



# Council Agenda

17 Queen Street, Pingelly  
Western Australia 6308  
Telephone: 9887 1066  
Facsimile: 9887 1453  
[admin@pingelly.wa.gov.au](mailto:admin@pingelly.wa.gov.au)

## Shire of Pingelly Ordinary Council Meeting 19 February 2020

### DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Pingelly for any act, omission or statement or intimation occurring during Council or Committee meetings or during formal/informal conversations with staff. The Shire of Pingelly disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings or discussions. Any person or legal entity that act or fails to act in reliance upon any statement does so at the person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Pingelly during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Pingelly. The Shire of Pingelly warns that anyone who has an application lodged with the Shire of Pingelly must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Pingelly in respect of the application.

### MISSION STATEMENT

*To enhance the quality of life for the people of Pingelly through the provision of leadership, services and infrastructure.*

# **Shire of Pingelly**



## **Notice of Meeting**

Notice is given that a meeting of the Council will be held in the Council Chambers, 17 Queen Street, Pingelly on 19 February 2020, commencing at 2.00pm.

Your attendance is respectfully requested.

## **Disclaimer**

The recommendations contained in this agenda are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations. The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Councils decision.

A handwritten signature in black ink, appearing to read 'Julie Burton', is written over a horizontal line.

**Julie Burton**  
**Chief Executive Officer**

## PUBLIC QUESTION TIME INFORMATION

The Shire of Pingelly welcomes community participation during public question time. This document is to be read in conjunction with the *Shire of Pingelly Standing Orders Local Law 2017* and the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*.

1. A member of the public who raises a question during question time must:
  - a. be in attendance at the meeting;
  - b. first state their name and address;
  - c. direct the question to the Presiding Member;
  - d. ask the question briefly and concisely;
  - e. limit any preamble to matters directly relevant to the question; and
  - f. ensure that the question is not accompanied by any expression of opinion, statement of fact or other comment, except where necessary to explain the question.
2. Each member of the public with a question is entitled to ask up to 3 questions before other members of the public will be invited to ask their questions.
3. Where a member of the public seeks a written response to their questions to be tabled at a meeting, the member of the public must submit their questions to Council by no later than 12 noon on the day prior to the meeting date of which the response is to be tabled.
4. Where a member of the public submits their questions after 12 noon on the day prior to the meeting date of which the response is to be tabled, a written response may be provided at the discretion of the presiding member.
5. Where a member of the public submits a written question after 12 noon the day prior to the meeting at which they are to be tabled, a verbal response may be provided at the meeting.
6. A member of the public may ask questions without notice at a meeting, provided they present a written copy of their questions to Council prior to the commencement of the meeting.

Questions may be submitted by e-mail to [admin@pingelly.wa.gov.au](mailto:admin@pingelly.wa.gov.au).

## TABLE OF CONTENTS

1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	4
2.	ACKNOWLEDGEMENT OF COUNTRY .....	4
3.	ANNOUNCEMENTS BY THE PRESIDING MEMBER .....	4
3.1	Council Agenda Reports .....	4
4.	RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE .....	4
5.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	4
6.	PUBLIC QUESTION TIME .....	4
7.	APPLICATIONS FOR LEAVE OF ABSENCE .....	4
8.	DISCLOSURES OF INTEREST .....	4
9.	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS .....	4
9.1	Ordinary Meeting – 11 December 2019 .....	4
9.2	Minutes of the Audit and Risk Committee 19 February 2020 .....	5
10.	PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS .....	6
11.	REPORTS OF COMMITTEES OF COUNCIL .....	6
12.	REPORTS OF COUNCIL DELEGATES ON EXTERNAL COMMITTEES .....	6
13.	REPORTS FROM COUNCILLORS .....	7
14.	OFFICE OF THE CHIEF EXECUTIVE OFFICER .....	8
14.1	Proposed Consultation for the Future Use of the Town Hall .....	8
14.2	Pingelly Tourism Strategy .....	11
14.3	Policy – Attendance at Events .....	13
14.4	Risk Management Framework and Policy .....	18
15.	DIRECTORATE OF CORPORATE AND COMMUNITY SERVICES .....	45
15.1	Monthly Statement of Financial Activity – December 2019 .....	45
15.2	Monthly Statement of Financial Activity – January 2020 .....	67
15.3	Accounts Paid by Authority – December 2019 .....	89
15.4	Accounts Paid by Authority – January 2020 .....	105
15.5	2019/2020 Annual Budget Review .....	118
15.6	Application for Rating Exemption – Southern Aboriginal Corporation .....	134
15.7	Policy - Misconduct, Fraud and Corruption .....	137
16.	DIRECTORATE OF TECHNICAL SERVICES .....	141
16.1	Proposed Lot Subdivision Boundary Realignment .....	141
17.	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN ..	152
18.	NEW BUSINESS OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING .....	152
19.	CLOSURE OF MEETING .....	152



**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chairman to declare the meeting open.

**2. ACKNOWLEDGEMENT OF COUNTRY**

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people past and present and emerging.

