve these ratios. Support to decrease operational expenditure is being provided by Moore Stephens. Council is committed to reviewing service levels and operational capability and making the changes where necessary. This work will be ongoing thorough out the financial year. To be completed by June 2020	Amanda O'Halloran	No			

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Non Compliance Issues						
			Lateness of the Audit Report	Council notes that in both these instances the Shire was non compliant and as mentioned above is working to ensure that these issues do not occur again. Compliance has a new priority within the Organisation, and a complete review of all finance related internal controls is being implemented, the Shire is working with our Neighbouring Shire of Broome and Wyndham East Kimberley to share resources and seek mentoring and training opportunities.	Amanda O'Halloran				
			Journal entries posted without being reviewed	Internal controls have been implemented to ensure that all Journals are reviewed by Senior Staff. A full review of all Finance Internal Controls is being undertaken and it is proposed that any improvements that may be identified are implemented by 30 September 2019.	Amanda O'Halloran				
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Management Report Issues						
			Year End Efficiency and Readiness;	Due to Staff issues and identified serious misconduct (unauthorised deleting of accounting data) above event, the Shire was seriously underprepared and had to rework many of the year end requirements to provide data for the Audit to proceed – This matter is resolved and the Shire is working to increase resources to rectify this matter immediately. The Shire is actively recruiting, has engaged Moore Stephens, and 2 x New Staff to help improve Financial operations. To be completed by 30 September 2019	Amanda O'Halloran	Yes	30/08/2019		2 x Staff to start on the 8 July 2019 and Senior Finance Officer to commence on the 9 September 2019
			Asset Management Plan and Long Term Financial Management Plan not up to date;	Moore Stephens was engaged in February 2019 to undertake these reviews, they have been delayed to date due to resourcing issues and issues finalising the 2018/19 year end etc... Elected Member workshops and Management Review have been booked to occur in Derby during July, to have these reports finalised to influence the budget, long term Strategic planning and investment strategies. Elected Member Workshop and Management Review 18/19 July 2019. To be finalised by 30 August 2019	Amanda O'Halloran	Yes	30/08/2019		Ongoing. Item to CSRC and OCM September 2019
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Credit Card Agreement form left unsigned;	This matter is being reviewed and will be rectified by 30 July 2019.	Amanda O'Halloran	Yes	30/07/2019		

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Lateness of the submission of the Annual Budget and Budget Review to the Department;	The Shire and Council are committed to working with the Auditor General Auditors this financial year to ensure that these incidents do not occur again into the future. An internal reporting time line has been implemented outlining key governance requirements and reporting readlines. Extra resource has been recruited to support the internal operations of finance. To be completed by 30 June 2020	Amanda O'Halloran	No			
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	No review of the Strategic Community Plan and Corporate Business Plan as required;	Council has not attended to these reviews to date, it appears this has occurred due to the resignation of the CEO (12 months' notice was given), and the lack of financial and human resourcing to undertake the reviews. The Corporate Business Plan is currently being reviewed with the support of Moore Stephens prior to the adoption of the Annual Budget to ensure ongoing compliance. Corporate Business Plan Review to be completed by 30 August 2019 The Strategic Community Plan will be reviewed over the next 12 months in conjunction with Elected Members and the Community. Strategic Community Plan to be reviewed and completed by June 30 2020.	Amanda O'Halloran	Yes No			Presenting at September 2019 CSRC and OCM To be completed by 30 June 2020.
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	2018/19 Budget Review Proposed unlawful transfers to reserves Concerns over Budget examination prior to adoption	The current Shire Administration does not intend to undertake any unlawful actions in relation to the Budget Review. The Shire has engaged Moore Stephens Senior Consultants to support and mentor our Finance Manager in regards to what is appropriate actions and to ensure the finalisation of the financials is lawful. The Shire will definitely present the Budget Review in a timelier manner going forward and will ensure compliance at this level. To be completed December 2019 In regards to the Financial Management Comments, due to the changes in senior staff from the CEO to Senior Finance Staff, we are unable to comment at this time. As discussed previously the NEW Shire Administration Team is and will continue to remain committed to providing Elected Members with timely, accurate reports, providing them with the appropriate tools to make informed decisions.	Amanda O'Halloran Amanda O'Halloran	No Yes	 31/08/2019		Ongoing – mentoring and oversight to be provided through Moore Stephens, Office of the CEO and during the undertaking of the Financial Management Review.

Compliance Status Report

Last Reviewed
- 31 August
2019

File No	Subject/Facility	Reference No	Issue	Comment	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Discrepancy regarding closing and opening balance	Response supplied to department by email on the 3 May 2019 - The Shire prepared and adopted the Budget Review, prior to finalised Audited Annual Financial Statements being available. The figure used in the Budget Review was an estimate. The 17/18 financials were being audited at the same time, and during this time there was some issues with how a number of end of year journals were treated. On advice from the auditors, journals were reversed which had the identified impact on final figures. Due to Staff leave Journals not available at this time, to validate response – aim to provide to Department by 19 July 2019	Amanda O'Halloran	Yes	19/07/2019		
4110	Audit 17/18	Significant Matters - 2017/18 Audit Report	Compliance Audit Return Non compliance with statutory requirements:- The Shires Strategic Community Plan has not been reviewed every 4 years as required The Shires Corporate Business Plan has not been reviewed annually as is required.	Due to the significant staff changes at the Shire over the last 3-6 months, it is difficult to understand fully why the Strategic Community Plan has not undergone review, Council and the Shire Administration are committed to 30 June 2020. Due to the significant staff changes at the Shire over the last 3-6 months, it is difficult to understand fully why the Corporate Business Plan has not undergone review – other than significant resourcing limitation. However a review is currently underway to ensure that the Corporate Business Plan is reviewed Prior to the adoption of the 2019/20 Annual Budget. To be completed 30 August 2019.	Amanda O'Halloran Amanda O'Halloran	No Yes	 30/08/2019		To be completed by 30 June 2020. Presenting at September 2019 CSRC and OCM

6.4 ENDORSEMENT OF UPDATES CORPORATE BUSINESS PLAN AND STRATEGIC RESOURCE PLAN

File Number: 4180

Author: Amanda O'Halloran, Chief Executive Officer

Responsible Officer: Amanda O'Halloran, Chief Executive Officer

Authority/Discretion: Legislative

SUMMARY

The Shire of Derby/West Kimberley Corporate Business Plan 2019 - 2023 (CBP) and Strategic Resource Plan 2019/20 – 2033/34 (SRP) have been reviewed as per Statutory Requirements. As the Shire intends to undertake a significant review of its Strategic Community Plan 2012 -2021 over the next 12 months, a minor desk top review of the CBP and SRP were therefore undertaken to ensure ongoing relevance and ensure that the plans continue to give appropriate operational guidance.

The documents are presented for the Committees endorsement and acceptance.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

The Corporate Business Plan is an internal business planning tool that translates the Council's priorities from the Strategic Community Plan 2012- 2021 into operations within the resources available.

The Strategic Community Plan establishes key result areas, objectives, strategies to achieve them and measurable performance indicators to enable Council and the Community to review progress.

The Corporate Business Plan will continue to see a range of more detailed planning activities taking place through the corporate planning process. These establish the detailed plans and the performance benchmarks that must be achieved for the community and for an efficient and effective local government. Each year's revision of the Corporate Business Plan will contain enhancements relevant to the Shire of Derby/West Kimberley's (the Shire) position at that time.

The Corporate Business Plan is designed to meet the requirements of the State Government's local government reform program, the Department of Local Government framework and guidelines, *Local Government Act 1995* section 5.56 and the *Local Government (Administration) Regulations 1996* regulation 19DA. Specifically it assists in guiding the delivery of community aspirations from the Strategic Community Plan and the integration of resources including asset management, workforce planning and long term financial planning.

The Shire is planning to undertake a major review of the Community Strategic Plan over the next 12 months and this will have considerable impact and likely require a full rewrite of the CBP and associated documents such as the Asset Management Plan (AMP) and SRP. Therefore only a minor desktop review has been undertaken to ensure relevance and appropriate operational guidance is maintained.

STATUTORY ENVIRONMENT

Section 5.56 of the *Local Government Act 1995*, requires WA Local Governments to produce a ‘**Plan for the Future**’ of the district.

The Local Government (Administration) Regulations 1996, state that a “Strategic Community Plan and Corporate Business Plan, together form a ‘Plan for the Future’ of a district”.

Local Government (Administration) Regulations 1996:

19DA. Corporate Business Plans, requirements for (Acts. 5.56)

- (1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) A corporate business plan for a district is to —*
 - (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government’s priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) govern a local government’s internal business planning by expressing a local government’s priorities by reference to operations that are within the capacity of the local government’s resources; and*
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long term financial planning.*
- (4) A local government is to review the current corporate business plan for its district every year.*
- (5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local governments strategic community plan*
- (6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute Majority required.*
- (7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The Corporate Business Plan has been assessed to gauge estimated additional costs which have been included in the City’s Long Term Financial Plan (LTFP). The LTFP is integrated with other strategic plans including Asset Management Plans and allows the City to assess not only its ability to fund the Corporate Business Plan but also ensure the City’s financial sustainability. The LTFP is

based on the Shire's current operational budgets and is underpinned by a number of key assumptions. These are listed in Appendix (1) and are determined through a combination of external source (e.g. Australian Bureau of Statistics) and historical trend data. The Long Term Financial Plan currently covers the 10 year period 2019/20 - and will be updated on an annual basis to be used in the development of annual budgets.

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
Goal 4: Good Governance and an effective Organisation <i>Leadership that provides strategic direction for the community, supported by efficient and effective service delivery.</i>	4.1: Effective governance and leadership	4.1.4: Ensure governance policies and procedures are in accordance with legislative requirements.
	4.4: Financial sustainability and accountability for performance	4.4.1: Develop, implement and maintain strategic, corporate and workforce plans.
		4.4.2: Develop, implement and maintain long term financial plans

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: Statutory Requirement to adopt the Corporate Business Plan and the Strategic Resourcing Plan.	Possible	Minor	Low	The Shire Administration and Moore Stephens in preparing the documents have ensured that thorough research and testing has been undertaken
Financial: Consequences if the details in the document are incorrect	Possible	Moderate	Low	The Shire Administration and Moore Stephens in preparing the documents have ensured that thorough research and testing has been undertaken

CONSULTATION

Shire of Derby/ West Kimberley Management Team
Shire of Derby/ West Kimberley Shire Councillors

It should be noted that given recent resourcing constraints and change of CEO that Council has little hands on input into the desktop review (resulting in changes to layout and simplification of presentation). It is intended that the major review of the Strategic Community Plan and the

resulting updating and review of the CBP and SRP will result in detailed discussion and decision making by council.

COMMENT

The CBP 2019 – 2023 was prepared with the intention of having the document adopted at the same time as Councils 2019/20 Annual Budget. This however did not occur in the main due to some statistical data not being finalised and Council LTFP still requiring some minor amendments. These matters have now been attended to.

The CBP contains two elements that are presented in greater detail than the SCP, those being specific “Actions” and also an important section which contains Council’s planned Capital Works Projects for the next 4 years. Conversely the SCP contains the more “higher level” objectives of Council and does not have details of actual budget estimates.

The SCP is to be reviewed every 4 years, with best practice determining that a desktop review be undertaken at the 2 year mark of the plan. There are formal advertising and consultation requirements for the SCP.

The CBP is required to be reviewed annually and does not have any advertising requirements. The CBP is effectively the intermediary document between the SCP and Council’s annual budget. The document is a very effective tool as it has specific actions contained within, which are logically assigned to individual Council officers. Measurement of the outcomes are relatively straight forward and achievable with the systems that have been put in place. The adoption of the Council’s CBP 2019 – 2023 is a “catch up” bridging the adoption of the Annual Budget 2019/20 in August 2019. The adoption of the CBP achieves compliance with the *Local Government (Administration) Regulations 1996*, and has been influenced by the Department of Local Government’s Framework and Guidelines for Integrated Planning and Reporting – Sept 2016.

There are no new projects or expenditure items listed in the documents and Councillors will note that Capital projects have been kept to a minimum in the 2019/20 figures given the adopted 2019/20 Annual Budget.

VOTING REQUIREMENT

Absolute majority

ATTACHMENTS

1. **Draft Corporate Business Plan 2019-2023**  
2. **Draft Strategic Resourcing Plan 2019/20-2033/34**  

RECOMMENDATION

That the Compliance and Strategic Review Committee recommend Council

1. **Adopt the Corporate Business Plan 2019- 2023 and the Strategic Resourcing Plan 2019/20 – 2033/34 per attachment to this report.**



**Shire of Derby /
West Kimberley**

Draft Corporate Business Plan
2019 - 2023



www.sdwk.wa.gov.au

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*“A friendly and diverse
place with awesome
opportunities”*

Our Vision

Our Aspirations and Values:

- Respectful by being helpful, friendly and supportive;
- Integrity through honesty, accountability and ethical behaviour;
- Leadership by the Shire at the local and regional level and through encouragement of community leaders;
- Knowledgeable by being well informed and accurate in what we do; and
- Building Good Relationships by being communicative, responsive and inclusive.

Integrated Planning and Reporting

All Western Australian local governments are required to prepare a Plan for the Future for their district, comprising of two key strategic documents, a Strategic Community Plan and Corporate Business Plan, which the local government is required to have regard for when forming its annual budget.

This Draft Corporate Business Plan 2019 – 2023, together with the Strategic Community Plan 2012 – 2021, is the Shire of Derby/West Kimberley's Plan for the Future.

Under Local Government (Administration) Regulations 1996 Regulation 19DA (3), a Corporate Business Plan is to:

- a) set out, consistent with any relevant priorities included in the Strategic Community Plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
- b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
- c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

In the preparation of the annual budget the local government is to have regard to the contents of the Plan for the Future in terms of Section 6.2(2) of the *Local Government Act 1995*.

Development of the Plan has also been influenced by the Department of Local Government, Sport and Cultural Industries Framework and Guidelines for Integrated Planning and Reporting.

Strategic Community Plan

The Strategic Community Plan is Council's principal 10-year strategy and planning tool, guiding the remainder of the Shire's strategic planning. Community engagement is central to the Strategic Community Plan.

The Shire of Derby/West Kimberley community had a strong involvement and voice in the development of the Strategic Community Plan. The community were invited to share their vision, aspirations and objectives for the future of the Shire of Derby/West Kimberley, with the Plan subsequently reviewed and updated to reflect the community aspirations.

This information provided a valuable insight into the key issues and aspirations, as held by the local community. Importantly for the Council, these views have helped establish clear priorities and shaped the visions, values, objectives and strategies contained within the Strategic Community Plan 2012-2021.

A major review of the Strategic Community Plan is planned during 2019/20, recent community engagement outcomes will be considered during this review with the updated Plan reflecting the community's vision, aspirations and objectives for the future of the Shire of Derby/West Kimberley.

Elements of the Integrated Planning and Reporting Framework



Integrated Planning and Reporting

Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. This planning process is formalised by the development of our Corporate Business Plan. The Corporate Business Plan then converts the Strategic Community Plan into action through the adoption of an Annual Budget.

Actions requiring funding will only be undertaken once approved within the statutory budget and subject to funding availability. Along with achieving the community aspirations and objectives, the Corporate Business Plan draws on information contained within the following strategic documents.

Workforce Plan

The Workforce Plan provides the workforce management and resource strategies necessary to deliver the objectives, outcomes and strategies of the Shire's Strategic Community Plan.

Workforce issues have been considered during the development of this Corporate Business Plan and the financial impacts of the Plan captured within the Long Term Financial Plan. A combination of workforce and financial constraints has influenced the prioritisation of actions within this Plan.

Strategic Resourcing Plan

The Shire took a combined approach to asset management and long term financial planning processes to produce an overarching Strategic Resource Plan. A key objective of the Strategic Resource Plans is to highlight and define key long term strategies to maintain financial and asset services to the community over the long term.

Asset Management Planning Component

The Shire has developed an initial Asset Management Plan for major asset classes in accordance with Council's Asset Management Policy. The Asset Management Plan forms a component of an overall Asset Management Strategy which addresses the Shire's current processes and sets out the steps required to continuously improve the management of Shire controlled assets.

Capital renewal estimates contained within the Asset Management Plan have been included to the extent the financial and workforce resources are available to enable the renewals to occur.

Long Term Financial Planning Component

The Shire of Derby/West Kimberley is planning for a positive and sustainable future. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.

During the development of this Corporate Business Plan, the Long Term Financial Plan was updated to confirm the financial capability to undertake the planned actions and ensure integration with this Plan. The results of this update are reflected in the Forecast Statement of Funding including within this Plan.

Review of Plan

In accordance with statutory requirements, the Corporate Business Plan is reviewed and updated annually to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding.

Forecast Statement of Funding

The following Forecast Statement of Funding (operations) is extracted from the Long Term Financial Plan to provide an indication of the net funding available. The forecast statement should be read in conjunction with the full Long Term Financial Plan and its underlying assumptions and predictions.

	2019-20 \$	2020-21 \$	2021-22 \$	2022-23 \$
FUNDING FROM OPERATIONAL ACTIVITIES				
Revenues				
Rates	7,285,776	7,489,028	7,751,144	7,944,923
Operating grants, subsidies and contributions	6,823,878	9,400,509	9,541,518	9,684,642
Fees and charges	3,664,340	3,719,314	3,775,103	3,831,733
Interest earnings	320,075	339,110	360,147	373,015
Other revenue	238,000	238,983	242,567	246,205
	<u>18,332,069</u>	<u>21,186,944</u>	<u>21,670,479</u>	<u>22,080,518</u>
Expenses				
Employee costs	(7,080,355)	(7,186,576)	(7,294,375)	(7,403,793)
Materials and contracts	(8,434,620)	(8,561,148)	(8,689,565)	(8,819,912)
Utility charges (electricity, gas, water etc.)	(1,011,098)	(1,026,264)	(1,041,657)	(1,057,284)
Depreciation on non-current assets	(8,554,671)	(8,791,618)	(9,094,111)	(9,437,728)
Loss on asset disposal	(135,000)	0	0	0
Interest expense	(259,620)	(152,565)	(137,648)	(122,497)
Insurance expense	(971,377)	(985,948)	(1,000,737)	(1,015,746)
Other expenditure	(415,050)	(367,941)	(373,457)	(379,060)
	<u>(26,861,791)</u>	<u>(27,072,060)</u>	<u>(27,631,550)</u>	<u>(28,236,020)</u>
	<u>(8,529,722)</u>	<u>(5,885,116)</u>	<u>(5,961,071)</u>	<u>(6,155,502)</u>
Funding Position Adjustments				
Depreciation on non-current assets	8,554,671	8,791,618	9,094,111	9,437,728
Net profit and losses on disposal	135,000	0	0	0
Net Funding From Operational Activities	<u>159,949</u>	<u>2,906,502</u>	<u>3,133,040</u>	<u>3,282,226</u>
FUNDING FROM CAPITAL ACTIVITIES				
Inflows				
Proceeds on disposal	150,000	0	0	0
Non-operating grants, subsidies and contributions	4,621,814	1,550,000	1,550,000	1,550,000
Outflows				
Purchase of property plant and equipment	0	(915,500)	(1,101,500)	(1,204,522)
Purchase of infrastructure	(5,482,735)	(2,476,060)	(2,791,250)	(2,813,169)
Net Funding From Capital Activities	<u>(710,921)</u>	<u>(1,841,560)</u>	<u>(2,342,750)</u>	<u>(2,467,691)</u>
FUNDING FROM FINANCING ACTIVITIES				
Inflows				
New borrowings	2,000,000	0	0	0
Outflows				
Transfer to reserves	(288,477)	(701,233)	(428,909)	(438,003)
Repayment of past borrowings	(5,642,803)	(363,709)	(361,381)	(376,532)
Net Funding From Financing Activities	<u>(3,931,280)</u>	<u>(1,064,942)</u>	<u>(790,290)</u>	<u>(814,535)</u>
Estimated Surplus/Deficit July 1 B/Fwd	<u>4,482,252</u>	<u>0</u>	<u>0</u>	<u>0</u>
Estimated Surplus/Deficit June 30 C/Fwd	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Capital Program

A number of additional actions are forecast to be undertaken during the life of the Plan, which result in additional capital expenditure. These activities are summarised below along with an indication of the forecast capital expenditure extracted from the Long Term Financial Plan.

Project	2019-20	2020-21	2021-22	2022-23	2023 Onwards
	\$	\$	\$	\$	\$
Building Renewals Upgrades		452,000	301,500	204,522	5,539,989
Plant, Furniture Equipment Renewals		463,500	800,000	1,000,000	12,041,204
Roads Infrastructure Renewals Upgrades	4,466,407	2,000,000	2,410,050	2,426,251	27,830,195
Footpaths Infrastructure Renewals Upgrades		27,760	100,000	101,500	1,222,191
Drainage Infrastructure Renewals Upgrades			125,000	126,875	1,527,733
Parks and Ovals Infrastructure Renewals Upgrades		26,500			
Airports Infrastructure Renewals Upgrades	502,250				
Derby Wharf Infrastructure Renewals Upgrades	100,000	60,000	75,000	76,125	916,635
Other Infrastructure Renewals Upgrades	414,078	361,800	81,200	82,418	992,420
Total	5,482,735	3,391,560	3,892,750	4,017,691	50,070,367

Service Delivery

Based on the community feedback received, the Shire of Derby/West Kimberley set four key strategic goals within the Strategic Community Plan as it delivers services to the community. Strategic performance indicators provide an indication of progress, as the Shire strives to achieve these objectives and the community will be kept informed by means of the Annual Report.

Measuring our Success		
	Indicator	Desired Trend
Goal 1: Community Wellbeing		
<i>A diverse, caring and safe community providing opportunities for all its people</i>	Social Media Activity	Increase posts and engagement rate
	Community activities and events	Maintain / increase number of events
	Crime statistics	Maintain low crime rate
	Recreation facilities usage rates	Increase in usage
	Provision of health and welfare services	Maintain ongoing services
Goal 2: A balance between the natural and built environments		
<i>Sustainable natural and built environments that meet the needs of the community and support future growth</i>	Statutory asset management ratios	Maintain healthy ratios
	Compliance with waste management regulations	Maintain compliance
Goal 3: A strong and diverse local economy		
<i>A strong local economy that is supported by a broad industry base with opportunities for business development and employment</i>	Population statistics	Stable / increasing population base
	No. of development approvals	Increase
	Assessed vacancy rates (business and residential)	Decrease
	No. of building approvals	Increase
	Visitor statistics	Increase
Goal 4: Good governance and an effective organisation		
<i>Leadership that provides strategic direction for the community, supported by efficient and effective service delivery</i>	Statutory financial ratios	Maintain healthy ratios
	Employee retention rates	Maintain / increase
	Community representation	Maintain participation on boards and committees
	Community representation	Maintain participation on boards and committees

Service Delivery

Goal 3 A strong and diverse local economy: A strong local economy that is supported by a broad industry base with opportunities for business development and employment

Outcome 1.1 Local business development and employment opportunities

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
1.1.1 Support the Chamber of Commerce and Small Business Centre to encourage business development	1.1.1.1 Assess opportunities to attract businesses to the district.	■	■	■	■	→
1.1.2 Lobby for employment opportunities	1.1.2.1 Advocate and work with local industry, government instrumentalities and educators to encourage and promote local job opportunities.	■	■	■	■	→
1.1.3 Lobby State government for apprentice/trainee opportunities	1.1.3.1 Develop and maintain stakeholder relationships.	■	■	■	■	→

Outcome 1.2 A strong and diverse industry base providing community benefits

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
1.2.1 Undertake community impact and opportunity analysis of major mining, oil and gas ventures	1.2.1.1 Investigate initiatives to encourage local business and industry to contribute to the local community.	■	■	■	■	→
	1.2.1.2 Consider the current impact on the community of the major mining, oil and gas ventures.	■	■	■	■	→
1.2.2 Investigate major joint ventures through a business and community benefits plan	1.2.2.1 Develop and implement a Business and Community benefits Plan including investigation of major joint ventures.		■	■	■	→
1.2.3 Investigate agricultural or primary industry diversification opportunities	1.2.3.1 Collaborate with relevant stakeholders to encourage the development of agricultural and primary industry diversification within the Shire.		■	■	■	→

Service Delivery

Outcome 1.3 A vibrant and strong tourism industry

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
1.3.1 Support and promote local and regional tourism through the Fitzroy Crossing and Derby Visitor Centres and Australia's North West tourism organisation	1.3.1.1 Collaborate with regional tourism groups to promote tourism within the Shire and the region.	■	■	■	■	→
1.3.2 Lobby State Government on behalf of the local tourism industry for infrastructure, services and funding	1.3.2.1 Have Council representation in regional forums, and regularly attend the meetings.	■	■	■	■	→
1.3.3 Develop and implement a tourist trail Masterplan	1.3.3.1 Develop and implement a tourist trail Masterplan.			■	■	→
1.3.4 Investigate a Mangrove Boardwalk at Derby	1.3.4.1 Consider funding opportunities, location and costing to construct a Mangrove Boardwalk at Derby.		■	■	■	→

Outcome 1.4 Appropriate infrastructure that supports economic development

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
1.4.1 Promote release of serviced industrial, commercial and residential land	1.4.1.1 Continue to identify opportunities for the release of residential and industrial land as required.	■	■	■	■	→
1.4.2 Advocate for improved provision of utility services across the region	1.4.2.1 Liaise with utility providers and consider funding opportunities for improved utilities to support economic development in the district.	■	■	■	■	→
1.4.3 Advocate for improved telecommunications infrastructure in the region	1.4.3.1 Liaise with telecommunication providers and consider funding opportunities for improved utilities to support economic development in the district.	■	■	■	■	→
1.4.4 Advocate for the Point Torment port development	1.4.3.1 Participate in regional forums for improved coordination amongst stakeholders.	■	■	■	■	→

Service Delivery

The following strategies describe, at a high level, what we will do to meet the priorities and aspirations expressed by our community. The detailed actions reflect the planned prioritisation over the next four years.

Goal 1 Community Wellbeing: *A diverse, caring and safe community providing opportunities for all its people*

Outcome 2.1 Accessible health and family support services that meet the needs of our community

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.1.1 Advocate for medical and hospital services within the region	2.1.1.1 Support, lobby for and collaborate with relevant service providers for appropriate medical and health services.	■	■	■	■	→
2.1.2 Lobby government agencies to address family support service priorities including safe houses in towns	2.1.2.1 Advocate relevant agencies on behalf of the community to access appropriate services.	■	■	■	■	→
2.1.3 Work with private childcare providers to expand capacity of childcare and promote after school programs	2.1.3.1 Support, lobby for and collaborate with local service providers for appropriate early childhood and education services.	■	■	■	■	→

Outcome 2.2 Public and environmental health protection

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.2.1 Provide food premises inspections	2.2.1.1 Continue to provide regulatory services, including food premise inspections.	■	■	■	■	→
2.2.2 Provide public building inspections	2.2.2.1 Continue to provide regulatory services, including building inspections.	■	■	■	■	→
2.2.3 Undertake food safety and public health promotion	2.2.3.1 Facilitate the promotion of community education initiatives relating to public health and food safety.	■	■	■	■	→
2.2.4 Develop and implement a community education program on infectious diseases and mosquito control measures	2.2.4.1 Engage with relevant stakeholders to support and participate in annual education and information programs.	■	■	■	■	→
	2.2.4.2 Facilitate the dissemination of information on health issues through social media platforms, local public notice, website and other appropriate mechanisms.	■	■	■	■	→

Service Delivery

Outcome 2.3 Access to affordable housing options

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.3.1 Encourage affordable housing through town planning, zoning and land release	2.3.1.1 Regularly review the Town Planning Scheme.	■	■	■	■	→
	2.3.1.2 Encourage development of land through release of land as required.	■	■	■	■	→
2.3.2 Work with the Department of Housing and private sector developers on progressing housing development	2.3.2.1 Meet with the Department of Housing to discuss the community's housing needs.	■	■	■	■	→
2.3.3 Work with the Department of Housing on establishing a hostel in Derby for visiting families	2.3.3.1 Support, lobby for and collaborate with local service providers for appropriate services for the community.	■	■	■	■	→
2.3.4 Develop and implement a plan for Shire staff housing	2.3.4.1 Continue to improve and implement asset management plans.	■	■	■	■	→
	2.3.4.2 Plan for the provision of adequate employee accommodation.	■	■	■	■	→

Outcome 2.4 An inclusive and participative community

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.4.1 Develop and implement a volunteer support strategy	2.4.1.1 Develop and implement a Volunteer Support Strategy.	■	■	■	■	→
2.4.2 Actively promote and assist community groups and clubs	2.4.2.1 Facilitate the dissemination of information to promote community groups and clubs through social media platforms, local public notice, website and other appropriate mechanisms.	■	■	■	■	→
	2.4.2.2 Support community participation in local clubs, events and activities.	■	■	■	■	→
2.4.3 Lobby the Department of Transport and private providers for improved public transport	2.4.3.1 Advocate transport issues in the district to relevant government agencies and stakeholders.	■	■	■	■	→

Service Delivery

Outcome 2.5 Sport, recreation and leisure opportunities that support community health and well-being

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.5.1 Maintain and improve sporting and recreation facilities	2.5.1.1 Identify and implement the most appropriate sport and recreation opportunities for the Shire.	■	■	■	■	→
	2.5.1.2 Continue to improve and implement asset management plans.	■	■	■	■	→
2.5.2 Promote sporting, recreation and leisure facilities and programs	2.5.2.1 Promote sporting, recreation and leisure facilities and programs through social media platforms, local public notice, website and other appropriate mechanisms.	■	■	■	■	→
	2.5.2.2 Implement a community calendar to promote all sporting, recreation and leisure events.	■	■	■	■	→
2.5.3 Develop and implement a sport and recreation strategy	2.5.3.1 Develop and implement a Sport and Recreation Strategy.			■	■	→
2.5.4 Develop and implement a health and well-being strategy	2.5.4.1 Develop and implement a Health and Wellbeing Strategy.		■	■	■	→

Outcome 2.6 Opportunities for development and participation of our youth

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.6.1 Develop a youth services strategy for Derby	2.6.1.1 Develop a Derby Youth Services Strategy.		■			
2.6.2 Work with the Fitzroy Futures Youth Sub-Committee in the development and implementation of a youth strategy	2.6.2.1 Engage with the Fitzroy Futures Youth Sub-Committee and other relevant bodies in the development of a Youth Services Strategy.		■			
2.6.3 Support youth training and employment programs	2.6.3.1 Communicate with relevant stakeholders and education institutions to advocate for the provision of localised entry to further education.	■	■	■	■	→

Outcome 2.7 Quality of life for the aged and disabled

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.7.1 Lobby for support services and infrastructure for the aged and disabled	2.7.1.1 Communicate to relevant state and federal government agencies the issues and service requirements of the local community.	■	■	■	■	→
2.7.2 Implement the Disability Access and Inclusion Plan	2.7.2.1 Implement the Disability Access and Inclusion Plan.	■	■	■	■	→

Service Delivery

Outcome 2.8 Access to learning, cultural and arts opportunities that support community growth and diversity

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.8.1 Provide library services and programs that help improve literacy and community engagement	2.8.1.1 Liaise with relevant agencies to promote and support literacy and community engagement programs.	■	■	■	■	→
2.8.2 Advocate to Federal, State and Independent schools to improve secondary education and relevant infrastructure	2.8.2.1 Communicate with relevant stakeholders and education institutions to advocate for the improvement of education services to the district.	■	■	■	■	→
2.8.3 Develop and implement a culture and arts community strategy	2.8.3.1 Develop and implement a culture and arts community strategy.			■	■	→
2.8.4 Promote and support community and cultural events	2.8.4.1 Encourage and promote a program of community and cultural events through social media platforms, local public notice, website and other appropriate mechanisms.	■	■	■	■	→

Outcome 2.9 A safe and responsible community

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
2.9.1 Develop and implement an animal management plan	2.9.1.1 Develop and implement an animal management plan.			■	■	→
2.9.2 Support an interagency approach to crime reduction planning and programs	2.9.2.1 Participate in regional forums for improved coordination amongst state and federal agencies.	■	■	■	■	→
2.9.3 Develop a strategy to prevent future glass problems and deal with existing removal of glass	2.9.3.1 Develop a strategy to reduce the prevalence of glass problems within the Shire.		■			
2.9.4 Advocate for appropriate lighting in streets and public places	2.9.4.1 Liaise with relevant government agencies to lobby for improved lighting in streets and public places.		■	■	■	→
2.9.5 Develop and implement an emergency management and recovery plan	2.9.5.1 Collaborate with key stakeholders and LEMC to maintain appropriate emergency management arrangements.	■	■	■	■	→
2.9.6 Lobby for reinstatement and improvement of FESA administered Western Australia Natural Disaster Relief & Recovery Arrangements (WANDRRA)	2.9.6.1 Advocate the need for continued WANDRRA (and improved) arrangements to relevant state and federal government agencies.	■	■	■	■	→

Service Delivery

Goal 2 A balance between the natural and built environments: *Sustainable natural and built environments that meet the needs of the community and support future growth*

Outcome 3.1 Appropriate development that enhances the unique character and heritage of the Shire's townships

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.1.1 Review, update and implement the Shire's Local Planning Strategy	3.1.1.1 Review and update the Shire's Local Planning Strategy.		■	■		
	3.1.1.2 Implement the Shire's Local Planning Strategy.	■	■	■	■	→
3.1.2 Develop and implement a subdivision strategy and guidelines	3.1.2.1 Develop and implement a subdivision strategy and guidelines.			■		
3.1.3 Provide supportive planning and development guidance and liaison on major land developments	3.1.3.1 Engage professional advice for relevant development matters.	■	■	■	■	→
3.1.4 Ensure quality, consistent and responsive development and building assessment approval processes and enforcement	3.1.4.1 Develop policies and processes that support effective and timely assessment of development and building applications.	■	■	■	■	→
3.1.5 Actively work with other government bodies on state, regional planning and development issues	3.1.5.1 Liaise with State and Federal Government agencies to communicate planning matters as required.	■	■	■	■	→
3.1.6 Support the conservation and maintenance of heritage buildings, heritage items and places of interest	3.1.6.1 Continue to engage with relevant stakeholders to promote and support conservation of heritage assets within the district.	■	■	■	■	→

Outcome 3.2 Attractive streetscapes, open spaces, parks and gardens

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.2.1 Manage and maintain the Shire's parks, gardens and open spaces at appropriate standards	3.2.1.1 Continue with the maintenance program of the Shire's parks, gardens and open spaces.	■	■	■	■	→
3.2.2 Develop and implement a streetscape policy and strategy to encourage the involvement of local businesses	3.2.2.1 Develop and implement a streetscape policy and strategy to encourage the involvement of local businesses.	■	■	■	■	→
3.2.3 Develop and implement a parks and reserves strategy	3.2.3.1 Develop and implement a parks and reserves strategy.	■	■	■	■	→

Service Delivery

Outcome 3.3 Reliable and safe transport infrastructure

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.3.1 Develop a road maintenance and upgrading strategy	3.3.1.1 Develop and implement a road maintenance and upgrading strategy.	■	■	■	■	→
3.3.2 Lobby the Department of Main Roads on highway safety	3.3.2.1 Facilitate communication with Main Roads to convey community concerns on highway safety.	■	■	■	■	→
3.3.3 Develop and implement a strategy for road kerbing, footpaths, drainage, signage and lighting	3.3.3.1 Develop and implement a strategy for road kerbing, footpaths, drainage, signage and lighting.	■	■	■	■	→
3.3.4 Investigate and progress development opportunities for the Derby Airport	3.3.4.1 Assess opportunities for development projects for the Derby Airport.	■	■	■	■	→
3.3.5 Maintain wharves and lobby for funding	3.3.5.1 Continue to develop and implement asset management plans.	■	■	■	■	→
	3.3.5.2 Assess funding opportunities for the operation and maintenance of wharves.	■	■	■	■	→
3.3.6 Lobby for break up bay areas for road trains in Derby and Fitzroy Crossing	3.3.6.1 Advocate with Main Roads WA for road train establishment of a road train break up bay in Fitzroy Crossing.	■	■	■	■	→

Outcome 3.4 Shire buildings and facilities that meet community needs

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.4.1 Ensure Shire buildings, facilities and public amenities are provided and maintained to an appropriate standard	3.4.1.1 Continue to develop and implement asset management plans.	■	■	■	■	→
3.4.2 Develop new buildings and facilities in accordance with asset management principles and based on a planned and prioritised approach	3.4.2.1 Continue to develop and implement asset management plans.	■	■	■	■	→

Service Delivery

Outcome 3.5 Assets and infrastructure managed over the long term to meet current and future needs

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.5.1 Develop and implement long-term asset management plans for all Shire assets, having regard for current and future asset needs and the Shire's long-term financial plan	3.5.1.1 Continue to develop and implement asset management plans.	■	■	■	■	→
3.5.2 Maintain effective liaison with other levels of government and regional bodies to ensure coordinated provision of regional infrastructure	3.5.2.1 Advocate on behalf of the community for improved coordination amongst government and other local agencies.	■	■	■	■	→

Outcome 3.6 Protection of the natural environment

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.6.1 Provide effective management and maintenance of the Shire's land and reserves	3.6.1.1 Maintain appropriate levels of service in operating Shire land and reserves.	■	■	■	■	→
3.6.2 Support the management of feral animals	3.6.2.1 Support, lobby for and collaborate with stakeholders on feral animal management.	■	■	■	■	→
3.6.3 Develop and implement a weed management strategy on Shire road and other reserves	3.6.3.1 Develop and implement a weed management strategy, with consideration to noxious weed eradication programs.	■	■	■	■	→
3.6.4 Promote and support community based environmental initiatives	3.6.4.1 Encourage and facilitate community contribution to environmental protection.	■	■	■	■	→

Outcome 3.7 Access to renewable energy options

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.7.1 Investigate alternative energy sources for Shire facilities	3.7.1.1 Consider opportunities for implementation of renewable energy sources and resource management practices for Shire facilities.	■	■	■	■	→
3.7.2 Provide lobbying and support for alternative energy sources and reinvestigate tidal power	3.7.2.1 Consider opportunities for implementation of renewable energy sources and resource management practices.	■	■	■	■	→

Service Delivery

Outcome 3.8 Integrated waste management

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.8.1 Develop and implement a waste management strategy	3.8.1.1 Continue implementation of Waste Management Strategy.	■	■	■	■	→
3.8.2 Manage rubbish collection and disposal services for the Shire's towns	3.8.2.1 Maintain provision of refuse services to towns within the district.	■	■	■	■	→
3.8.3 Investigate and implement a regional approach to waste recycling	3.8.3.1 Consider opportunities for the Shire to collaborate in regional and recycling initiatives.	■	■	■	■	→
3.8.4 Investigate the establishment of new waste facility sites	3.8.4.1 Investigate possible sites for the relocation of waste management sites.	■	■	■	■	→

Outcome 3.9 Efficient use and management of water resources

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.9.1 Develop and implement a water management strategy for the Shire	3.9.1.1 Develop and implement a water management strategy for the Shire.			■		
3.9.2 Promote effective water management practices	3.9.2.1 Support and encourage effective water management practices.	■	■	■	■	→
3.9.3 Support a coordinated approach to local and regional water resource management	3.9.3.1 Consider opportunities for the Shire to collaborate regionally with relevant stakeholders for water resource management initiatives.	■	■	■	■	→

Outcome 3.10 Safe and effective disposal of wastewater

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
3.10.1 Develop wastewater ponds in Fitzroy Crossing and Derby	3.10.1.1 Consider funding opportunities, location and costing to construct waste-water ponds in Fitzroy Crossing and Derby.			■	■	→
3.10.2 Lobby the State Government for funding to install more deep sewerage in townships	3.10.2.1 Consider funding opportunities and liaise with relevant agencies for improved sewerage services in the district.	■	■	■	■	→
3.10.3 Investigate waste-water re-use	3.10.3.1 Engage with relevant stakeholders to assess waste-water re-use within the Shire.		■	■	■	→

Service Delivery

Goal 4 Good governance and an effective organisation: Leadership that provides strategic direction for the community, supported by efficient and effective service delivery

Outcome 4.1 Effective governance and leadership

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
4.1.1 Provide leadership in balancing the needs of the community, government, industry and the environment	4.1.1.1 Encourage appropriate levels of development, training and induction initiatives to elected members.	■	■	■	■	→
	4.1.1.2 Facilitate ongoing communication and engagement with the community.	■	■	■	■	→
4.1.2 Support strategic alliances, stakeholder forums and advisory committees that assist the Shire in policy development and service planning	4.1.2.1 Collaborate and encourage participation with key stakeholders to improve access, coordination and delivery of services.	■	■	■	■	→
4.1.3 Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role	4.1.3.1 Facilitate appropriate training for Councillors to continuously improve skills and knowledge.	■	■	■	■	→
4.1.4 Ensure governance policies and procedures are in accordance with legislative requirements	4.1.4.1 Seek high level of legislative compliance and effective internal controls.	■	■	■	■	→
4.1.5 Encourage community participation in Local Government elections	4.1.5.1 Host community information sessions prior to Councillor elections to increase interest and awareness of the roles and responsibilities of Councillors.	■	■	■	■	→
4.1.6 Negotiate with all Native Title Groups to consult and establish appropriate Indigenous Land Use Agreement's and Memorandums of Understanding	4.1.6.1 Collaborate with Native Title Groups to establish Indigenous Land Use Agreements and Memorandums of Understanding	■	■	■	■	→
4.1.7 Lobby the State Government for full funding for municipal services and associated infrastructure in Aboriginal communities	4.1.7.1 Liaise with State Government agencies to discuss the service and infrastructure requirements of the community.	■	■	■	■	→
4.1.8 Develop and maintain risk management policies and procedures	4.1.8.1 Develop, implement and maintain risk management policies and procedures aligned to ISO 31000:2018.	■	■	■	■	→

Service Delivery

Outcome 4.2 Effective engagement with the community and stakeholders

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
4.2.1 Develop a community engagement and communication strategy	4.2.1.1 Develop a community engagement and communication strategy.	■	■	■	■	→
4.2.2 Work cooperatively with other Kimberley Shires and support the regional governance group	4.2.2.1 Facilitate and develop strong relationships and partnerships with the community and with other organisations.	■	■	■	■	→
4.2.3 Represent and promote the Shire at appropriate regional, State and Federal forums	4.2.3.1 Effectively represent and promote the Shire.	■	■	■	■	→

Outcome 4.3 Accessible and effective customer services and information systems

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
4.3.1 Provide and promote responsive customer services	4.3.1.1 Implement a Customer Service Charter to ensure that excellent Customer Service is provided.		■	■	■	→
4.3.2 Ensure effective integration and management of information and communication technology systems	4.3.2.1 Review use of the IT systems to ensure the most effective systems are available.	■	■	■	■	→
4.3.3 Ensure the records management system is managed effectively and efficiently	4.3.3.1 Provide training to all staff on the appropriate use of the records management system.	■	■	■	■	→
	4.3.3.2 Implement a procedure for the correct use of the records management system.	■	■	■	■	→

Outcome 4.4 Financial sustainability and accountability for performance

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
4.4.1 Develop, implement and maintain strategic, corporate and workforce plans	4.4.1.1 Develop, implement and maintain strategic, corporate and workplace plans.	■	■	■	■	→
4.4.2 Develop, implement and maintain long term financial plans	4.4.2.1 Develop, implement and maintain long term financial plans.	■	■	■	■	→
4.4.3 Actively pursue alternative sources of income to fund the Shire's services and infrastructure	4.4.3.1 Constantly investigate funding options for all Shire services and infrastructure.	■	■	■	■	→
4.4.4 Provide resources to support the Shire's operations and to meet planning, reporting and accountability requirements	4.4.4.1 Provide adequate resources within the Municipal Budget to provide appropriate levels of planning, reporting and accountability.	■	■	■	■	→
4.4.5 Develop, maintain and monitor rating and property strategies	4.4.5.1 Develop a rating and property strategy		■			

Service Delivery

Outcome 4.5 Skilled, committed and professional staff in a supportive environment

STRATEGY	ACTIONS	2019/20	2020/21	2021/22	2022/23	2023 →
4.5.1 Maintain and develop human resource management policies, procedures and systems for current and future workforce needs	4.5.1.1 Regularly review the human resource management policy.	■	■	■	■	→
	4.5.1.2 Improve workforce planning activities and support human resourcing requirements.	■	■	■	■	→
4.5.2 Provide opportunities for the training and development of the Shire's employees	4.5.2.1 Facilitate appropriate training for staff through the development and maintenance of a Staff Training Plan.		■	■	■	→
4.5.3 Ensure safe work practices through implementation of appropriate Occupational, Health, Safety and Welfare practices	4.5.3.1 Appoint an Occupational Health, Safety and Welfare staff representative.	■	■	■	■	→
	4.5.3.2 Regularly review all work practices for safe work compliance.	■	■	■	■	→
4.5.4 Review, amend and implement staff attraction and retention initiatives	4.5.4.1 Regularly review staff attraction and retention initiatives to meet projected workforce needs.	■	■	■	■	→
4.5.5 Review office accommodation plans and the options for funding and implementation	4.5.5.1 Investigate funding options for the implementation of office accommodation plans.	■	■	■	■	→
4.5.6 Promote cohesiveness and teamwork across the organisation	4.5.6.1 Encourage team building and social events to recognise achievements.	■	■	■	■	→
	4.5.6.2 Communicate strategic objectives.	■	■	■	■	→

Strategic Risk Management and Services

It is important to consider the external and internal context in which the Shire of Derby/West Kimberley operates, relative to risk, in order to understand the environment in which the Shire seeks to achieve its strategic objectives.

The external and internal factors identified and considered during the preparation of this Plan are set out below.

External Factors

- Increasing community expectations in relation to service levels and delivery
- Rapid changes in information technology, changing the service delivery environment
- Increased compliance requirements due to Government Policy and Legislation
- Cost shifting by Federal and State Governments
- Reducing external funding for infrastructure and operations
- Changes in mining and pastoral practices and the associated social impacts
- Increasing community expectations and regulations in relation to waste management
- Government responses in relation to social services
- Climate change and subsequent response

Internal Factors

- The objectives and strategies contained in the current Strategic Community Plan
- The timing and actions contained in the Corporate Business Plan
- Organisational size, structure, activities and location
- Human resourcing levels and staff retention
- Current organisational strategy and culture
- The financial capacity of the Shire
- Allocation of resources to achieve strategic outcomes
- Maintenance of corporate records
- Current organisational systems and processes

Services and facilities provided by the Shire have been linked with the relevant strategies in the Strategic Community Plan, providing a connection with the desired outcomes and community vision.

Shire Services

Building control	1.4.1 2.2.2 2.3.1 3.1.3
Bush fire services	2.9.5
Community consultation engagement	2.8.1 4.1.6 4.2.1 4.2.2
Customer service	4.3.1
Economic development	1.1.1 1.1.2 1.1.3 1.2.1 1.2.2
Emergency management	2.9.5 2.9.6
Environmental initiatives	3.6.2 3.6.3 3.6.4
Festival event management	2.5.2
Financial management	4.4.3 4.4.4 4.4.5
General garbage collection	3.8.2
Health administration inspection	2.2.3 2.2.4
Landscaping	3.6.1 3.4.1
Long term planning	4.4.1 4.4.2
Maintenance – other infrastructure	1.3.2 2.5.1
Maintenance – roads	3.3.1 3.3.2
Medical services	2.1.1
Pest control	2.2.4 3.6.2
Ranger services	3.6.2
Recycling	3.8.3
Regional collaboration	3.9.3 4.2.2
Support for volunteers	2.4.1
Tourism management	1.3.1 1.3.2 1.3.4
Town planning	3.1.1 3.1.2 3.1.3 3.1.4 3.1.5
Waste management	3.8.1 3.8.4

Community Facilities

Airstrips	3.3.4
Appearance of town centres	2.9.3 2.9.4 3.2.2 3.4.1
Cemeteries	3.4.1
Community / town halls	3.4.1
Community housing	2.3.1 2.3.2 2.3.3
Employee housing	2.3.4
Heritage assets	3.1.6
Libraries	2.8.1
Parks / gardens / ovals	3.6.1 3.2.3 3.4.1
Public toilets	3.4.1
Reserves / public open spaces	3.2.3 3.4.1
Roads / verges / footpaths	3.3.1 3.3.6
Sewerage and drainage	3.10.1
Sport / recreation facilities	2.5.1 2.5.2 2.5.3
Street lighting	1.4.2 2.9.4
Swimming pool	2.5.1
Wharves	3.3.5

Community Support & Services

Aquatic and Recreation	2.5.2 2.5.3 2.5.4
Club development	2.4.2
Disability access and inclusion	2.7.1
Seniors services	2.7.1
Support groups	2.1.2 2.1.3
Youth services	2.6.1 2.6.2 2.6.3

References and Acknowledgements

Reference to the following documents or sources was made during the preparation of the Plan:

- Shire of Derby/West Kimberley Strategic Community Plan 2012 - 2022;
- Shire of Derby/West Kimberley Corporate Business Plan 2013 - 2017;
- Council website: www.sdwk.wa.gov.au;
- Shire of Derby/West Kimberley Annual Financial Report 2017-18; and
- Shire of Derby/West Kimberley Draft Strategic Resource Plan 2019.

Prepared with the assistance of:

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Disclaimer

This Plan has been prepared for the exclusive use by the Shire of Derby/West Kimberley.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of the Shire of Derby/West Kimberley, based on a large number of assumptions, and will be, subject to significant uncertainties and contingencies many, if not all, of which are outside the control of the Shire of Derby/West Kimberley.

This Plan is supplied in good faith for public information purposes and the Shire and Moore Stephens accepts no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the Plan.

Document Management

Version	2019 – 2023 V2
Status	Draft
Date of Adoption	



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Shire of Derby / West Kimberley

Draft Strategic Resourcing Plan

(Incorporating Asset Management and Long Term
Financial Planning)

2019/20 - 2033/34



www.sdwk.wa.gov.au

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1.0 Foreword

*"A friendly and
diverse place with
awesome
opportunities"*

Our Vision

We are pleased to present the Shire of Derby/West Kimberley Draft Strategic Resourcing Plan for 2019/20 - 2033/34.

As part of the Shire's ongoing commitment to an integrated approach to planning for the future, it provides the Council and the community with a picture of the Shire's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

Council welcomes community participation in the planning process as we develop the strategic direction for a promising future for our Shire. We invite members of the community to contact a Councillor or Senior Council staff members if they have any questions.

The Shire of Derby/West Kimberley Draft Strategic Resourcing Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Derby/West Kimberley Strategic Community Plan 2012-2021.

The Shire has recently devoted significant resources to improving its strategic planning. This work continues as we constantly seek to improve our systems and service delivery.

Further work is required to update the asset management component of this Plan. This Plan will be used with our Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "A friendly and diverse place with awesome opportunities".

Amanda O'Halloran
Chief Executive Officer

2.0 Key Information

ASSUMPTIONS

 1.5%
Inflation Rate

 Stable
Population

 Stable
Levels of Service

 Stable
Operations

 Balanced
Annual Budget

 2.5%
(1% + CPI 1.5%)
Rates

 1.5%
Employee Costs


STATISTICS ^{1 12}

 9
Elected
Members

 60
Employees

 3,674
Electors

 3,008
Dwellings

 2,366 km
Distance from
Perth

 119,761km²
Area

 7,730
Population

FINANCIAL INFORMATION³

\$6,809,136
Rates Revenue

\$3,686,387
Fees and Charges

\$18,090,828
Operating Revenue

\$32,228,187
Operating Expenditure

\$200,893,318
Net Assets

\$1,552,654
Cash Backed Reserves

\$7,603,873
Long Term Borrowings

¹Australian Bureau of Statistics, Derby-West Kimberley (S) (LGA52800) 2016 Census of Population and Housing

²WALGA Online Local Government Directory 2017/18, Shire of Derby/West Kimberley

³Shire of Derby/West Kimberley 2017-18 Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Draft Strategic Resourcing Plan 2019/20 - 2033/34, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable and Stable Future

The Shire of Derby/West Kimberley is planning for a positive and stable future. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

Long term maintenance and renewal of the Shire's infrastructure remains a significant challenge and requires external funding to ensure the economic and social benefits of the Shire's infrastructure to the broader region and Western Australia are not impacted.

3.2 Significant Issues

The continued provision of community infrastructure remains one of the key priorities and major expenditure items for the Shire.

Renewal of road infrastructure and other community infrastructure remains a high priority due to the social, community and economic benefit these assets provide.

Funding the renewal of these assets is likely to be a significant financial challenge beyond the Shire's forecast capacity if external funding is not available. Adequate maintenance, renewal and upgrading of significant community assets remains highly dependent on the receipt of external grants and contributions.

Rate revenue is forecast to increase by 3.5% (CPI 1.5% + 2%) for year 3 of the Plan, with a 2.5% increase (CPI 1.5% + 1%) for the remaining term of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of services to the community.

3.3 Forecast Capital Projects

An extensive capital works program has been planned over the term of the Plan with a mixture of new/upgrade assets and asset renewals, aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire. Total planned asset expenditure per asset class over the 15 year term of the Plan is shown in the table below.

Planned expenditure by Asset Class	2019 – 2034 Amount (\$)
Buildings	6,498,011
Furniture and Equipment	10,000
Plant and Equipment	14,294,704
Infrastructure - Roads	39,132,903
Infrastructure – Footpaths	1,451,451
Infrastructure – Drainage	1,779,608
Infrastructure – Parks and Ovals	26,500
Infrastructure – Airports	502,250
Infrastructure – Derby Wharf	1,127,760
Structures and Other Infrastructure	1,931,916
Grand Total	66,855,103

3.4 Asset Management Planning

Current available asset data is not considered reliable enough to develop required asset renewal requirements. The asset management component of this plan will be further developed over the coming months as asset data is made available.

4.0 Community Profile, Vision and Objectives

4.1 Location and Heritage

The Shire of Derby/West Kimberley covers an area of 119,761 square kilometres, servicing 54 Aboriginal communities and three towns. Derby and Fitzroy Crossing being the main population centres with a third township at Camballin. Derby is the major centre of the Shire and this is where the main Administration Centre is located.

The Shire of Derby/West Kimberley offers its residents a unique and unparalleled way of life. On our doorstep are some truly stunning and untouched wilderness like the famed Buccaneer Archipelago, National Parks and gorges, the mighty Fitzroy River and the Gibb River Road.

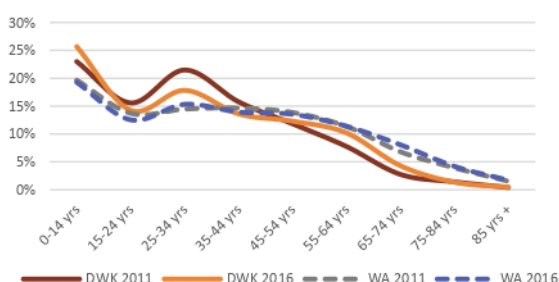
These pristine environments offer the opportunity for the community to get out camping, fishing and four wheel driving. Derby remains a supply point for an important part of the Kimberley's pastoral, mining, oil and tourist industries.

The Shire continues to maintain a number of assets to service the community, and welcomes visitors to enjoy the scenic area.

The following statistics reflect the Shire's population in comparison to the population of the state of Western Australia.

Population	2011		2016	
Derby/West Kimberley	8,434	↑	7,730	↓
WA	2.35m	↑	2.47m	↑

The chart below shows the population distribution for the Shire by age, highlighting minor changes for both the Shire and Western Australia from 2011 to 2016 census data.



4.2 Vision

The Shire's strategic vision: "A friendly and diverse place with awesome opportunities"

4.3 Strategic Objectives

The following key strategic priority areas and principles are captured in the Shire's Strategic Community Plan 2012-2021 and considered within the Strategic Resourcing Plan.

Strategic Priorities:

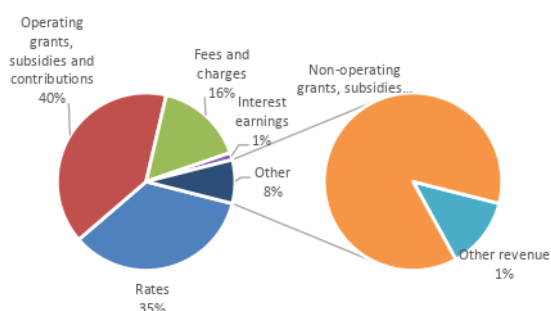
- Community wellbeing;
- A balance between the natural and built environments;
- A strong and diverse local economy; and
- Good governance and an effective organisation.

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Comprising 35% of total revenue in year 1, rates are expected to generate \$7.3m in 2019-20, increasing to \$10.4m in 2033-34. The Shire is reliant on receiving more than \$152.1m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to be received for the renewal of assets over the term of the Plan.

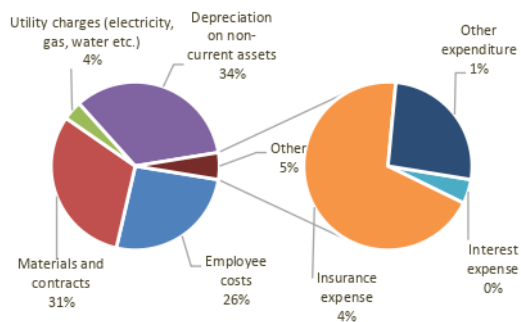
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

Expenditure is forecast to increase roughly in line with inflation, with the exception of depreciation expense which is slightly impacted by the addition of assets.

5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure forecast over the 15 years, with the brown line reflecting the net result. Changes in operating and non-operating grants result in the revenue spikes reflected in the chart.

5.3.1 Forecast Net Result Year 1 to 15



Revenue increases have been modelled throughout the life of the Plan to improve the financial position of the Shire, in order to deliver capital works programs and to maintain service levels to the community. Even with these modelled increases, the net result does not consistently improve, except where higher capital contributions are forecast to be received. If the modelled increases were not to be consistently applied, the financial position would, over time, further deteriorate.

Efficiency savings are also required throughout the Plan. Details of savings are yet to be determined, the challenge will be to achieve these savings without negatively impacting services to the community.

A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

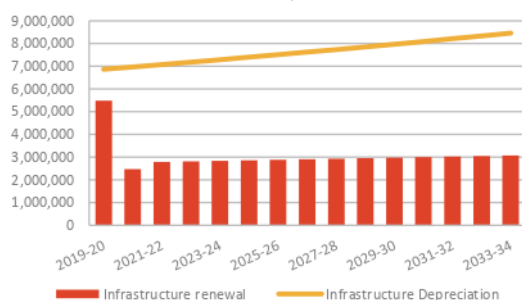
5.0 Long term Financial Planning Overview (Continued)

5.4 Depreciation Expense

Depreciation expense increases throughout the Plan from \$8.5m in year 1 to \$11.6m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$114.6m, shown by the yellow line in the chart below. The planned level of infrastructure asset renewal expenditure at \$46.1m, shown by the red columns, over the term of the Plan is below the level of depreciation.

Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan. The average lifespan of infrastructure assets is greater than 15 years and as such a number of assets will only require renewal beyond the term of the Plan.

5.4.1 Infrastructure Depreciation Expense v Asset Renewal Expenditure

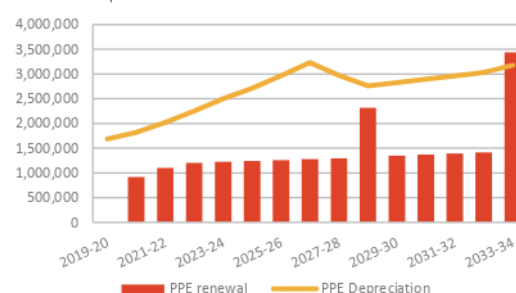


Further improvements in asset management data and the estimation of depreciation expense, along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.

Planned property, plant and equipment asset renewals of \$20.8m, shown by the red columns in the chart below, over the 15 year term of the Plan is below forecast depreciation expense of \$39.8m, shown by the yellow line, over the same period as shown in the chart below.

5.4.2 Property, Plant and Equipment Depreciation Expense v Asset Renewal Expenditure



Further improvements in asset management data and the estimation of depreciation expense, along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

5.5 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year. Longer term maintenance costs may increase as new assets are constructed, these have not been included within this model as they are unknown.

5.0 Long term Financial Planning Overview (Continued)

5.6 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to save for major forecast asset renewals and subsequently to fund the renewals, resulting in the variations in reserve levels as shown in the chart below.

5.6.1 Forecast Borrowings and Cash Reserve levels



Existing borrowings are planned to be paid down by year 12 of the Plan. The Shire is planning to restructure the loan used to fund construction at the airport/wharf by changing \$2.0 mill from due in December 2019 to a 10 year loan. No new loans are planned and reducing borrowings is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements.

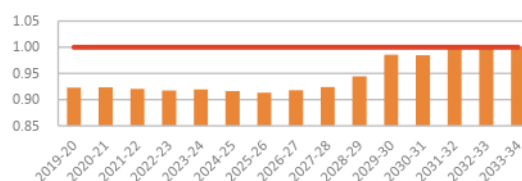
This strategy provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

5.7 Forecast Operating Ratios 2019-2034

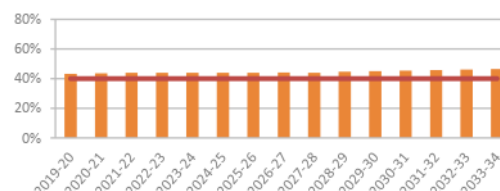
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The red lines in the charts below indicate the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level of the ratio. An explanation of all ratios is provided at Section 11.0.

5.7.1 Forecast Current Ratio 2019-2034



As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. This trend is not considered to indicate a threat to the Shire's long term financial position as the current ratio is a short term indicator not a long term indicator. The ratio improves during the term of the plan as current loan liabilities reduce.

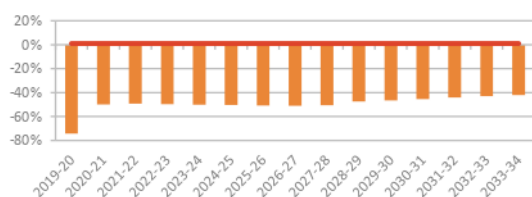
5.7.2 Forecast Own Source Revenue Ratio 2019-2034



The ratio is above the target and improving during the term of the Plan, indicating a reducing reliance on grants and contributions due to the planned rate increases in the first five years of the Plan.

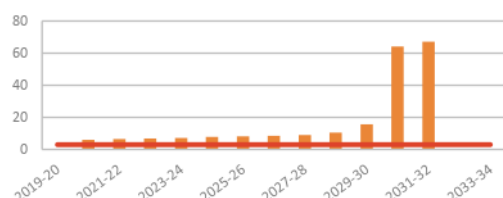
5.0 Long term Financial Planning Overview (Continued)

5.7.3 Forecast Operating Surplus Ratio 2019-2034



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio. Given expected grant funding for renewal of assets the Shire does not aim or anticipate meeting the department's target, but rather to improve the ratio over time.

5.7.4 Debt Service Coverage Ratio 2019-2034

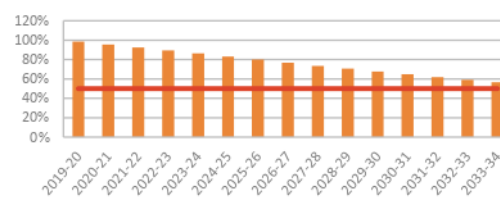


The debt service coverage ratio is below the target in year 1 due to the planned repayment of \$3.6mill in borrowings in year 1 and the receipt of the 2019-20 Financial Assistance Grant Allocation in 2018-19. The ratio increases to meet the minimum target in 2020-21 and increases for the remainder of the Plan.

5.8 Forecast Asset Ratios 2019-2034

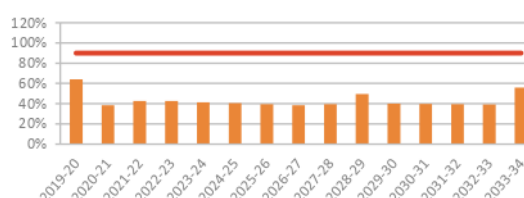
Reflecting the average age of assets, the asset consumption ratio shows how the Shire's assets will age whilst the Shire uses its resources to renew assets.

5.8.1 Forecast Asset Consumption Ratio 2019-2034



The above graph shows the aging of assets throughout the term of the Plan as they depreciate above levels of forecast renewals.

5.8.2 Forecast Asset Sustainability Ratio 2019-2034



The asset sustainability ratio is below the target for the term of the Plan, shown as the red line in the chart above, indicating assets are not being consistently renewed at the same level as depreciation expense.

5.8.3 Forecast Asset Renewal Funding Ratio 2019-2034

The asset renewal funding ratio has not been currently calculated due to a lack of asset management data.

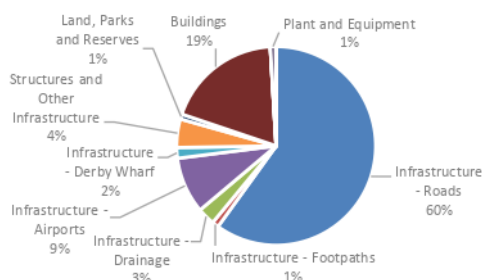
As the asset renewal funding ratio requires 10 years of planned and required asset renewals it is only able to be calculated for the first five years of the Plan once the required asset renewals have been determined.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of just under \$200m, of which Roads and Buildings constitute the largest component value as shown in the chart below.

6.1.1 Written Down Asset Value 2017-18



6.2 Asset Management Policy

The purpose of an asset management policy is to:

- Provide a framework for the sustainable management of the Shire's asset portfolio;
- Ensure an organisation wide and inclusive approach is taken to asset management; and
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

The asset management policy is intended to provide clear direction in relation to the Council's expectations for the sustainable management of its assets.

6.3 Asset Management Strategy

Developing an asset management strategy is a planned process of continuous improvement across all its components. Key improvements for each class of asset are discussed at the end of each section in Appendix A.

When planning for the future renewal of Shire assets, a condition-based estimation of remaining useful life was applied, where possible, as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied.

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

Detailed long term planning is required for the renewal of building assets due to the scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs. Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty, due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

It is important to note capital works identified in this Plan funded by external contributions may be postponed or reduced in scale should external funding not eventuate. Postponing asset renewal past forecast estimated useful life and an optimum intervention point increases the risk associated with sudden unexpected asset failure, bringing with it the potential for a loss of service.

The Shire seeks to, within its financial capacity, maintain its assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets.

6.4 Level of Service

The level of service for roads, at its most basic, is reflected in the speed and weight ratings across the road network. As a measure, the lengths of sealed and unsealed road for each speed and weight rating is viewed as the most appropriate indicator of the level of service of the road network and will continue to be monitored into the future. Level of service measures will be defined for most asset classes.

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

Based on the 2017-18 Annual Financial Statements and 2018-19 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases higher than the consumer price index (CPI) are forecast to occur for the life of the Plan, combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan along with the forecast required asset renewals to maintain services in the future are not currently known. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age.

6.6 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2019-20	5,482,735		
2020-21	3,391,560		
2021-22	3,892,750		
2022-23	4,017,691		
2023-24	4,058,007		
2024-25	4,098,927		
2025-26	4,140,462		
2026-27	4,182,619		
2027-28	4,225,408		
2028-29	5,268,839		
2029-30	4,327,923		
2030-31	4,372,892		
2031-32	4,418,536		
2032-33	4,464,865		
2033-34	6,511,889		
Total	66,855,103		

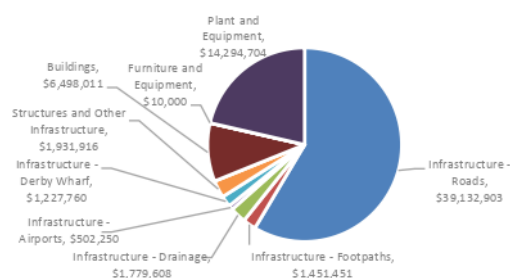
A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

6.0 Asset Management Planning Overview (Continued)

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$66.8m has been planned, with no new, expansion or upgraded asset expenditure forecast.

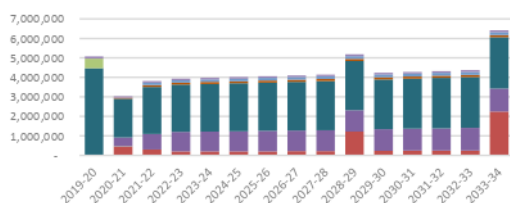
6.7.1 Planned Capital Expenditure 2019-2034



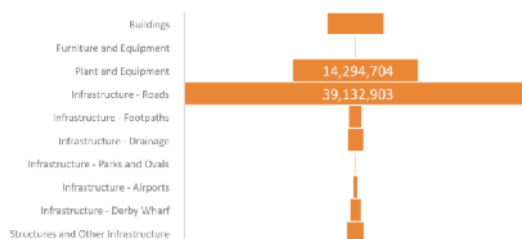
6.8 Planned Asset Renewal

Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. The timing and level of planned asset renewal expenditure is summarised in the chart below.

6.8.1 Planned Asset Renewal Expenditure 2019-2034



6.8.2 Planned Asset Renewal Expenditure by Class 2019-2034



Planned asset renewals by asset class over the 15 years of the Plan highlighted in the chart below shows the major renewal spend relates to roads infrastructure.

6.9 Required Renewal Expenditure

Asset renewal expenditure has not currently been estimated due to a lack of reliable asset information

6.10 Upgrade/New Expenditure

No new or upgrades expenditure is planned to occur over the next 15 years.

7.0 Scenario Modelling

7.1 Scenario Modelling

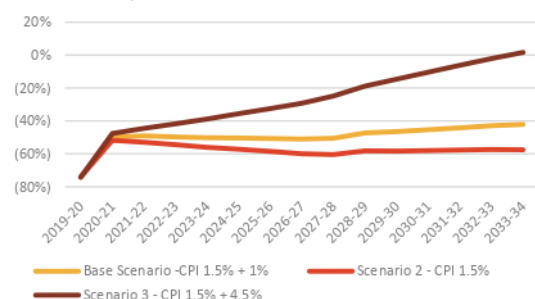
Scenarios were developed to test the financial impact of reduced levels of operating funding. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield increase of 6% in 2019-20 then 2% above inflation (1.5%) in years 2020-21 and 2021-22, with an increase of 1% above inflation for the remaining years of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates	
	Increase above CPI (1.5%)	Total Increase
Base	2% (years 2-3)	3.5%
Scenario 1	1% (years 4-15)	2.5%
Scenario 2	0%	1.5%
Scenario 3	4.5%	6%

The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue to ensure the current levels of service are maintained.

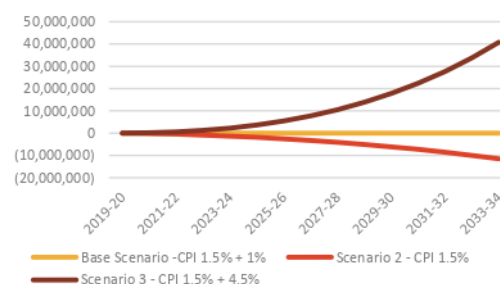
7.2 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it improved the operating surplus ratio.

The charts below reflect the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

7.3 Estimated Surplus (Deficit) June 30 Carried Forward



The cumulative impact of the changes in rates result in the surplus (deficit) shown in the table below.

Estimated Surplus/(Deficit)		
Scenario 1 CPI 1.5% + 2% (Yr 2-3) CPI 1.5% + 1% (Yr 4-15)	Scenario 2 CPI 1.5%	Scenario 3 CPI 1.5% + 4.5%
0	0	0
0	(144,715)	180,895
0	(445,722)	565,296
0	(834,806)	1,255,257
0	(1,309,017)	2,284,371
0	(1,871,620)	3,688,870
0	(2,525,977)	5,507,809
0	(3,275,551)	7,783,266
0	(4,123,909)	10,560,539
0	(5,074,725)	13,888,372
0	(6,131,783)	17,819,179
0	(7,298,979)	22,409,300
0	(8,580,327)	27,719,260
0	(9,979,960)	33,814,053
0	(11,502,133)	40,763,438

8.0 Strategic Planning and Policies

8.1 Linkage with Other Plans

The Strategic Resourcing Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resourcing Plan considers, and influences, workforce planning along with other key strategic plans.

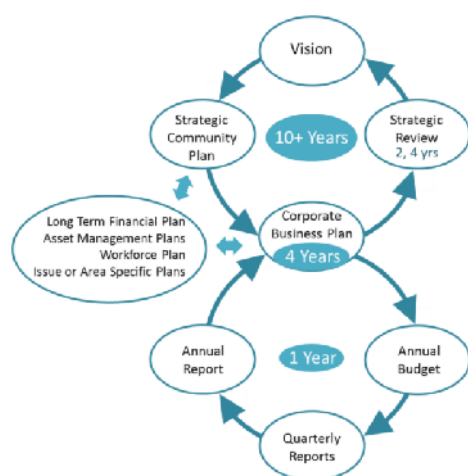
This Strategic Resourcing Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department's Integrated Planning Framework and Guidelines.

8.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.

Diagram: Integrated Planning and Reporting Cycle¹



8.3 Strategic Community Plan 2012-2021

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and details the community's vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the Shire's strategic priorities requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan, operating on a rolling four-year basis.

8.4 Corporate Business Plan

The Corporate Business Plan (CBP) contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the CBP are set out in the Strategic Resourcing Plan for the period. This planning provides an assurance the actions contained in the CBP can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

8.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resourcing Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources.

The Shire's Workforce Plan has been considered in the development of this Strategic Resourcing Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation at 1.5%.

¹ Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

9.0 Risk Management

9.1 Risk Management

The Shire provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting, the Shire intends to formalise its risk based management practices to improve the management of identified risks.

The Shire has a practice of conducting a regular review of insurance levels of assets by the Chief Executive Officer and Director of Corporate Services to ensure the level is adequate. The Shire's insurer is LGIS.

The Shire's investment policy requires the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the community and the Shire.

9.2 Certainty of Assumptions

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to issues identified as carrying a high risk have been separately disclosed, as has the sensitivity of movements in these assumptions on the financial forecasts set out in this Plan.

9.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.

10.0 Assumptions, Risks, Uncertainties and Sensitivity

10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Shire Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 6% in the first year then 3.5% for the followign 2 years then 1% higher than forecast inflation rate of 1.5% for the balance of the plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	± \$1,520,653 to the value of operating grants and contributions per 1% movement in the value over the life of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast new capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$263,218 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 1.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increase in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increase annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	High	± \$1,407,076 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan, no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciation, leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$291,334 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,244,172 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation and infrastructure additions.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Property, Plant and Equipment: Building expenditure is in accordance with planned projects and plant expenditure is based on the Plant Replacement Program.	High	Planned expenditure is highly dependent on receipt of capital grants for buildings.	Medium	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Borrowings: New borrowings to be considered for capital works where required. One new borrowing is planned.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$291,334 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,244,172 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$3,542,672 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$4,534,925 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on mining. This remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

11.0 Monitoring and Performance

11.1 Monitoring

The Plan will be the subject of a desktop review each year to consider changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

11.2 Ratio Targets

A series of performance indicators, in the form of financial ratios set out in the table below, have been used to assess the financial performance of the Shire.

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Department's Long Term Financial Planning guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

The Department's Advisory Standard also provides target levels for each of the ratios.

Ratio	Calculation	Indication	Minimum target
Current Ratio	current assets minus restricted assets current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1.
Operating Surplus Ratio	operating revenue minus operating expense own source operating revenue	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	own source operating revenue operating expense	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	Annual operating surplus before interest and depreciation principal and interest	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3
Asset Consumption Ratio	depreciated replacement cost of assets current replacement cost of depreciation assets	A measure of the aged condition of the Shire's physical assets.	50%
Asset Sustainability Ratio	capital renewal and replacement expenditure depreciation expense	A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.	90%
Asset Renewal Funding Ratio	NPV of planned capital renewals over 10 years NPV of required capital expenditure over 10 years	The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).	75%

12.0 Improvement Plan

12.1 Strategic Resourcing Improvement Plan

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

Hierarchy: A hierarchy exists for road assets and should be further developed for other asset classes.

Level of Service: Level of service measures were defined within the previous Asset Management Plan. No systems are currently in place to record and report against these levels of service.

Risk Management: Risk management is used as a decision making tool to define and treat risks facing the Shire when seeking to meet its defined objectives. The Shire is in the early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

Operation and Maintenance: The Shire does not have a current documented Operation and Maintenance Strategy.

Renewal and Replacement: A key component of understanding long term asset funding requirements is determination of the extent and timing of likely costs to refurbish or replace an asset in future in order to maintain a consistent level of service to the community. Constant review and improvement to these forecasts is likely to result in improved planning outcomes.

New, Upgrade and Disposal: The Shire does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

There are a number of improvement actions as per the Asset Management Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.

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Appendix A1 – Forecast Financial Statements

Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australian Accounting Standards.

Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by Program and Nature or Type) to disclose a net result.

Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

Statement of Cashflows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

Statement of Funding

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current forecast surplus (deficit) funding position for each year.

Statement of Net Current Asset Composition

A statement showing how the closing estimated surplus/deficit has been calculated.

Statement of Fixed Asset Movements

A summary of the impact of the Plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

Statement of Fixed Asset Funding

A summary of the capital expenditure by asset class and the source of funding for each class.

Forecast Ratios

The forecast ratios required by the regulations and discussed earlier under monitoring and performance.

Nature or Type

A number of statements in the Plan are disclosed using nature or type descriptors of revenue and expenditure (for example Rates and Employee Costs). This classification is in accordance with Schedule 1 of the Local Government (Financial Management) Regulation 1996.

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix A1 – Forecast Financial Statements (Continued)

Service Programs

The Shire provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions as per the *Local Government (Financial Management) Regulations 1996* are used in the Plan to represent these services, however not all services listed may be provided by the Shire of Derby West / Kimberley.

Objectives	Services	Objectives	Services
Governance	Members of Council Governance – general	Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
General purpose funding	Rates Other general purpose funding	Transport	Streets, roads, bridges, depots - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Law, order, public safety	Fire prevention Animal control Other law, order, public safety	Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Health	Maternal and infant health Preventative services - Immunisation - Meat inspection - Administration and inspection - Pest control - Other Other health	Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes
Education and welfare	Pre-school Other education Care of families and children Aged and disabled - Senior citizens centres - Meals on wheels Other welfare		
Housing	Staff housing Other housing		
Community amenities	Sanitation - Household refuse - Other Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities		

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2019-2034

	2015-16	2016-17	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	6,703,075	6,793,582	6,809,136	6,716,700	7,285,776	7,489,028	7,751,144	7,944,923	8,143,545	8,347,134	8,555,813	8,769,709	8,988,952	9,213,675	9,444,017	9,680,117	9,922,120	10,170,173	10,424,428
Operating grants, subsidies and contributions	5,357,231	9,362,086	6,417,947	3,417,300	6,823,878	9,400,509	9,541,518	9,684,642	9,829,912	9,977,361	10,127,023	10,278,927	10,433,110	10,589,604	10,748,447	10,909,673	11,073,318	11,239,419	11,408,009
Fees and charges	5,743,712	2,583,861	3,686,387	3,754,500	3,664,340	3,719,314	3,775,103	3,831,733	3,889,215	3,947,552	4,006,767	4,066,868	4,127,868	4,189,785	4,252,636	4,316,420	4,381,169	4,446,884	4,513,587
Interest earnings	334,451	311,120	269,044	306,500	320,075	339,110	360,147	373,015	386,155	402,228	422,260	445,631	199,123	222,782	221,594	256,585	301,899	351,973	409,133
Other revenue	1,177,595	1,858,052	908,314	290,200	238,000	238,983	242,567	246,205	249,898	253,648	257,454	261,314	265,234	269,212	273,250	277,346	281,506	285,730	290,015
	19,316,064	20,908,701	18,090,828	14,485,200	18,332,069	21,186,944	21,670,479	22,080,518	22,498,725	22,927,923	23,369,317	23,822,449	24,014,287	24,485,058	24,939,944	25,440,141	25,960,012	26,494,179	27,045,172
Expenses																			
Employee costs	(8,027,243)	(7,166,457)	(6,477,899)	(6,420,600)	(7,080,355)	(7,186,576)	(7,294,375)	(7,403,793)	(7,514,846)	(7,627,570)	(7,741,971)	(7,858,106)	(7,975,979)	(8,095,617)	(8,217,047)	(8,340,301)	(8,465,405)	(8,592,390)	(8,721,277)
Materials and contracts	(10,066,529)	(8,687,297)	(13,788,476)	(14,296,900)	(8,434,620)	(8,561,148)	(8,689,565)	(8,819,912)	(8,952,212)	(9,086,500)	(9,222,798)	(9,361,134)	(9,501,546)	(9,644,065)	(9,788,736)	(9,935,560)	(10,084,593)	(10,235,867)	(10,389,404)
Utility charges (electricity, gas, water etc.)	(1,167,838)	(805,002)	(884,086)	(1,011,300)	(1,011,098)	(1,026,264)	(1,041,657)	(1,057,284)	(1,073,140)	(1,089,237)	(1,105,573)	(1,122,157)	(1,138,987)	(1,156,073)	(1,173,416)	(1,191,019)	(1,208,884)	(1,227,019)	(1,245,426)
Depreciation on non-current assets	(9,049,744)	(9,053,918)	(8,995,235)	(9,018,200)	(8,554,671)	(8,791,618)	(9,094,111)	(9,437,728)	(9,789,610)	(10,111,767)	(10,477,991)	(10,855,081)	(10,710,876)	(10,614,082)	(10,798,221)	(10,985,495)	(11,175,958)	(11,369,663)	(11,637,125)
Interest expense	(127,647)	(133,789)	(144,835)	(244,300)	(259,620)	(152,565)	(137,648)	(122,497)	(106,620)	(90,440)	(74,894)	(58,626)	(42,280)	(27,630)	(13,405)	(5,130)	(2,245)	0	0
Insurance expense	(816,616)	(903,388)	(888,991)	(989,000)	(971,377)	(985,948)	(1,000,737)	(1,015,746)	(1,030,982)	(1,046,446)	(1,062,143)	(1,078,077)	(1,094,249)	(1,110,665)	(1,127,326)	(1,144,231)	(1,161,393)	(1,178,815)	(1,196,499)
Other expenditure	(708,301)	(1,373,475)	(1,048,665)	(1,097,200)	(415,050)	(367,941)	(373,457)	(379,060)	(384,744)	(390,514)	(396,372)	(402,316)	(408,353)	(414,476)	(420,695)	(427,006)	(433,411)	(439,909)	(446,506)
	(29,963,918)	(28,123,326)	(32,228,187)	(33,077,500)	(26,726,791)	(27,072,060)	(27,631,550)	(28,236,020)	(28,852,154)	(29,442,474)	(30,081,742)	(30,735,497)	(30,872,270)	(31,062,608)	(31,538,846)	(32,028,742)	(32,531,889)	(33,043,663)	(33,636,237)
	(10,647,854)	(7,214,625)	(14,137,359)	(18,592,300)	(8,394,722)	(5,885,116)	(5,961,071)	(6,155,502)	(6,353,429)	(6,514,551)	(6,712,425)	(6,913,048)	(6,857,983)	(6,577,550)	(6,598,902)	(6,588,601)	(6,571,877)	(6,549,484)	(6,591,065)
Non-operating grants, subsidies and contributions	3,823,536	2,673,608	13,318,649	9,979,700	4,621,814	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Profit on disposal of assets	0	3,000	79,362	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(337,263)	(149,356)	(2,334,991)	0	(135,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(7,161,581)	(4,687,373)	(3,074,339)	(8,612,600)	(3,907,908)	(4,335,116)	(4,411,071)	(4,605,502)	(4,803,429)	(4,964,551)	(5,162,425)	(5,363,048)	(5,307,983)	(5,027,550)	(5,048,902)	(5,038,601)	(5,021,877)	(4,999,484)	(5,041,065)
Other Comprehensive Income	(191,171)	(15,966,196)	30,033,843	0	2,943,159	2,941,229	2,904,343	2,869,890	2,831,639	2,791,319	2,743,075	2,689,208	2,760,794	2,727,853	2,707,360	2,670,208	2,630,903	2,589,390	2,545,602
TOTAL COMPREHENSIVE INCOME	(7,352,752)	(20,653,569)	26,959,504	(8,612,600)	(964,749)	(1,393,887)	(1,506,728)	(1,735,612)	(1,971,790)	(2,173,232)	(2,419,350)	(2,673,840)	(2,547,189)	(2,299,697)	(2,341,542)	(2,368,393)	(2,390,974)	(2,410,094)	(2,495,463)

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B3 – Forecast Statement of Comprehensive Income by Program 2019-2034

	2015-16	2016-17	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	710,120	109,352	120,754	62,100	100	102	104	106	108	110	112	114	116	118	120	122	124	126	128
General purpose funding	9,012,502	13,683,223	11,230,951	9,028,200	10,400,121	13,138,594	13,501,404	13,788,903	14,082,730	14,385,688	14,698,944	15,022,024	15,081,859	15,418,647	15,737,533	16,099,702	16,479,465	16,871,424	17,278,078
Law, order, public safety	43,487	65,942	275,036	46,500	45,350	46,032	46,723	47,424	48,135	48,858	49,592	50,336	51,090	51,856	52,635	53,424	54,226	55,041	55,867
Health	551,182	532,191	294,242	527,600	699,038	709,524	720,167	730,970	741,935	753,064	764,361	775,827	787,463	799,274	811,263	823,432	835,783	848,320	861,044
Education and welfare	415,482	559,470	455,304	400,000	515,590	523,324	531,174	539,141	547,228	555,436	563,768	572,225	580,809	589,522	598,365	607,340	616,450	625,697	635,082
Housing	47,243	18,519	35,556	18,100	78,890	80,074	81,274	82,495	83,732	84,986	86,262	87,556	88,867	90,201	91,555	92,925	94,319	95,731	97,168
Community amenities	1,928,888	1,761,592	1,982,068	1,877,300	1,802,700	1,829,742	1,857,187	1,885,043	1,913,321	1,942,021	1,971,152	2,000,720	2,030,731	2,061,193	2,092,112	2,123,494	2,155,347	2,187,676	2,220,491
Recreation and culture	664,430	713,762	365,038	295,700	341,500	346,628	351,827	357,109	362,467	367,906	373,424	379,025	384,708	390,476	396,334	402,277	408,313	414,439	420,655
Transport	3,732,083	2,852,659	2,646,607	2,076,700	4,307,080	4,369,098	4,434,637	4,501,155	4,568,673	4,637,202	4,706,760	4,777,358	4,849,020	4,921,753	4,995,578	5,070,511	5,146,569	5,223,768	5,302,123
Economic services	302,015	257,472	304,987	89,000	94,500	95,918	97,356	98,817	100,300	101,805	103,332	104,881	106,455	108,052	109,673	111,318	112,987	114,682	116,402
Other property and services	1,908,632	354,519	380,285	64,000	47,200	47,908	48,626	49,355	50,096	50,847	51,610	52,383	53,169	53,966	54,776	55,596	56,429	57,275	58,134
	19,316,064	20,908,701	18,090,828	14,485,200	18,332,069	21,186,944	21,670,479	22,080,518	22,498,725	22,927,923	23,369,317	23,822,449	24,014,287	24,485,058	24,939,944	25,440,141	25,960,012	26,494,179	27,045,172
Expenses Excluding Finance Costs																			
Governance	(1,309,251)	(1,299,800)	(1,371,169)	(1,405,100)	(1,503,946)	(1,532,722)	(1,565,475)	(1,600,815)	(1,636,861)	(1,671,444)	(1,708,793)	(1,747,007)	(1,755,644)	(1,767,247)	(1,795,185)	(1,823,559)	(1,852,382)	(1,881,658)	(1,915,427)
General purpose funding	(440,180)	(737,982)	(282,868)	(301,000)	(118,893)	(120,677)	(122,487)	(124,325)	(126,190)	(128,083)	(130,004)	(131,954)	(133,934)	(135,943)	(137,982)	(140,052)	(142,153)	(144,285)	(146,450)
Law, order, public safety	(440,434)	(432,731)	(419,114)	(463,400)	(623,570)	(633,355)	(643,534)	(654,008)	(664,650)	(675,315)	(686,296)	(697,461)	(706,704)	(716,283)	(727,125)	(738,132)	(749,304)	(760,648)	(772,444)
Health	(975,723)	(737,599)	(885,111)	(905,800)	(1,521,004)	(1,544,102)	(1,567,704)	(1,591,754)	(1,616,172)	(1,640,867)	(1,666,034)	(1,691,595)	(1,716,173)	(1,741,254)	(1,767,438)	(1,794,016)	(1,820,992)	(1,848,375)	(1,876,351)
Education and welfare	(764,740)	(782,700)	(763,955)	(713,700)	(407,381)	(414,273)	(421,712)	(429,525)	(437,476)	(445,295)	(453,513)	(461,896)	(466,622)	(471,774)	(479,031)	(486,396)	(493,878)	(501,473)	(509,690)
Housing	(553,965)	(225,277)	(84,999)	(157,500)	(26,324)	(28,790)	(32,474)	(36,913)	(41,474)	(45,438)	(50,211)	(55,156)	(50,131)	(45,975)	(47,140)	(48,331)	(49,544)	(50,782)	(53,392)
Community amenities	(3,733,125)	(4,025,238)	(3,850,975)	(4,032,900)	(3,993,632)	(4,063,805)	(4,140,881)	(4,222,568)	(4,305,779)	(4,386,929)	(4,473,003)	(4,560,876)	(4,600,283)	(4,644,963)	(4,716,994)	(4,790,137)	(4,864,420)	(4,939,851)	(5,023,105)
Recreation and culture	(4,458,954)	(4,221,281)	(3,767,335)	(4,347,500)	(5,968,798)	(6,071,098)	(6,182,203)	(6,299,280)	(6,418,477)	(6,535,358)	(6,658,594)	(6,784,308)	(6,850,000)	(6,922,504)	(7,029,266)	(7,137,673)	(7,247,752)	(7,359,532)	(7,481,313)
Transport	(14,144,679)	(12,721,151)	(17,777,766)	(18,212,000)	(11,020,964)	(11,202,668)	(11,480,226)	(11,785,427)	(12,097,204)	(12,391,184)	(12,714,755)	(13,046,634)	(13,045,263)	(13,075,689)	(13,287,831)	(13,503,387)	(13,722,421)	(13,944,991)	(14,216,368)
Economic services	(922,236)	(1,208,476)	(765,363)	(702,800)	(1,279,687)	(1,301,735)	(1,325,743)	(1,351,073)	(1,376,863)	(1,402,121)	(1,428,788)	(1,456,000)	(1,469,775)	(1,485,058)	(1,507,992)	(1,531,276)	(1,554,920)	(1,578,931)	(1,605,163)
Other property and services	(2,092,984)	(1,597,302)	(2,114,697)	(1,591,500)	(2,972)	(6,270)	(11,463)	(17,835)	(24,388)	(30,000)	(36,857)	(43,984)	(35,461)	(28,288)	(29,457)	(30,653)	(31,878)	(33,137)	(36,534)
	(29,836,271)	(27,989,537)	(32,083,352)	(32,833,200)	(26,467,171)	(26,919,495)	(27,493,902)	(28,113,523)	(28,745,534)	(29,352,034)	(30,006,848)	(30,676,871)	(30,829,990)	(31,034,978)	(31,525,441)	(32,023,612)	(32,529,644)	(33,043,663)	(33,636,237)
Finance Costs																			
Governance	0	0	(8,091)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General purpose funding	0	0	(21,323)	(1,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	(77,541)	(86,869)	(69,581)	(65,600)	(68,137)	(56,353)	(51,145)	(45,614)	(39,739)	(33,961)	(29,236)	(24,225)	(18,911)	(13,275)	(7,300)	(2,280)	(998)	0	0
Recreation and culture	(7,553)	(6,929)	(7,445)	(3,900)	(2,187)	(455)	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(22,541)	(20,751)	(20,021)	(156,400)	(164,208)	(80,252)	(72,026)	(63,480)	(54,602)	(45,374)	(35,781)	(25,807)	(16,117)	(8,506)	(1,722)	0	0	0	0
Economic services	(20,012)	(19,240)	(18,374)	(17,400)	(25,088)	(15,505)	(14,477)	(13,403)	(12,279)	(11,105)	(9,877)	(8,594)	(7,252)	(5,849)	(4,383)	(2,850)	(1,247)	0	0
	(127,647)	(133,789)	(144,835)	(244,300)	(259,620)	(152,565)	(137,648)	(122,497)	(106,620)	(90,440)	(74,894)	(58,626)	(42,280)	(27,630)	(13,405)	(5,130)	(2,245)	0	0
Non Operating Grants, Subsidies and Contributions																			
Law, order, public safety	0	0	231,000	231,000	414,078	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	233,865	100,000	41,211	168,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	2,437,304	2,573,608	13,046,438	9,579,900	4,207,736	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
	3,823,536	2,673,608	13,318,649	9,979,700	4,621,814	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Profit/(Loss) on Disposal of Assets																			
Governance	(70,559)	0	14,833	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	0	(4,950)	(240,968)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	(17,725)	0	49,423	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education and welfare	(991)	(8,250)	(36,342)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	(84)	(82,500)	0	0	(135,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	0	(202,737)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(80,797)	(1,800)	(1,247,869)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(23,316)	(48,856)	(520,922)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	0	(71,047)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(337,263)	(146,356)	(2,255,629)	0	(135,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(7,161,581)	(4,687,373)	(3,074,339)	(8,612,600)	(3,907,908)	(4,335,116)	(4,411,071)	(4,605,502)	(4,803,429)	(4,964,551)	(5,162,425)	(5,363,048)	(5,307,983)	(5,027,550)	(5,048,902)	(5,038,601)	(5,021,877)	(4,999,484)	(5,041,065)
Other Comprehensive Income	(191,171)	(15,966,196)	30,033,843	0	2,943,159	2,941,229	2,904,343	2,869,890	2,831,639	2,791,319	2,743,075	2,689,208	2,760,794	2,727,853	2,707,360	2,670,208	2,630,903	2,589,390	2,545,602
TOTAL COMPREHENSIVE INCOME	(7,352,752)	(20,653,569)	26,959,504	(8,612,600)	(964,749)	(1,393,887)	(1,506,728)	(1,735,612)	(1,971,790)	(2,173,232)	(2,419,350)	(2,673,840)	(2,547,189)	(2,299,697)	(2,341,542)	(2,368,393)	(2,390,974)	(2,410,094)	(2,495,463)

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2019-2034

	2016	2017	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	532,334	2,283,504	6,448,202	4,830,798	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546
Restricted Cash and Cash Equivalent	6,320,361	3,419,460	0	1,552,652	1,841,129	2,542,362	2,971,271	3,409,274	3,945,039	4,612,789	5,391,808	6,288,869	7,077,521	7,037,907	8,204,295	9,714,766	11,383,896	13,289,210	13,373,381
Trade and Other Receivables	3,081,794	1,852,169	5,739,441	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091
Inventories	103,305	116,553	125,656	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580
TOTAL CURRENT ASSETS	10,037,794	7,671,686	12,313,299	10,386,121	6,192,346	6,893,579	7,322,488	7,760,491	8,296,256	8,964,006	9,743,025	10,640,086	11,428,738	11,389,124	12,555,512	14,065,983	15,735,113	17,640,427	17,724,598
NON-CURRENT ASSETS																			
Other Receivables	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994	37,994
Property Plant and Equipment	47,871,615	35,323,222	39,715,409	40,135,920	38,709,313	38,332,164	37,937,433	37,402,328	36,633,117	35,661,077	34,437,916	32,950,913	31,850,666	31,989,161	31,116,917	30,203,452	29,247,597	28,248,152	29,133,432
Infrastructure	143,681,025	136,427,036	160,617,158	159,902,682	160,915,512	158,833,832	156,931,545	154,916,503	152,785,750	150,536,269	148,164,976	145,668,725	143,044,298	140,288,413	137,397,719	134,368,789	131,198,125	127,882,162	124,417,248
TOTAL NON-CURRENT ASSETS	191,590,634	171,788,252	200,370,561	200,076,596	199,662,819	197,203,990	194,906,972	192,356,825	189,456,861	186,235,340	182,640,886	178,657,632	174,932,958	172,315,568	168,552,630	164,610,235	160,483,716	156,168,308	153,588,674
TOTAL ASSETS	201,628,428	179,459,938	212,683,860	210,462,717	205,855,165	204,097,569	202,229,460	200,117,316	197,753,117	195,199,346	192,383,911	189,297,718	186,361,696	183,704,692	181,108,142	178,676,218	176,218,829	173,808,735	171,313,272
CURRENT LIABILITIES																			
Trade and Other Payables	3,777,126	2,393,662	3,099,057	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162	4,051,162
Current Portion of Long-term Liabilities	133,267	141,083	7,603,873	5,920,619	363,709	361,381	376,532	392,409	380,539	396,085	412,353	388,833	357,307	255,008	63,531	66,415	0	0	0
Provisions	975,745	971,092	935,639	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496	752,496
TOTAL CURRENT LIABILITIES	4,886,138	3,505,837	11,638,569	10,724,277	5,167,367	5,165,039	5,180,190	5,196,067	5,184,197	5,199,743	5,216,011	5,192,491	5,160,965	5,058,666	4,867,189	4,870,073	4,803,658	4,803,658	4,803,658
NON-CURRENT LIABILITIES																			
Long-term Borrowings	2,023,261	1,882,179	0	1,536,366	3,450,473	3,089,092	2,712,560	2,320,151	1,939,612	1,543,527	1,131,174	742,341	385,034	130,026	66,495	80	80	80	80
Provisions	131,647	138,109	151,973	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164	108,164
TOTAL NON-CURRENT LIABILITIES	2,154,908	2,020,288	151,973	1,644,530	3,558,637	3,197,256	2,820,724	2,428,315	2,047,776	1,651,691	1,239,338	850,505	493,198	238,190	174,659	108,244	108,244	108,244	108,244
TOTAL LIABILITIES	7,041,046	5,526,125	11,790,542	12,368,807	8,726,004	8,362,295	8,000,914	7,624,382	7,231,973	6,851,434	6,455,349	6,042,996	5,654,163	5,296,856	5,041,848	4,978,317	4,911,902	4,911,902	4,911,902
NET ASSETS	194,587,382	173,933,813	200,893,318	198,093,910	197,129,161	195,735,274	194,228,546	192,492,934	190,521,144	188,347,912	185,928,562	183,254,722	180,707,533	178,407,836	176,066,294	173,697,901	171,306,927	168,896,833	166,401,370
EQUITY																			
Retained Surplus	74,955,851	71,396,585	68,470,245	65,670,839	61,474,454	56,438,105	51,598,125	46,554,620	41,215,426	35,583,125	29,641,681	23,381,572	17,284,937	12,297,001	6,081,711	(467,361)	(7,158,368)	(14,063,166)	(19,188,402)
Reserves - Cash Backed	2,828,759	1,700,652	1,552,654	1,552,652	1,841,129	2,542,362	2,971,271	3,409,274	3,945,039	4,612,789	5,391,808	6,288,869	7,077,521	7,037,907	8,204,295	9,714,766	11,383,896	13,289,210	13,373,381
Asset Revaluation Surplus	116,802,772	100,836,576	130,870,419	130,870,419	133,813,578	136,754,807	139,659,150	142,529,040	145,360,679	148,151,998	150,895,073	153,584,281	156,345,075	159,072,928	161,780,288	164,450,496	167,081,399	169,670,789	172,216,391
TOTAL EQUITY	194,587,382	173,933,813	200,893,318	198,093,910	197,129,161	195,735,274	194,228,546	192,492,934	190,521,144	188,347,912	185,928,562	183,254,722	180,707,533	178,407,836	176,066,294	173,697,901	171,306,927	168,896,833	166,401,370

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B5 – Forecast Statement of Changes in Equity 2019-2034

	2016	2017	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	82,117,432	74,955,851	71,396,586	74,283,437	65,670,839	61,474,454	56,438,105	51,598,125	46,554,620	41,215,426	35,583,125	29,641,681	23,381,572	17,284,937	12,297,001	6,081,711	(467,361)	(7,158,368)	(14,063,166)
Change in Accounting Standards	0	0	0	0	0														
Net Result	(7,161,581)	(4,687,373)	(3,074,339)	(8,612,600)	(3,907,908)	(4,335,116)	(4,411,071)	(4,605,502)	(4,803,429)	(4,964,551)	(5,162,425)	(5,363,048)	(5,307,983)	(5,027,550)	(5,048,902)	(5,038,601)	(5,021,877)	(4,999,484)	(5,041,065)
Amount transferred (to)/from Reserves		1,128,107	147,998	2	(288,477)	(701,233)	(428,909)	(438,003)	(535,765)	(667,750)	(779,019)	(897,061)	(788,652)	39,614	(1,166,388)	(1,510,471)	(1,669,130)	(1,905,314)	(84,171)
Closing Balance	74,955,851	71,396,585	68,470,245	65,670,839	61,474,454	56,438,105	51,598,125	46,554,620	41,215,426	35,583,125	29,641,681	23,381,572	17,284,937	12,297,001	6,081,711	(467,361)	(7,158,368)	(14,063,166)	(19,188,402)
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	2,828,759	2,828,759	1,700,652	1,552,654	1,552,652	1,841,129	2,542,362	2,971,271	3,409,274	3,945,039	4,612,789	5,391,808	6,288,869	7,077,521	7,037,907	8,204,295	9,714,766	11,383,896	13,289,210
Amount transferred to/(from) Retained Surplus	0	(1,128,107)	(147,998)	(2)	288,477	701,233	428,909	438,003	535,765	667,750	779,019	897,061	788,652	(39,614)	1,166,388	1,510,471	1,669,130	1,905,314	84,171
Closing Balance	2,828,759	1,700,652	1,552,654	1,552,652	1,841,129	2,542,362	2,971,271	3,409,274	3,945,039	4,612,789	5,391,808	6,288,869	7,077,521	7,037,907	8,204,295	9,714,766	11,383,896	13,289,210	13,373,381
ASSET REVALUATION SURPLUS																			
Opening Balance	116,993,943	116,802,772	100,836,576	130,870,419	130,870,419	133,813,578	136,754,807	139,659,150	142,529,040	145,360,679	148,151,998	150,895,073	153,584,281	156,345,075	159,072,928	161,780,288	164,450,496	167,081,399	169,670,789
Total Other Comprehensive Income	(191,171)	(15,966,196)	30,033,843	0	2,943,159	2,941,229	2,904,343	2,869,890	2,831,639	2,791,319	2,743,075	2,689,208	2,760,794	2,727,853	2,707,360	2,670,208	2,630,903	2,589,390	2,545,602
Closing Balance	116,802,772	100,836,576	130,870,419	130,870,419	133,813,578	136,754,807	139,659,150	142,529,040	145,360,679	148,151,998	150,895,073	153,584,281	156,345,075	159,072,928	161,780,288	164,450,496	167,081,399	169,670,789	172,216,391
TOTAL EQUITY																			
	194,587,382	173,933,813	200,893,318	198,093,910	197,129,161	195,735,274	194,228,546	192,492,934	190,521,144	188,347,912	185,928,562	183,254,722	180,707,533	178,407,836	176,066,294	173,697,901	171,306,927	168,896,833	166,401,370

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B6 – Forecast Statement of Cashflows 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	7,285,776	7,489,028	7,751,144	7,944,923	8,143,545	8,347,134	8,555,813	8,769,709	8,988,952	9,213,675	9,444,017	9,680,117	9,922,120	10,170,173	10,424,428
Operating grants, subsidies and contributions	6,823,878	9,400,509	9,541,518	9,684,642	9,829,912	9,977,361	10,127,023	10,278,927	10,433,110	10,589,604	10,748,447	10,909,673	11,073,318	11,239,419	11,408,009
Fees and charges	3,664,340	3,719,314	3,775,103	3,831,733	3,889,215	3,947,552	4,006,767	4,066,868	4,127,868	4,189,785	4,252,636	4,316,420	4,381,169	4,446,884	4,513,587
Interest earnings	320,075	339,110	360,147	373,015	386,155	402,228	422,260	445,631	199,123	222,782	221,594	256,585	301,899	351,973	409,133
Other revenue	238,000	238,983	242,567	246,205	249,898	253,648	257,454	261,314	265,234	269,212	273,250	277,346	281,506	285,730	290,015
	18,332,069	21,186,944	21,670,479	22,080,518	22,498,725	22,927,923	23,369,317	23,822,449	24,014,287	24,485,058	24,939,944	25,440,141	25,960,012	26,494,179	27,045,172
Payments															
Employee costs	(7,080,355)	(7,186,576)	(7,294,375)	(7,403,793)	(7,514,846)	(7,627,570)	(7,741,971)	(7,858,106)	(7,975,979)	(8,095,617)	(8,217,047)	(8,340,301)	(8,465,405)	(8,592,390)	(8,721,277)
Materials and contracts	(8,434,620)	(8,561,148)	(8,689,565)	(8,819,912)	(8,952,212)	(9,086,500)	(9,222,798)	(9,361,134)	(9,501,546)	(9,644,065)	(9,788,736)	(9,935,560)	(10,084,593)	(10,235,867)	(10,389,404)
Utility charges	(1,011,098)	(1,026,264)	(1,041,657)	(1,057,284)	(1,073,140)	(1,089,237)	(1,105,573)	(1,122,157)	(1,138,987)	(1,156,073)	(1,173,416)	(1,191,019)	(1,208,884)	(1,227,019)	(1,245,426)
Interest expenses	(259,620)	(152,565)	(137,648)	(122,497)	(106,620)	(90,440)	(74,894)	(58,626)	(42,280)	(27,630)	(13,405)	(5,130)	(2,245)	0	0
Insurance expenses	(971,377)	(985,948)	(1,000,737)	(1,015,746)	(1,030,982)	(1,046,446)	(1,062,143)	(1,078,077)	(1,094,249)	(1,110,665)	(1,127,326)	(1,144,231)	(1,161,393)	(1,178,815)	(1,196,499)
Other expenditure	(415,050)	(367,941)	(373,457)	(379,060)	(384,744)	(390,514)	(396,372)	(402,316)	(408,353)	(414,476)	(420,695)	(427,006)	(433,411)	(439,909)	(446,506)
	(18,172,120)	(18,280,442)	(18,537,439)	(18,798,292)	(19,062,544)	(19,330,707)	(19,603,751)	(19,880,416)	(20,161,394)	(20,448,526)	(20,740,625)	(21,043,247)	(21,355,931)	(21,674,000)	(21,999,112)
Net Cash Provided By (Used In) Operating Activities	159,949	2,906,502	3,133,040	3,282,226	3,436,181	3,597,216	3,765,566	3,942,033	3,852,893	4,036,532	4,199,319	4,396,894	4,604,081	4,820,179	5,046,060
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	0	(915,500)	(1,101,500)	(1,204,522)	(1,222,590)	(1,240,929)	(1,259,543)	(1,278,436)	(1,297,612)	(2,317,076)	(1,351,833)	(1,372,111)	(1,392,693)	(1,413,583)	(3,434,787)
Payments for construction of infrastructure	(5,482,735)	(2,476,060)	(2,791,250)	(2,813,169)	(2,835,417)	(2,857,998)	(2,880,919)	(2,904,183)	(2,927,796)	(2,951,763)	(2,976,090)	(3,000,781)	(3,025,843)	(3,051,282)	(3,077,102)
Non-operating grants, subsidies and contributions	4,621,814	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Proceeds from sale of plant & equipment	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used In) Investing Activities	(710,921)	(1,841,560)	(2,342,750)	(2,467,691)	(2,508,007)	(2,548,927)	(2,590,462)	(2,632,619)	(2,675,408)	(3,718,839)	(2,777,923)	(2,822,892)	(2,868,536)	(2,914,865)	(4,961,889)
Cash Flows from Financing Activities															
Repayment of debentures	(5,642,803)	(363,709)	(361,381)	(376,532)	(392,409)	(380,539)	(396,085)	(412,353)	(388,833)	(357,307)	(255,008)	(63,531)	(66,415)	0	0
Proceeds from new debentures	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used In) Financing Activities	(3,642,803)	(363,709)	(361,381)	(376,532)	(392,409)	(380,539)	(396,085)	(412,353)	(388,833)	(357,307)	(255,008)	(63,531)	(66,415)	0	0
Net Increase (Decrease) in Cash Held	(4,193,775)	701,233	428,909	438,003	535,765	667,750	779,019	897,061	788,652	(39,614)	1,166,388	1,510,471	1,669,130	1,905,314	84,171
Cash at beginning of year	6,383,450	2,189,675	2,890,908	3,319,817	3,757,820	4,293,585	4,961,335	5,740,354	6,637,415	7,426,067	7,386,453	8,552,841	10,063,312	11,732,442	13,637,756
Cash and Cash Equivalents at the End of Year	2,189,675	2,890,908	3,319,817	3,757,820	4,293,585	4,961,335	5,740,354	6,637,415	7,426,067	7,386,453	8,552,841	10,063,312	11,732,442	13,637,756	13,721,927
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	(3,907,908)	(4,335,116)	(4,411,071)	(4,605,502)	(4,803,429)	(4,964,551)	(5,162,425)	(5,363,048)	(5,307,983)	(5,027,550)	(5,048,902)	(5,038,601)	(5,021,877)	(4,999,484)	(5,041,065)
Depreciation	8,554,671	8,791,618	9,094,111	9,437,728	9,789,610	10,111,767	10,477,991	10,855,081	10,710,876	10,614,082	10,798,221	10,985,495	11,175,958	11,369,663	11,637,125
(Profit)/Loss on sale of asset	135,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants/Contributions for the development of assets	(4,621,814)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)	(1,550,000)
Net Cash from Operating Activities	159,949	2,906,502	3,133,040	3,282,226	3,436,181	3,597,216	3,765,566	3,942,033	3,852,893	4,036,532	4,199,319	4,396,894	4,604,081	4,820,179	5,046,060

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	7,285,776	7,489,028	7,751,144	7,944,923	8,143,545	8,347,134	8,555,813	8,769,709	8,988,952	9,213,675	9,444,017	9,680,117	9,922,120	10,170,173	10,424,428
Operating grants, subsidies and contributions	6,823,878	9,400,509	9,541,518	9,684,642	9,829,912	9,977,361	10,127,023	10,278,927	10,433,110	10,589,604	10,748,447	10,909,673	11,073,318	11,239,419	11,408,009
Fees and charges	3,664,340	3,719,314	3,775,103	3,831,733	3,889,215	3,947,552	4,006,767	4,066,868	4,127,868	4,189,785	4,252,636	4,316,420	4,381,169	4,446,884	4,513,587
Interest earnings	320,075	339,110	360,147	373,015	386,155	402,228	422,260	445,631	199,123	222,782	221,594	256,585	301,899	351,973	409,133
Other revenue	238,000	238,983	242,567	246,205	249,898	253,648	257,454	261,314	265,234	269,212	273,250	277,346	281,506	285,730	290,015
	18,332,069	21,186,944	21,670,479	22,080,518	22,498,725	22,927,923	23,369,317	23,822,449	24,014,287	24,485,058	24,939,944	25,440,141	25,960,012	26,494,179	27,045,172
Expenses															
Employee costs	(7,080,355)	(7,186,576)	(7,294,375)	(7,403,793)	(7,514,846)	(7,627,570)	(7,741,971)	(7,858,106)	(7,975,979)	(8,095,617)	(8,217,047)	(8,340,301)	(8,465,405)	(8,592,390)	(8,721,277)
Materials and contracts	(8,434,620)	(8,561,148)	(8,689,565)	(8,819,912)	(8,952,212)	(9,086,500)	(9,222,798)	(9,361,134)	(9,501,546)	(9,644,065)	(9,788,736)	(9,935,560)	(10,084,593)	(10,235,867)	(10,389,404)
Utility charges (electricity, gas, water etc.)	(1,011,098)	(1,026,264)	(1,041,657)	(1,057,284)	(1,073,140)	(1,089,237)	(1,105,573)	(1,122,157)	(1,138,987)	(1,156,073)	(1,173,416)	(1,191,019)	(1,208,884)	(1,227,019)	(1,245,426)
Depreciation on non-current assets	(8,554,671)	(8,791,618)	(9,094,111)	(9,437,728)	(9,789,610)	(10,111,767)	(10,477,991)	(10,855,081)	(10,710,876)	(10,614,082)	(10,798,221)	(10,985,495)	(11,175,958)	(11,369,663)	(11,637,125)
Loss on asset disposal	(135,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	(259,620)	(152,565)	(137,648)	(122,497)	(106,620)	(90,440)	(74,894)	(58,626)	(42,280)	(27,630)	(13,405)	(5,130)	(2,245)	0	0
Insurance expense	(971,377)	(985,948)	(1,000,737)	(1,015,746)	(1,030,982)	(1,046,446)	(1,062,143)	(1,078,077)	(1,094,249)	(1,110,665)	(1,127,326)	(1,144,231)	(1,161,393)	(1,178,815)	(1,196,499)
Other expenditure	(415,050)	(367,941)	(373,457)	(379,060)	(384,744)	(390,514)	(396,372)	(402,316)	(408,353)	(414,476)	(420,695)	(427,006)	(433,411)	(439,909)	(446,506)
	(26,861,791)	(27,072,060)	(27,631,550)	(28,236,020)	(28,852,154)	(29,442,474)	(30,081,742)	(30,735,497)	(30,872,270)	(31,062,608)	(31,538,846)	(32,028,742)	(32,531,889)	(33,043,663)	(33,636,237)
	(8,529,722)	(5,885,116)	(5,961,071)	(6,155,502)	(6,353,429)	(6,514,551)	(6,712,425)	(6,913,048)	(6,857,983)	(6,577,550)	(6,598,902)	(6,588,601)	(6,571,877)	(6,549,484)	(6,591,065)
Funding Position Adjustments															
Depreciation on non-current assets	8,554,671	8,791,618	9,094,111	9,437,728	9,789,610	10,111,767	10,477,991	10,855,081	10,710,876	10,614,082	10,798,221	10,985,495	11,175,958	11,369,663	11,637,125
Net profit and losses on disposal	135,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Operational Activities	159,949	2,906,502	3,133,040	3,282,226	3,436,181	3,597,216	3,765,566	3,942,033	3,852,893	4,036,532	4,199,319	4,396,894	4,604,081	4,820,179	5,046,060
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-operating grants, subsidies and contributions	4,621,814	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Outflows															
Purchase of property plant and equipment	0	(915,500)	(1,101,500)	(1,204,522)	(1,222,590)	(1,240,929)	(1,259,543)	(1,278,436)	(1,297,612)	(2,317,076)	(1,351,833)	(1,372,111)	(1,392,693)	(1,413,583)	(3,434,787)
Purchase of infrastructure	(5,482,735)	(2,476,060)	(2,791,250)	(2,813,169)	(2,835,417)	(2,857,998)	(2,880,919)	(2,904,183)	(2,927,796)	(2,951,763)	(2,976,090)	(3,000,781)	(3,025,843)	(3,051,282)	(3,077,102)
Net Funding From Capital Activities	(710,921)	(1,841,560)	(2,342,750)	(2,467,691)	(2,508,007)	(2,548,927)	(2,590,462)	(2,632,619)	(2,675,408)	(3,718,839)	(2,777,923)	(2,822,892)	(2,868,536)	(2,914,865)	(4,961,889)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	0	0	0	0	0	0	0	0	0	500,000	0	0	0	0	750,000
New borrowings	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(288,477)	(701,233)	(428,909)	(438,003)	(535,765)	(667,750)	(779,019)	(897,061)	(788,652)	(460,386)	(1,166,388)	(1,510,471)	(1,669,130)	(1,905,314)	(834,171)
Advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	(5,642,803)	(363,709)	(361,381)	(376,532)	(392,409)	(380,539)	(396,085)	(412,353)	(388,833)	(357,307)	(255,008)	(63,531)	(66,415)	0	0
Net Funding From Financing Activities	(3,931,280)	(1,064,942)	(790,290)	(814,535)	(928,174)	(1,048,289)	(1,175,104)	(1,309,414)	(1,177,485)	(317,693)	(1,421,396)	(1,574,002)	(1,735,545)	(1,905,314)	(84,171)
Estimated Surplus/Deficit July 1 B/Fwd	4,482,252	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B8 – Forecast Statement of Net Current Asset Composition 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	4,482,252	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546	348,546
Restricted Cash and Cash Equivalent	1,841,129	2,542,362	2,971,271	3,409,274	3,945,039	4,612,789	5,391,808	6,288,869	7,077,521	7,037,907	8,204,295	9,714,766	11,383,896	13,289,210	13,373,381
Trade and Other Receivables	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091	3,896,091
Inventories	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580	106,580
CURRENT LIABILITIES															
Trade and Other Payables	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)	(4,051,162)
Reserves	(1,841,129)	(2,542,362)	(2,971,271)	(3,409,274)	(3,945,039)	(4,612,789)	(5,391,808)	(6,288,869)	(7,077,521)	(7,037,907)	(8,204,295)	(9,714,766)	(11,383,896)	(13,289,210)	(13,373,381)
Estimated Surplus/Deficit June 30 C/Fwd	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055	300,055

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B9 – Forecast Statement of Fixed Asset Movements 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	4,466,407	2,000,000	2,410,050	2,426,251	2,442,695	2,459,385	2,476,326	2,493,521	2,510,974	2,528,689	2,546,669	2,564,919	2,583,443	2,602,245	2,621,329
Infrastructure - Footpaths	0	27,760	100,000	101,500	103,023	104,568	106,137	107,729	109,345	110,985	112,650	114,340	116,055	117,796	119,563
Infrastructure - Drainage	0	0	125,000	126,875	128,778	130,710	132,671	134,661	136,681	138,731	140,812	142,924	145,068	147,244	149,453
Infrastructure - Parks and Ovals	0	26,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Airports	502,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Derby Wharf	100,000	60,000	75,000	76,125	77,267	78,426	79,602	80,796	82,008	83,238	84,487	85,754	87,040	88,346	89,671
Structures and Other Infrastructure	414,078	361,800	81,200	82,418	83,654	84,909	86,183	87,476	88,788	90,120	91,472	92,844	94,237	95,651	97,086
Total Capital Works - Infrastructure	5,482,735	2,476,060	2,791,250	2,813,169	2,835,417	2,857,998	2,880,919	2,904,183	2,927,796	2,951,763	2,976,090	3,000,781	3,025,843	3,051,282	3,077,102
Represented by:															
Additions - Renewal	5,482,735	2,476,060	2,791,250	2,813,169	2,835,417	2,857,998	2,880,919	2,904,183	2,927,796	2,951,763	2,976,090	3,000,781	3,025,843	3,051,282	3,077,102
Total Capital Works - Infrastructure	5,482,735	2,476,060	2,791,250	2,813,169	2,835,417	2,857,998	2,880,919	2,904,183	2,927,796	2,951,763	2,976,090	3,000,781	3,025,843	3,051,282	3,077,102
Asset Movement Reconciliation															
Total Capital Works Infrastructure	5,482,735	2,476,060	2,791,250	2,813,169	2,835,417	2,857,998	2,880,919	2,904,183	2,927,796	2,951,763	2,976,090	3,000,781	3,025,843	3,051,282	3,077,102
Depreciation Infrastructure	(6,868,445)	(6,971,474)	(7,076,043)	(7,182,184)	(7,289,918)	(7,399,266)	(7,510,256)	(7,622,910)	(7,737,254)	(7,853,312)	(7,971,112)	(8,090,678)	(8,212,039)	(8,335,219)	(8,460,248)
Revaluation of Infrastructure assets (Inflation)	2,398,540	2,413,734	2,382,506	2,353,973	2,323,748	2,291,787	2,258,044	2,222,476	2,185,031	2,145,664	2,104,328	2,060,967	2,015,532	1,967,974	1,918,232
Net Movement in Infrastructure Assets	1,012,830	(2,081,680)	(1,902,287)	(2,015,042)	(2,130,753)	(2,249,481)	(2,371,293)	(2,496,251)	(2,624,427)	(2,755,885)	(2,890,694)	(3,028,930)	(3,170,664)	(3,315,963)	(3,464,914)
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	0	452,000	301,500	204,522	207,590	210,704	213,865	217,073	220,329	1,223,634	241,989	245,619	249,304	253,043	2,256,839
Furniture and Equipment	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	0	453,500	800,000	1,000,000	1,015,000	1,030,225	1,045,678	1,061,363	1,077,283	1,093,442	1,109,844	1,126,492	1,143,389	1,160,540	1,177,948
Total Capital Works Property, Plant and Equipment	0	915,500	1,101,500	1,204,522	1,222,590	1,240,929	1,259,543	1,278,436	1,297,612	2,317,076	1,351,833	1,372,111	1,392,693	1,413,583	3,434,787
Represented by:															
Additions - Renewal	0	915,500	1,101,500	1,204,522	1,222,590	1,240,929	1,259,543	1,278,436	1,297,612	2,317,076	1,351,833	1,372,111	1,392,693	1,413,583	3,434,787
Total Capital Works Property, Plant and Equipment	0	915,500	1,101,500	1,204,522	1,222,590	1,240,929	1,259,543	1,278,436	1,297,612	2,317,076	1,351,833	1,372,111	1,392,693	1,413,583	3,434,787
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	0	915,500	1,101,500	1,204,522	1,222,590	1,240,929	1,259,543	1,278,436	1,297,612	2,317,076	1,351,833	1,372,111	1,392,693	1,413,583	3,434,787
Depreciation Property, Plant and Equipment	(1,686,226)	(1,820,144)	(2,018,068)	(2,255,544)	(2,499,692)	(2,712,501)	(2,967,735)	(3,232,171)	(2,973,622)	(2,760,770)	(2,827,109)	(2,894,817)	(2,963,919)	(3,034,444)	(3,176,877)
Net Book Value of disposed/Written Off assets	(285,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Property, Plant and Equipment (Inflation)	544,619	527,495	521,837	515,917	507,891	499,532	485,031	466,732	575,763	582,189	603,032	609,241	615,371	621,416	627,370
Net Movement in Property, Plant and Equipment	(1,426,607)	(377,149)	(394,731)	(535,105)	(769,211)	(972,040)	(1,223,161)	(1,487,003)	(1,100,247)	138,495	(872,244)	(913,465)	(955,855)	(999,445)	885,280
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	5,482,735	2,476,060	2,791,250	2,813,169	2,835,417	2,857,998	2,880,919	2,904,183	2,927,796	2,951,763	2,976,090	3,000,781	3,025,843	3,051,282	3,077,102
Total Capital Works Property, Plant and Equipment	0	915,500	1,101,500	1,204,522	1,222,590	1,240,929	1,259,543	1,278,436	1,297,612	2,317,076	1,351,833	1,372,111	1,392,693	1,413,583	3,434,787
Total Capital Works	5,482,735	3,391,560	3,892,750	4,017,691	4,058,007	4,098,927	4,140,462	4,182,619	4,225,408	5,268,839	4,327,923	4,372,892	4,418,536	4,464,865	6,511,889
Fixed Asset Movement															
Net Movement in Infrastructure Assets	1,012,830	(2,081,680)	(1,902,287)	(2,015,042)	(2,130,753)	(2,249,481)	(2,371,293)	(2,496,251)	(2,624,427)	(2,755,885)	(2,890,694)	(3,028,930)	(3,170,664)	(3,315,963)	(3,464,914)
Net Movement in Property, Plant and Equipment	(1,426,607)	(377,149)	(394,731)	(535,105)	(769,211)	(972,040)	(1,223,161)	(1,487,003)	(1,100,247)	138,495	(872,244)	(913,465)	(955,855)	(999,445)	885,280
Net Movement in Fixed Assets	(413,777)	(2,458,829)	(2,297,018)	(2,550,147)	(2,899,964)	(3,221,521)	(3,594,454)	(3,983,254)	(3,724,674)	(2,617,390)	(3,762,938)	(3,942,395)	(4,126,519)	(4,315,408)	(2,579,634)

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B10 – Forecast Statement of Capital Funding 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Infrastructure - Roads	4,466,407	2,000,000	2,410,050	2,426,251	2,442,695	2,459,385	2,476,326	2,493,521	2,510,974	2,528,689	2,546,669	2,564,919	2,583,443	2,602,245	2,621,329
Infrastructure - Footpaths	0	27,760	100,000	101,500	103,023	104,568	106,137	107,729	109,345	110,985	112,650	114,340	116,055	117,796	119,563
Infrastructure - Drainage	0	0	125,000	126,875	128,778	130,710	132,671	134,661	136,681	138,731	140,812	142,924	145,068	147,244	149,453
Infrastructure - Parks and Ovals	0	26,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Airports	502,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Derby Wharf	100,000	60,000	75,000	76,125	77,267	78,426	79,602	80,796	82,008	83,238	84,487	85,754	87,040	88,346	89,671
Structures and Other Infrastructure	414,078	361,800	81,200	82,418	83,654	84,909	86,183	87,476	88,788	90,120	91,472	92,844	94,237	95,651	97,086
Buildings	0	452,000	301,500	204,522	207,590	210,704	213,865	217,073	220,329	1,223,634	241,989	245,619	249,304	253,043	2,256,839
Furniture and Equipment	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	0	453,500	800,000	1,000,000	1,015,000	1,030,225	1,045,678	1,061,363	1,077,283	1,093,442	1,109,844	1,126,492	1,143,389	1,160,540	1,177,948
Total - Capital Expenditure	5,482,735	3,391,560	3,892,750	4,017,691	4,058,007	4,098,927	4,140,462	4,182,619	4,225,408	5,268,839	4,327,923	4,372,892	4,418,536	4,464,865	6,511,889
Funded By:															
Capital Grants & Contributions															
Infrastructure - Roads	4,032,736	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Infrastructure - Airports	175,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Structures and Other Infrastructure	414,078	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Capital Grants & Contributions	4,621,814	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Own Source Funding															
Infrastructure - Roads	433,671	450,000	860,050	876,251	892,695	909,385	926,326	943,521	960,974	978,689	996,669	1,014,919	1,033,443	1,052,245	1,071,329
Infrastructure - Footpaths	0	27,760	100,000	101,500	103,023	104,568	106,137	107,729	109,345	110,985	112,650	114,340	116,055	117,796	119,563
Infrastructure - Drainage	0	0	125,000	126,875	128,778	130,710	132,671	134,661	136,681	138,731	140,812	142,924	145,068	147,244	149,453
Infrastructure - Parks and Ovals	0	26,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Airports	327,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Derby Wharf	100,000	60,000	75,000	76,125	77,267	78,426	79,602	80,796	82,008	83,238	84,487	85,754	87,040	88,346	89,671
Structures and Other Infrastructure	0	361,800	81,200	82,418	83,654	84,909	86,183	87,476	88,788	90,120	91,472	92,844	94,237	95,651	97,086
Buildings	(150,000)	452,000	301,500	204,522	207,590	210,704	213,865	217,073	220,329	1,223,634	241,989	245,619	249,304	253,043	2,256,839
Furniture and Equipment	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	0	453,500	800,000	1,000,000	1,015,000	1,030,225	1,045,678	1,061,363	1,077,283	1,093,442	1,109,844	1,126,492	1,143,389	1,160,540	1,177,948
Total - Own Source Funding	710,921	1,841,560	2,342,750	2,467,691	2,508,007	2,548,927	2,590,462	2,632,619	2,675,408	3,718,839	2,777,923	2,822,892	2,868,536	2,914,865	4,961,889
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Disposals & C/Fwd)															
Buildings	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Other (Disposals & C/Fwd)	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	5,482,735	3,391,560	3,892,750	4,017,691	4,058,007	4,098,927	4,140,462	4,182,619	4,225,408	5,268,839	4,327,923	4,372,892	4,418,536	4,464,865	6,511,889

Refer to Appendix B15 – Forecast Significant Accounting Policies

Shire of Derby West / Kimberley Draft Strategic Resource Plan

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Appendix B11 – Forecast Ratios 2019-2034

	Target Range				Average	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
LIQUIDITY RATIOS																				
Current Ratio	> 1.00	> 1.20			0.95	0.92	0.92	0.92	0.92	0.92	0.92	0.91	0.92	0.92	0.94	0.99	0.98	1.00	1.00	1.00
OPERATING RATIOS																				
Operating Surplus Ratio	> 1.00%	> 15.00%			(49.60%)	(74.12%)	(49.93%)	(49.15%)	(49.66%)	(50.15%)	(50.30%)	(50.69%)	(51.04%)	(50.50%)	(47.34%)	(46.50%)	(45.34%)	(44.15%)	(42.93%)	(42.15%)
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%			44.54%	43.28%	43.54%	43.90%	43.90%	43.91%	43.99%	44.02%	44.06%	43.99%	44.73%	45.00%	45.37%	45.76%	46.17%	46.49%
BORROWINGS RATIOS																				
Debt Service Cover Ratio	> 3	> 5			16.72	0.05	5.93	6.55	6.82	7.10	7.83	8.15	8.49	9.04	10.56	15.69	64.11	67.09	-	-
FIXED ASSET RATIOS																				
Asset Sustainability Ratio	> 90.00%	> 110.00%			43.46%	64.09%	38.58%	42.81%	42.57%	41.45%	40.54%	39.52%	38.53%	39.45%	49.64%	40.08%	39.81%	39.54%	39.27%	55.96%
Asset Consumption Ratio	> 50.00%	> 60.00%			77.09%	98.48%	95.43%	92.47%	89.43%	86.31%	83.15%	79.91%	76.61%	73.52%	70.68%	67.76%	64.86%	61.98%	59.11%	56.56%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%			Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B15 – Forecast Significant Accounting Policies

Shire of Derby West / Kimberley Draft Strategic Resource Plan

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Appendix B12 – Forecast Planned and Required Asset Renewals 2019-2034

Required Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised															
Furniture and equipment															
Plant and equipment															
Infrastructure - Roads															
Infrastructure - Other															
Infrastructure - Bridges															
Total															

Planned Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised															
Furniture and equipment															
Plant and equipment															
Infrastructure - Roads															
Infrastructure - Other															
Total															

Asset Renewal Funding Surplus (Deficit) 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised															
Plant and equipment															
Infrastructure - Roads															
Infrastructure - Other															
Infrastructure - Bridges															
Total															

Refer to Appendix B15 – Forecast Significant Accounting Policies



Appendix B13 – Forecast Significant Accounting Policies

Basis of Preparation

The Long Term Financial Plan (the Plan) 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 Interpretation of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

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

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

Critical Accounting Estimates

The preparation of the Plan 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 the Plan.

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 forecast financial statements.

Base Year Balances

Balances shown in the Plan as Base Year are as forecast at the time of preparation of the Plan and are based on the current budget and prior year annual financial reporting and may be subject to variation.

Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other Comprehensive Income, based on the value of the non-current assets forecasted to be held by the Shire.

Rates, Grants, Donations and Other Contributions

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

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

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.

Superannuation

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

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B13 – Forecast Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

Inventories

General

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

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

Land held for resale

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

Fixed Assets

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

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the 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.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table below:

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B13 – Forecast Significant Accounting Policies (Continued)

Fixed Assets (Continued)

Asset Class	Effective average depreciation rate
Buildings	3.52%
Infrastructure - Roads	4.05%
Infrastructure - Footpaths	5.00%
Infrastructure – Drainage	5.00%
Infrastructure – Parks and Ovals	5.00%
Infrastructure – Airports	5.00%
Infrastructure – Derby Wharf	4.00%
Furniture and Equipment	20.00%
Plant and Equipment	20.00%
Computer Equipment	20.00%
Street Furniture	5.00%
Structures and Other Infrastructure	4.55%

Depreciation (Continued)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

Impairment of Assets

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

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

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

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

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses.

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.

Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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.

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B13 – Forecast Significant Accounting Policies (Continued)

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.

Provisions

Provisions are recognised when the Shire has a 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.

Leases

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

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

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

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

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

Current and Non-Current Classification

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

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix C1 – Glossary

Funding Gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

Infrastructure Assets

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. properties, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and often have no separate market value.

Key Performance Indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of Service

The defined service quality for a particular activity or service area (ie street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environment, acceptability and cost.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal. Maintenance occurs on a routine (at least annual) basis.

Planned Maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Reactive Maintenance

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

Significant Maintenance

Maintenance work to repair components or replace sub-components that need to be identified as a specific maintenance item in the maintenance budget.

Unplanned Maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance Expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure which was anticipated in determining the asset's useful life.

Modern Equivalent Asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and improvements and efficiencies in production and installation techniques.

Net Present Value (NPV)

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Appendix C1 – Glossary (Continued)

Non-Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, for example parks and playgrounds, footpaths, properties and bridges, libraries, etc.

Operations Expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Pavement Management System

A systematic process for measuring and predicting the condition of property pavements and wearing surfaces over time and recommending corrective actions.

Recoverable Amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent Expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

Renewal

Works to upgrade refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk Management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or Segment

A self-contained part or piece of an infrastructure asset.

Service Potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

Service Potential Remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

- (a) The period over which a depreciable asset is expected to be used; or
- (b) The number of production or similar units (ie intervals, cycles) that is expected to be obtained from the asset.

Other Matters

Preparation

This Plan was prepared for the Shire of Derby West / Kimberley by Moore Stephens.

Reliance

This Plan has been prepared for the exclusive use of the Shire of Derby West / Kimberley and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Stephen's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Derby West / Kimberley. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Shire of Derby West / Kimberley.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Derby West / Kimberley and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Shire of Derby West / Kimberley. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Shire of Derby West / Kimberley and the impact that a variation in future outcomes may have on the Plan and the Shire of Derby West / Kimberley.

Disclaimer

The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.

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Document Management

Version: 2019 | V1
Status: Draft
Date: 3 September 2019

6.5 FINANCIAL MANAGEMENT REPORT

File Number: 4105

Author: Amanda O'Halloran, Chief Executive Officer

Responsible Officer: Amanda O'Halloran, Chief Executive Officer

Authority/Discretion: Legislative

SUMMARY

That the Shire of Derby West/Kimberley receives the Financial Management Review dated July 2019 (Attachment 1) and recommends that the Council endorse the review at the 25 September 2019 Ordinary Council Meeting.

DECLARATION OF INTEREST

Nil

BACKGROUND

Regulations 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the Chief Executive Officer to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the results of those reviews.

The last review was undertaken in February 2016.

The review forms part of the Shires Regulation 17 obligations and has been undertaken as part of an internal review given recent resourcing challenges and significant departmental changes at the Shire.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996

The financial management responsibilities of the Chief Executive Officer are established under Regulation 5 of the *Local Government (Financial Management) Regulations 1996*:

(1) Efficient systems and procedures are to be established by the CEO of a local government:

(a) for the proper collection of all money owing to the local government;

(b) for the safe custody and security of all money collected or held by the local government;

(c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);

(d) to ensure proper accounting for municipal or trust:

(i) revenue received or receivable;

(ii) expenses paid or payable; and

(iii) assets and liabilities;

(e) to ensure proper authorisation for the incurring of liabilities and the making of payments;

(f) for the maintenance of payroll, stock control and costing records; and

(g) to assist in the preparation of budgets, budget reviews, accounts and reports Required by the Act or these Regulations.

In addition, the Chief Executive Officer is to:

(2) (a) ensure that the resources of the local government are effectively and efficiently managed;

(b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and

(c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and no less than once in every 4 financial years) and report to the local government the results of those reviews.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The cost of the review has been provided for in the 2019/20 Annual Budget

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
Goal 4: Good Governance and an effective Organisation <i>Leadership that provides strategic direction for the community, supported by efficient and effective service delivery.</i>	4.1: Effective governance and leadership	4.1.4: Ensure governance policies and procedures are in accordance with legislative requirements.
		4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role.
		4.1.8: Develop and Maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: The Review isn't undertaken leaving the Shire and the Council non-compliant and in a	Possible	Moderate	Medium	The Audit Committee to receive a calendar of review and compliance targets to drive the process and ensure the Councils statutory

vulnerable position				compliance
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CONSULTATION

Moore Stephens (Shire appointed Auditors)

COMMENT

To comply with the requirements of the Regulations Moore Stephens were commissioned by the Chief Executive Officer to undertake the review and report on Council's financial management systems and procedures.

The financial management review provides the Chief Executive Officer and the Council with an independent assessment of the appropriateness and effectiveness of the Shire's Financial Management Systems. The review procedures undertaken included documentation, analysis and testing of financial internal controls.

The Shire's financial records were examined for the period 1 July 2018 to 30 June 2019, including the following financial systems and procedures:

- Bank Reconciliations
- Trust Fund
- Fees and Charges
- General Journals
- Receipts and Receivables
- Rates
- Purchases, Payments and Payables (Including Purchase Orders)
- Payroll
- Credit Card Procedures
- Fixed Assets (Including acquisition and disposal of property)
- Cost and Administration Overhead Allocations
- Minutes and Meetings
- Financial Reports
- Budget
- Plan for the Future
- Registers (Including Annual and Primary Return)
- Delegations
- Audit Committee
- Insurance

In total 20 areas were examined and 11 areas were noted for improvement, the review did not identify any noncompliance issues.

Area Examined	Matters noted and raised	Suggested Improvements	Shire comments	Rating assessment
Bank Reconciliations	Municipal bank account reconciliation for May 2019 was not independently reviewed.	To help ensure bank reconciliations are correct, they should be reviewed by a senior staff member independent of preparation. This review should seek to confirm the accuracy of the reconciliation and be evidenced accordingly.	The Shire notes this has occurred and on review are satisfied that this is more of a one off and not a common occurrence. We fully understand the importance of independent verification and are actively trying to recruit suitable staff to improve our performance in this area and provide stakeholders with greater confidence.	Moderate
Trust Funds	Trust transactions are processed through the municipal bank account with journals being processed to transfer the funds received for these transactions to the trust bank account monthly. This is a breach of Section 6.6(2) of the Local Government Act 1995 which requires municipal funds to be kept separate and distinct from trust funds. Furthermore, there is an increased risk of the Shire utilising trust moneys as part of the municipal fund.	To help ensure compliance with statutory requirements and maintain adequate control over trust funds, all bona fide trust money should be transacted via the Trust bank account as and when the money is received or paid.	We accept and understand that we may be in breach of the Act however advise that this has been an ongoing process for some years. The current process has been deemed to be the most efficient considering the Shires resources, locations and efficiency of customer service. Our Synergy software splits receipts into separate bank accounts within the General Ledger however the monies are physically deposited into the Municipal bank accounts, with a physical transfer of funds between bank accounts being generally done on a monthly basis after the reconciliation of the bank accounts. We believe that the processes we have in place mitigates the chance of the Shire utilising trust monies as part of the municipal fund. The recent definitions by the OAG as to what receipts are to be held in trust has provided clarity that on first look would indicate that a considerable number of items being treated as trust items by the Shire are in fact not trust items and do belong in the municipal account. We advise that we will be looking at this entire process with a view to achieving full legislative compliance in the near future.	Significant
Trust Funds	Interest earned on investment of trust funds was incorrectly recognised as the Shire's interest income instead of being returned to the entitled recipients. This is also a non-compliance with Section 6.9(3)(a) of the Local	Any interest earned from the investment of trust funds must be paid to the persons entitled to those trust funds in accordance with the Act. The Shire must quantify the cumulative effect on interest earned on trust funds and may be required to perform	Council acknowledges that this has occurred and has taken steps so that the trust bank account no longer accrues interest. We accept that some interest received in trust funds may have been incorrectly recognised as the Shire's interest however in light of the OAG's release of definitions mentioned above we could argue that some interest has been foregone as trust interest when in actual fact it is not. This will be looked at when we look at trust funds and interest owing to persons with	Moderate

	Government Act 1995 (the Act).	a prior year adjustment to reduce income and cash balances accordingly.	legitimate amounts in trust will be fully reviewed and reconciled.	
Receipts and Receivables	Our review of the sundry and rates debtor recovery procedures noted overdue balances are not always followed up within the required time frame stipulated in the 'Sundry Debtors Collection Policy' and 'Outstanding Rates Collection Policy' respectively.	To help improve cash flow and ensure compliance with the abovementioned policies, finance officers should be reminded to follow up overdue balances in a timely manner.	<p>The Shire notes this has occurred and that this is a high priority for ensuring better cash flow. Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>The Shire is actively trying to recruit suitable staff to improve our performance in this area will therefore allow debt collection to be better managed and issues arising from the past can be considered for materiality and implications to the Council as a whole and reported to Council for their decision, consideration and provide stakeholders with greater confidence.</p> <p>Debt collection will be a main focus in the 19/20 financial year. A policy has been created, currently looking at a Debt collection agency with four quotes obtained and currently reviewing costing and reference checks. The Accounts Receivable Officer has also created a procedure based on the policy.</p>	Moderate
Receipts and Receivables	The end of day receipting reports at the Visitor Centre in Fitzroy Crossing did not have evidence of being independently reviewed.	To help ensure all funds are correctly receipted, the end of day receipting report should be reviewed by a senior staff member independent of preparation and evidenced accordingly.	Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department and the inability to retain appropriately skilled staff. With the change in CEO there is a renewed effort to review the structure and look to improving retention in this area. The Finance and Visitor Centre Teams are currently implementing internal controls that will provide for improved compliance in this area. CEO, Manager of Finance and Manager of Fitzroy Crossing have discussed appropriate ways to move forward and have identified the best practices for each department.	Moderate

Purchases, Payments and Payables (Including Purchase Orders)	Audit trail report for changes to the creditor master files was not reviewed by a senior staff member independent of processing prior to each payment run. This increases the risk of unauthorised changes to creditor banking details being undetected and hence payments could be made to the incorrect bank account.	To help ensure all changes to creditor's details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the creditor master files should be reviewed by a senior staff member independent of processing prior to each pay run. The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisations and should be evidenced accordingly.	Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area. The Finance Team are currently improving the internal controls that currently exist which will provide for improved compliance in this area and have identified best practice to include the full audit trail list provided with the payment run rather than at individual points of time.	Significant
Registers	Whist reviewing the annual and primary returns, we noted the following matters:- <ul style="list-style-type: none">• One instance where the annual return of a Councillor could not be located in the register;• Three instances where the annual returns of former employees were not removed from the register as required by Section 5.88(3) of the Local Government Act; and• One instance where the primary return of a Councillor was not acknowledged as being received by the CEO in accordance with Section 5.77 of the Local Government Act.	To help ensure compliance with statutory provisions in relation to individual returns:- <ul style="list-style-type: none">• All annual and primary returns should be collated and filed appropriately;• Returns of former employees should be removed from the register as soon as practicable as required by Section 5.88(3) of the Act; and• Receipts of annual and primary returns should be acknowledged by the CEO as required by Section 5.77 of the Act.	The Shire notes this has occurred and has implemented the ATTAIN Governance Management System to improve governance across the organisation and for Elected Members. The system supports completion of Primary and Annual Returns, Financial Interests and delegation reporting. The system is online and is accessible to all Councillors and authorised staff. The system has forcing functions to ensure no fields are left blank and forces responses when required.	Minor

Credit Card	Our review of the credit card procedures noted two instances where the credit limit for cardholders was higher than the amount stated in the cardholder agreement. This increases the risk of monthly credit card expenditure exceeding the limit approved by Council.	To help ensure compliance with the expenditure limit set by Council, the credit limit for the cardholders should be reduced accordingly.	<p>Noted and the Shire is committed to working within the recommendations of the Western Australian Auditor General's Report Controls over Corporate Credit Cards that was issued on 7 May 2018.</p> <p>The Shire has a total credit limit of \$50,000 and has three credit cards with the following limits;</p> <ol style="list-style-type: none"> 1. one with a limit of \$20,000 and 2. two with a limit of \$5,000, <p>With the CEO having the larger limit.</p> <p>The instance above was a once off occurrence due to changeover of CEO's and at time the Shire was not at risk to go over the total organisation limit. Due to a two month delay from the previous CEO finishing to new CEO's starting, one credit card had slight credit increase to \$10,000 for the two month span. The increase was needed for operational purposes. The limit was reset in line with the cardholder agreement on 12/07/2019 once CEO's credit card arrived at the Shire. Credit card holder cannot put requests individually to the bank and the Manager of Finance is the main contact with CEO approval for limit changes to the bank. The Manager of Finance is not a credit card holder.</p>	Moderate
Payroll	Audit trail report for changes to the employee master files was not reviewed prior to each pay run. This increases the risk of unauthorised changes to employee banking details being undetected and hence payments could be made to the incorrect bank account.	To help ensure all changes to employee details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the employee master files should be reviewed by a senior staff member independent of processing prior to each pay run. The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisation and should be evidenced accordingly.	<p>Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>The Finance Team are currently implementing and reviewing internal controls that will provide for improved compliance in this area and will identify the best practice.</p>	Significant

Cost and Administrative Allocations	<p>During our review of overhead allocations, we noted that overhead allocation rates are not reviewed regularly. As a result, public works overheads and plant operating costs were under-allocated by \$375,000 and \$315,000 respectively as at 30 June 2019.</p> <p>Whilst this has no effect on the net operating result, it may distort the true cost of individual jobs at a given point in time.</p>	To help ensure all jobs are accurately reflected on a timely basis, we recommend the allocation rates and methodology be reviewed on a regular basis. This information would also assist Council and staff as they make management decisions on scarce resources.	Noted. Issues such as these have arisen from difficulties resourcing the finance department and the inability to retain appropriately skilled staff. With the change in CEO, there is a renewed effort to review the structure and look to improving retention in this area. We will review our overheads on a more regular basis as per suggestions.	Moderate
Fixed Assets	<p>From 1 July 2018, Regulation 17A(5) of the Local Government (Financial Management) Regulations 1996 now requires assets with a fair value under \$5,000 at the date of acquisition to be excluded from the assets reported in the financial report of a local government entity.</p> <p>Although the Shire's accounting policy complies with this change, we found a number of assets with a purchase price below \$5,000 during our review of the fixed asset register.</p>	Management should review the fixed asset register and ensure any assets acquired with a fair value below \$5,000 as at the date of acquisition are excluded.	<p>The Shire has ensured that reconciliations are carried out on an annual basis. Contract resourcing planned for July, August and September will provide an opportunity to work on this area in more depth and will ensure that correct changes have occurred to the fixed asset register. Griffin Valuation Advisory has been contracted to review and revalue all assets with an intention of a \$5,000 threshold to remain in the fixed asset register and anything below will fall in the Attractive and Portable items listing.</p> <p>Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>It is intended that once the structure is stable this will allow a monthly reconciliation to be implemented formally through internal department procedures and checklists.</p>	Moderate

Financial Reports	The Monthly Statements of Financial Activity from August – November 2018 were not presented to Council within 2 months after month end as required by Local Government (Financial Management) Regulation 34 4(a). Instead, they were presented in the Ordinary Council meeting held in February 2019.	To help ensure compliance with statutory provisions, this requirement should be correctly addressed in the future.	Noted that these instances occurred. Issues such as these have arisen from difficulties resourcing the finance department and the inability to retain appropriately skilled staff. With the change in CEO, there is a renewed effort to review the structure and look to improving retention in this area. The Finance Team are currently implementing and reviewing internal controls that will provide for improved compliance in this area and will ensure that statutory requirements are met. We also note that this has not occurred since and reports have been presented within time frames.	Minor
Plan for the Future	During our review of the Plan for the Future we noted the following matters:- <ul style="list-style-type: none"> • The Strategic Community Plan has not been reviewed at least once in the last four years as required by Local Government (Administration) Regulation 19C (4); and • The Corporate Business Plan (2019-2023) is in draft format and has not been adopted by Council. 	To help ensure compliance with statutory regulations, the Strategic Community Plan should be reviewed and the Corporate Business Plan should be finalised and adopted by Council as soon as practicable.	The Shire recognises that this is a high priority and will be undertaking review during the 2019/20 financial year. The Corporate Business Plan is currently being reviewed and was presented at the August 2019 Ordinary Council Meeting.	Minor

The Report conclusion noted *“The Shire has appropriate and effective systems and processes in place to help minimise the risk of noncompliance with legislative requirements.”*

It is recommended that the Audit Committee review the Financial Management Review and recommend to Council that the Financial Management Review be adopted by Council at the next Ordinary Council Meeting to be held on 25 September 2019.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. **Moore Stephens Financial Management Review 2019**  

RECOMMENDATION

That the Compliance and Strategic Review Committee endorse the Financial Management Review and recommend Councils endorsement.

MOORE STEPHENS

Financial Management Review

Shire of Derby-West Kimberley

July 2019

www.moorestephens.com.au

Serious about Success®

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Disclaimer

The objective of this review as outlined in greater detail in Part 1.0 of this report as presented, is to assist the Chief Executive Officer of the Shire of Derby-West Kimberley discharge responsibilities in respect to Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 (as amended).

It has been prepared by Moore Stephens (WA) Pty Ltd for this sole purpose.

It is not intended to be used by any other individual or organisation.

Confidential – this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

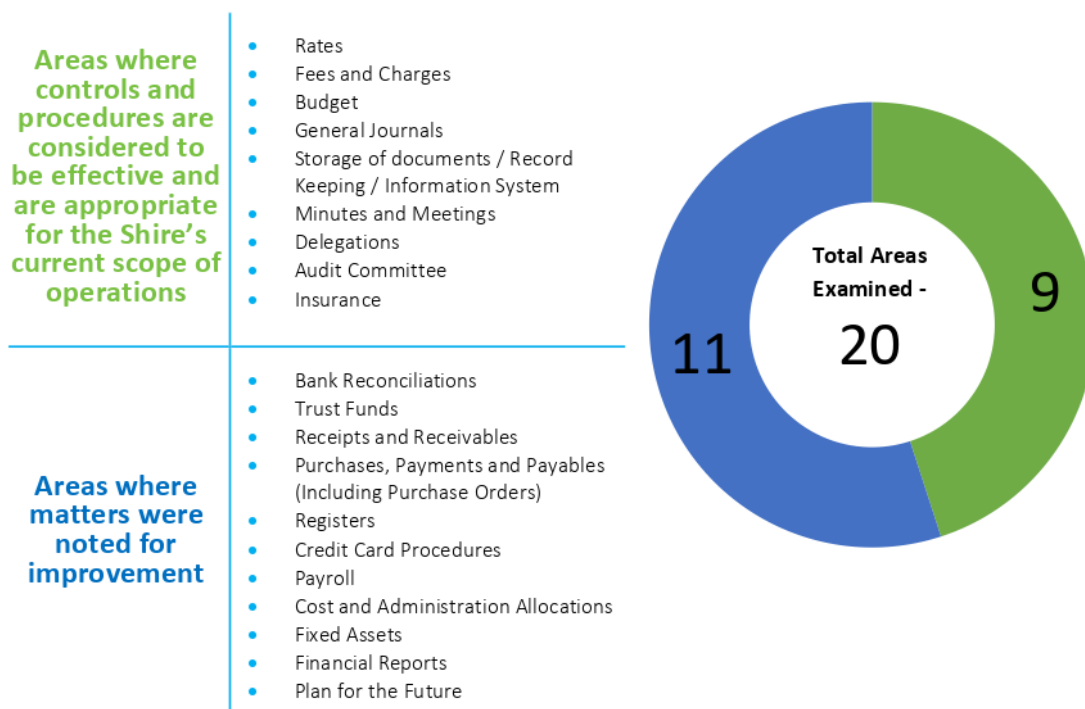
Moore Stephens (WA) Pty Ltd carries on business separately and independently from other Moore Stephens member firms around Australia and worldwide. Services provided under this engagement are provided by Moore Stephens (WA) Pty Ltd and not by any other independent Moore Stephens member firm. No other independent Moore Stephens member has any liability for services provided by other members.

1.0 Executive Summary

The objective of our review as outlined in our engagement letter dated 3 July 2019 is to provide a report, based on our understanding of the Shire and associated risks, to assist the CEO to report to the local government on the appropriateness and effectiveness of the Shire's financial management systems and procedures as required by Local Government (Financial Management) Regulation 5(2)(c).

The review covered the period 1 July 2018 to 30 June 2019.

Financial systems and processes examined



Our review included a high-level understanding of the key financial systems that support the financial processes undertaken by the Shire and the performance of review procedures designed to evaluate the appropriateness and effectiveness of the control environment of the Shire's financial management system.

The procedures performed for each area in respect of the review have been included in **Appendix A**.

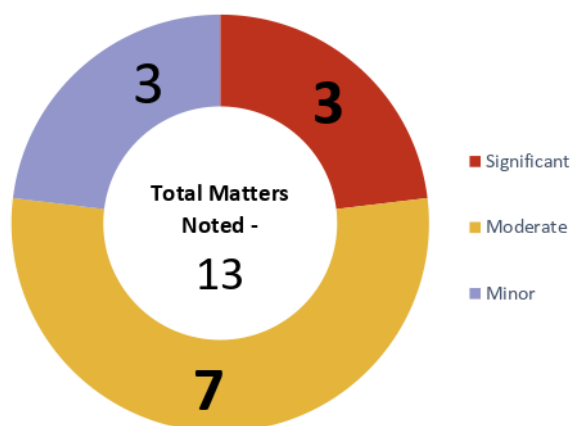
We did not necessarily examine compliance with provisions of the Act or Regulations, which were not financial in nature.

The review constitutes an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance, either expressed or implied.

1.0 Executive Summary (continued)

Matters noted summarised by risk rating

Details of the specific areas with matters noted, together with our risk ratings, recommendations and management comments can be found in part 2 commencing on page 6.



Our review noted thirteen matters requiring attention and housekeeping or changes to current procedures.

Addressing the issues highlighted will help to ensure the controls and procedures established are not compromised in the future and the integrity of the financial management system is maintained.



We trust this report will assist in the ongoing review and improvement of the Shire's financial management practices and procedures.

Please Note: The rating assessment as detailed below is our assessment based on the circumstances surrounding the procedures performed. They are provided solely to assist you understand the nature of the matters raised and to prioritise any remedial action.



Key for Rating Assessment:

Significant Issue represents a weakness which will/may have an adverse effect on the ability to achieve business objectives. Requires immediate management action.	
Moderate Issue represents a weakness which may become more serious if not addressed. Requires management action within a reasonable time period.	
Minor Issue represents an opportunity for improvement. Management should consider cost benefit analysis within a reasonable time period.	



2.0 Matters Noted

Area	Rating	Matters Identified / Improvements / Management Comments
Bank Reconciliations		<p>Municipal bank account reconciliation for May 2019 was not independently reviewed.</p> <hr/> <p>Improvement: To help ensure bank reconciliations are correct, they should be reviewed by a senior staff member independent of preparation. This review should seek to confirm the accuracy of the reconciliation and be evidenced accordingly.</p> <hr/> <p>Management Comments: The Shire notes this has occurred and on review are satisfied that this is more of a one off and not a common occurrence. We fully understand the importance of independent verification and are actively trying to recruit suitable staff to improve our performance in this area and provide stakeholders with greater confidence.</p>
Trust Funds		<p>Trust transactions are processed through the municipal bank account with journals being processed to transfer the funds received for these transactions to the trust bank account monthly. This is a breach of Section 6.6(2) of the Local Government Act 1995 which requires municipal funds to be kept separate and distinct from trust funds. Furthermore, there is an increased risk of the Shire utilising trust moneys as part of the municipal fund.</p> <hr/> <p>Improvement: To help ensure compliance with statutory requirements and maintain adequate control over trust funds, all bona fide trust money should be transacted via the Trust bank account as and when the money is received or paid.</p> <hr/> <p>Management Comments: We accept and understand that we may be in breach of the Act however advise that this has been an ongoing process for some years. The current process has been deemed to be the most efficient considering the Shires resources, locations and efficiency of customer service. Our Synergy software splits receipts into separate bank accounts within the General Ledger however the monies are physically deposited into the Municipal bank accounts, with a physical transfer of funds between bank accounts being generally done on a monthly basis after the reconciliation of the bank accounts. We believe that the processes we have in place mitigates the chance of the Shire utilising trust monies as part of the municipal fund. The recent definitions by the OAG as to what receipts are to be held in trust has provided clarity that on first look would indicate that a considerable number of items being treated as trust items by the Shire are in fact not trust items and do belong in the municipal account. We advise that we will be looking at this entire process with a view to achieving full legislative compliance in the near future.</p>


2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Trust Funds		<p>Interest earned on investment of trust funds was incorrectly recognised as the Shire's interest income instead of being returned to the entitled recipients. This is also a non-compliance with Section 6.9(3)(a) of the Local Government Act 1995 (the Act).</p> <hr/> <p>Improvement:</p> <p>Any interest earned from the investment of trust funds must be paid to the persons entitled to those trust funds in accordance with the Act. The Shire must quantify the cumulative effect on interest earned on trust funds and may be required to perform a prior year adjustment to reduce income and cash balances accordingly.</p> <hr/> <p>Management Comments:</p> <p>Council acknowledges that this has occurred and has taken steps so that the trust bank account no longer accrues interest. We accept that some interest received in trust funds may have been incorrectly recognised as the Shire's interest however in light of the OAG's release of definitions mentioned above we could argue that some interest has been foregone as trust interest when in actual fact it is not. This will be looked at when we look at trust funds and interest owing to persons with legitimate amounts in trust will be fully reviewed and reconciled.</p>
Receipts and Receivables		<p>Our review of the sundry and rates debtor recovery procedures noted overdue balances are not always followed up within the required time frame stipulated in the 'Sundry Debtors Collection Policy' and 'Outstanding Rates Collection Policy' respectively.</p> <hr/> <p>Improvement:</p> <p>To help improve cash flow and ensure compliance with the abovementioned policies, finance officers should be reminded to follow up overdue balances in a timely manner.</p> <hr/> <p>Management Comments:</p> <p>The Shire notes this has occurred and that this is a high priority for ensuring better cash flow. Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>The Shire is actively trying to recruit suitable staff to improve our performance in this area will therefore allow debt collection to be better managed and issues arising from the past can be considered for materiality and implications to the Council as a whole and reported to Council for their decision, consideration and provide stakeholders with greater confidence.</p> <p>Debt collection will be a main focus in the 19/20 financial year. A policy has been created, currently looking at a Debt collection agency with four quotes obtained and currently reviewing costing and reference checks. The Accounts Receivable Officer has also created a procedure based on the policy.</p>


2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Receipts and Receivables		<p>The end of day receipting reports at the Visitor Centre in Fitzroy Crossing did not have evidence of being independently reviewed.</p> <p>Improvement:</p> <p>To help ensure all funds are correctly receipted, the end of day receipting report should be reviewed by a senior staff member independent of preparation and evidenced accordingly.</p> <p>Management Comments:</p> <p>Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department and the inability to retain appropriately skilled staff. With the change in CEO there is a renewed effort to review the structure and look to improving retention in this area. The Finance and Visitor Centre Teams are currently implementing internal controls that will provide for improved compliance in this area. CEO, Manager of Finance and Manager of Fitzroy Crossing have discussed appropriate ways to move forward and have identified the best practices for each department.</p>
Purchases, Payments and Payables (Including Purchase Orders)		<p>Audit trail report for changes to the creditor master files was not reviewed by a senior staff member independent of processing prior to each payment run. This increases the risk of unauthorised changes to creditor banking details being undetected and hence payments could be made to the incorrect bank account.</p> <p>Improvement:</p> <p>To help ensure all changes to creditor's details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the creditor master files should be reviewed by a senior staff member independent of processing prior to each pay run.</p> <p>The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisations and should be evidenced accordingly.</p> <p>Management Comments:</p> <p>Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>The Finance Team are currently improving the internal controls that currently exist which will provide for improved compliance in this area and have identified best practice to include the full audit trail list provided with the payment run rather than at individual points of time.</p>


2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Registers		<p>Whilst reviewing the annual and primary returns, we noted the following matters:-</p> <ul style="list-style-type: none"> • One instance where the annual return of a Councillor could not be located in the register; • Three instances where the annual returns of former employees were not removed from the register as required by Section 5.88(3) of the Local Government Act; and • One instance where the primary return of a Councillor was not acknowledged as being received by the CEO in accordance with Section 5.77 of the Local Government Act. <p>Improvement:</p> <p>To help ensure compliance with statutory provisions in relation to individual returns:-</p> <ul style="list-style-type: none"> • All annual and primary returns should be collated and filed appropriately; • Returns of former employees should be removed from the register as soon as practicable as required by Section 5.88(3) of the Act; and • Receipts of annual and primary returns should be acknowledged by the CEO as required by Section 5.77 of the Act. <p>Management Comments:</p> <p>The Shire notes this has occurred and has implemented the ATTAIN Governance Management System to improve governance across the organisation and for Elected Members. The system supports completion of Primary and Annual Returns, Financial Interests and delegation reporting. The system is online and is accessible to all Councillors and authorised staff. The system has forcing functions to ensure no fields are left blank and forces responses when required.</p>



2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Credit Card Procedures		<p>Our review of the credit card procedures noted two instances where the credit limit for cardholders was higher than the amount stated in the cardholder agreement. This increases the risk of monthly credit card expenditure exceeding the limit approved by Council.</p> <hr/> <p>Improvement:</p> <p>To help ensure compliance with the expenditure limit set by Council, the credit limit for the cardholders should be reduced accordingly.</p> <hr/> <p>Management Comments:</p> <p>Noted and the Shire is committed to working within the recommendations of the Western Australian Auditor General's Report Controls over Corporate Credit Cards that was issued on 7 May 2018.</p> <p>The Shire has a total credit limit of \$50,000 and has three credit cards with the following limits;</p> <ol style="list-style-type: none"> 1. one with a limit of \$20,000 and 2. two with a limit of \$5,000, <p>With the CEO having the larger limit.</p> <p>The instance above was a once off occurrence due to changeover of CEO's and at time the Shire was not at risk to go over the total organisation limit. Due to a two month delay from the previous CEO finishing to new CEO's starting, one credit card had slight credit increase to \$10,000 for the two month span. The increase was needed for operational purposes. The limit was reset in line with the cardholder agreement on 12/07/2019 once CEO's credit card arrived at the Shire.</p> <p>Credit card holder cannot put requests individually to the bank and the Manager of Finance is the main contact with CEO approval for limit changes to the bank. The Manager of Finance is not a credit card holder.</p>



2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Payroll		<p>Audit trail report for changes to the employee master files was not reviewed prior to each pay run. This increases the risk of unauthorised changes to employee banking details being undetected and hence payments could be made to the incorrect bank account.</p> <hr/> <p>Improvement:</p> <p>To help ensure all changes to employee details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the employee master files should be reviewed by a senior staff member independent of processing prior to each pay run.</p> <p>The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisation and should be evidenced accordingly.</p> <hr/> <p>Management Comments:</p> <p>Noted and Council takes on board the improvements as suggested. Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>The Finance Team are currently implementing and reviewing internal controls that will provide for improved compliance in this area and will identify the best practice.</p>

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Cost and Administrative Allocations		<p>During our review of overhead allocations, we noted that overhead allocation rates are not reviewed regularly. As a result, public works overheads and plant operating costs were under-allocated by \$375,000 and \$315,000 respectively as at 30 June 2019.</p> <p>Whilst this has no effect on the net operating result, it may distort the true cost of individual jobs at a given point in time.</p> <hr/> <p>Improvement:</p> <p>To help ensure all jobs are accurately reflected on a timely basis, we recommend the allocation rates and methodology be reviewed on a regular basis. This information would also assist Council and staff as they make management decisions on scarce resources.</p> <hr/> <p>Management Comments:</p> <p>Noted. Issues such as these have arisen from difficulties resourcing the finance department and the inability to retain appropriately skilled staff. With the change in CEO, there is a renewed effort to review the structure and look to improving retention in this area. We will review our overheads on a more regular basis as per suggestions.</p>
Fixed Assets		<p>From 1 July 2018, Regulation 17A(5) of the Local Government (Financial Management) Regulations 1996 now requires assets with a fair value under \$5,000 at the date of acquisition to be excluded from the assets reported in the financial report of a local government entity.</p> <p>Although the Shire's accounting policy complies with this change, we found a number of assets with a purchase price below \$5,000 during our review of the fixed asset register.</p> <hr/> <p>Improvement:</p> <p>Management should review the fixed asset register and ensure any assets acquired with a fair value below \$5,000 as at the date of acquisition are excluded.</p> <hr/> <p>Management Comments:</p> <p>The Shire has ensured that reconciliations are carried out on an annual basis. Contract resourcing planned for July, August and September will provide an opportunity to work on this area in more depth and will ensure that correct changes have occurred to the fixed asset register. Griffin Valuation Advisory has been contracted to review and revalue all assets with an intention of a \$5,000 threshold to remain in the fixed asset register and anything below will fall in the Attractive and Portable items listing.</p> <p>Issues such as these have arisen from difficulties resourcing the department, with the change in CEO there is a renewed effort to review the structure and look to improving retention in this area.</p> <p>It is intended that once the structure is stable this will allow a monthly reconciliation to be implemented formally through internal department procedures and checklists.</p>

2.0 Matters Noted (continued)

Area	Rating	Matters Identified / Improvements / Management Comments
Financial Reports		<p>The Monthly Statements of Financial Activity from August – November 2018 were not presented to Council within 2 months after month end as required by Local Government (Financial Management) Regulation 34 4(a). Instead, they were presented in the Ordinary Council meeting held in February 2019.</p> <hr/> <p>Improvement:</p> <p>To help ensure compliance with statutory provisions, this requirement should be correctly addressed in the future.</p> <hr/> <p>Management Comments:</p> <p>Noted that these instances occurred. Issues such as these have arisen from difficulties resourcing the finance department and the inability to retain appropriately skilled staff. With the change in CEO, there is a renewed effort to review the structure and look to improving retention in this area. The Finance Team are currently implementing and reviewing internal controls that will provide for improved compliance in this area and will ensure that statutory requirements are met. We also note that this has not occurred since and reports have been presented within time frames.</p>
Plan for the Future		<p>During our review of the Plan for the Future we noted the following matters:-</p> <ul style="list-style-type: none"> • The Strategic Community Plan has not been reviewed at least once in the last four years as required by Local Government (Administration) Regulation 19C (4); and • The Corporate Business Plan (2019-2023) is in draft format and has not been adopted by Council. <hr/> <p>Improvement:</p> <p>To help ensure compliance with statutory regulations, the Strategic Community Plan should be reviewed and the Corporate Business Plan should be finalised and adopted by Council as soon as practicable.</p> <hr/> <p>Management Comments:</p> <p>The Shire recognises that this is a high priority and will be undertaking review during the 2019/20 financial year.</p> <p>The Corporate Business Plan is currently being reviewed and was presented at the August 2019 Ordinary Council Meeting.</p>

Appendix A – Review Procedures

The following procedures were undertaken in our evaluation of the financial management system controls:

System	Description
Bank reconciliations	An examination of bank reconciliations and procedures was performed for the period under review to ensure they are up to date as well as being prepared regularly and promptly for all bank accounts. We also checked the bank reconciliations were reviewed by a senior staff member independent of preparation.
Trust funds	Trust funds held by the Shire were examined through testing a sample of receipts and refunds to determine proper accountability in the Shire's financial management system and compliance with regulatory requirements.
Receipts and receivables	The Shire's end of day banking procedures were examined to determine if they are adequate in ensuring cash collections are being recorded and allocated properly to the general ledger. Detailed testing of a sample of receipts was performed. This included tracing to individual receipt detail, bank deposits, general ledger and bank statements to ensure banking was correctly performed.
Rates	<p>The Shire's rating procedures were examined to determine if they are adequate in ensuring rates are being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger.</p> <p>We selected a sample of rate notices, instalment rate notices and interim rate notices for the period under review. This included:</p> <ul style="list-style-type: none"> – re-performing the calculations on the rate notices; – ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rate in the dollar imposed are as per adopted budget; – ensuring the rate system is properly updated; and – checking proper posting to the general ledger.
Fees and Charges	<p>Fees and Charges imposed at the time of budget adoption were found to be in accordance with legislative requirements.</p> <p>Detailed testing of a sample of fees and charges was performed. This included tracing to receipts, the adopted fees and charges schedule and the general ledger to ensure they were correctly charged, and their allocation/posting was correctly performed.</p>
Purchases, payments and payables (including purchase orders)	A sample of payment transactions was selected and tested to determine whether purchases were authorised/budgeted, and payments were supported, certified/authorised and correctly allocated. The Shire's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.

Appendix A – Review Procedures (continued)

System	Description
Registers	<p><u>Financial Interest Register</u></p> <p>The register was examined to ensure compliance with regulatory requirements.</p> <p><u>Tender Register</u></p> <p>The Shire's tender register was examined to ensure compliance with regulatory requirements.</p> <p>We also reviewed the Shire's tender process to determine if adequate controls were in place to ensure the tendering of goods and services is being managed properly. This included walking through a sample of tenders selected for review from inception through to award of tender against the tender register, minutes and relevant supporting documentation.</p>
Credit card procedures	<p>A review of the Shire's credit card procedures was performed to determine if adequate controls are in place.</p> <p>We selected a sample of credit card transactions from 1 July 2018 to 30 June 2019 across all credit cards to determine whether they are legitimate and usual in the context of the Shire's operations. This included:</p> <ul style="list-style-type: none"> - sighting tax invoices; - ascertaining whether the transactions are for bona fide Shire business; and - determining whether transactions are in line with the credit card policy.
Payroll	<p>Detailed testing of a sample of individual employees was selected from different pay runs and for each employee's pay the following tests were performed to help ensure:</p> <ul style="list-style-type: none"> - the employee existed; - the correct rate of pay was used; - non-statutory deduction authorities are on hand; - time sheets were properly completed and authorised; - hours worked were properly authorised; and - allocations were reasonable and correctly posted. <p>We also tested the first pay of a sample of new employees and the last pay of a sample of terminated employee. The Shire's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled.</p>
Cost and administration allocations	<p>The Shire's cost and administration allocation system was examined to determine if indirect costs have been properly allocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed.</p>

Appendix A – Review Procedures (continued)

System	Description
Fixed assets (including depreciation, acquisition, and disposal of property)	<p>The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined.</p> <p>A sample of asset additions and disposals was selected and testing performed to ensure:</p> <ul style="list-style-type: none"> - the tax invoices existed; - correct posting to the general ledger; - fixed assets register was promptly updated; and - classification of assets was correct. <p>In addition, a sample of assets was selected and testing performed to ensure the depreciation rates used are in line with the Shire's accounting policy.</p> <p>The Shire's asset register was also reviewed for assets acquired for less than \$5,000 due to the addition of Regulation 17A(5) to the Local Government (Financial Management) Regulations as of 1 July 2018.</p>
Budget	<p>The Shire's budgetary system and procedures was examined to determine if:</p> <ul style="list-style-type: none"> - A structured process is in place and being managed properly; - The Budget includes all relevant and necessary details and was properly adopted; and - The Budget is subject to proper half yearly review and variances are properly dealt with; and <p>We also checked to ensure the annual budget and the budget review documents have been lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframe.</p>
Financial Reports	<p>A review of the Shire's systems and procedures over the annual financial report and monthly financial reports was performed to determine if:</p> <ul style="list-style-type: none"> - Structured reporting processes are in place and being properly managed; - Reports are properly constructed based balanced trial balances; - Reports include all relevant and necessary details as required for proper financial/management reporting purposes; and - Monthly reports with variance analysis are presented to Council in a timely manner. <p>We also checked to ensure the annual financial report has been adopted by Council and lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframes.</p>
General Journals	<p>The Shire's Journal procedures were examined to determine if they were sufficiently reviewed / approved at every staff level before processing.</p>
Storage of documents / Record keeping / information system	<p>The Shire's record keeping / storage system and IT general control environment surrounding its information systems (such as access to the computer system, regular changes to passwords and data backup) were examined to determine if adequate controls and safeguards are in place.</p>

Appendix A – Review Procedures (continued)

System	Description
Minutes and Meetings	Council and Committee meeting minutes were reviewed to ensure compliance with procedures and protocols.
Plan for the Future	Reviewed the Strategic Community Plan and Corporate Business Plan, which together comprise the Plan for the Future, to ensure they up to date and complied with legislative requirements.
Delegations	The register was examined to ensure compliance with regulatory requirements, including whether the register has been reviewed on an annual basis as required.
Audit Committee	The Shire's establishment of its audit committee and the constituted membership was examined by us and considered satisfactory.
Insurance	Discussions with staff and review of policy documents to ensure cover is current and is reviewed annually.

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7 NEW BUSINESS OF AN URGENT NATURE

8 DATE OF NEXT MEETING

The next meeting of Compliance and Strategic Review Committee will be held Thursday, 17 October 2019 in the Council Chambers, Clarendon Street, Derby.

9 CLOSURE OF MEETING