**3. ANNOUNCEMENTS BY THE PRESIDING MEMBER**

**3.1 Council Agenda Reports**

Please note that all elected members have been provided with the relevant information pertaining to each Officers reports within today's Agenda and the Officer Recommendations are based on Council Policy and or State Acts and Legislation.

**4. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

Nil

**5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**6. PUBLIC QUESTION TIME**

**7. APPLICATIONS FOR LEAVE OF ABSENCE**

**8. DISCLOSURES OF INTEREST**

**9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**9.1 Ordinary Meeting – 11 December 2019**

**Statutory Environment:**

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

**Voting Requirements:**

Simple Majority

**Recommendation:**

**That the Minutes of the Ordinary Meeting of the Council of the Shire of Pingelly held in the Council Chambers on 11 December 2019 be confirmed.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **9.2 Minutes of the Audit and Risk Committee 19 February 2020**

### **Statutory Environment:**

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

### **Voting Requirements:**

Simple Majority

### **Recommendation:**

**That Council receives and notes the minutes of the Audit and Risk Committee Meeting held on 19 February 2020 (as tabled).**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **10. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

## **11. REPORTS OF COMMITTEES OF COUNCIL**

- |  |   |
|--|---|
| • Audit Committee                                      | Full Council  |
| • Pingelly Recreation & Cultural Committee             | Member – Shire President<br>Deputy – Deputy President                         |
| • Bushfire Advisory Committee                          | Member – Cr Freebairn<br>Deputy – Cr Hotham                                   |
| • Chief Executive Officer Performance Review Committee | Member – Shire President<br>Member – Deputy President<br>Member – Cr Hastings |

## **12. REPORTS OF COUNCIL DELEGATES ON EXTERNAL COMMITTEES**

- |   |  |
|---|--|
| • Central Country Zone of WALGA   | Delegate – Shire President<br>Delegate – Deputy President<br>Deputy – Cr Wood                      |
| • Hotham-Dale Regional Road Sub-Group   | Delegate – Shire President<br>Deputy – Cr Oliveri  |
| • Development Assessment Panel  | Delegate – Shire President<br>Delegate – Cr Wood<br><br>Deputy – Cr McBurney<br>Deputy – Cr Hotham |
| • Pingelly Tourism Group  | Delegate – Cr Hotham<br>Deputy – Cr Oliveri  |
| • Regional Waste Group  | Delegate – Cr Mulroney<br>Deputy – Cr Wood   |
| • Shires of Pingelly and Wandering Joint Local Emergency Management Committee | Delegate – Shire President<br>Deputy – Cr Freebairn  |
| • Youth Focus Group   | Delegate – Cr Hastings<br>Deputy – Cr McBurney   |
| • Pingelly Somerset Alliance  | Delegate – Shire President<br>Deputy – Cr McBurney   |
| • Pingelly Early Years Network  | Delegate – Cr Hastings   |
| • Pingelly Community Wellbeing Group  | Delegate – Cr McBurney<br>Deputy – Cr Hastings   |

### **13. REPORTS FROM COUNCILLORS**

#### **Cr William Mulroney (President)**

##### **Meetings attended December**

12<sup>th</sup> PRACC Board Meeting  
12<sup>th</sup> Pingelly Somerset Alliance Meeting  
16<sup>th</sup> Pingelly Primary School End of Year Concert- Presentation of Shire Sports Girl & Boy awards  
17<sup>th</sup> President and CEO meeting finalisation of end of year activities  
19<sup>th</sup> PRACC Meeting –changes to Constitution  
19<sup>th</sup> Shire end of year function at Golf club

##### **Meetings attended January**

7<sup>TH</sup> President and CEO meeting –Start of 2020 council activities  
9<sup>th</sup> PRACC Special meeting amendments to Constitution and set date for AGM  
14<sup>th</sup> President, Deputy President and CEO meeting with WACHS re Doctors tenure at Health Centre  
17<sup>th</sup> Extraordinary Election and counting of votes  
22<sup>nd</sup> President & CEO meeting final arrangements for Australia Day Events  
24<sup>th</sup> Swearing in of New Councillor Mr Peter Narducci and Induction of New Councillors  
26<sup>th</sup> Australia Day breakfast and announcement/presentation of Community Person and Sportsperson Awards for 2019  
28<sup>th</sup> President, Deputy President and CEO Meeting update of Budget Review  
31<sup>st</sup> Councillors Induction Training at Wandering with three Councillors and CEO

##### **Meetings attended February**

6<sup>th</sup> Hotham – Dale Regional Road Sub Group meeting at Brookton with CEO  
19<sup>th</sup> February Council meeting

## **14 OFFICE OF THE CHIEF EXECUTIVE OFFICER**

### **14.1 Proposed Consultation for the Future Use of the Town Hall**

<b>File Reference:</b>	<b>ADM0618</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Previous Reference:</b>	<b>Nil</b>

#### **Summary**

Council is requested to endorse community consultation commencing on the future use of the Pingelly Town Hall.

#### **Background**

In February 2019, notification was conveyed to the public that the Pingelly Town Hall was officially closed, and no longer available for hire. This decision coincided with the opening of the Pingelly Recreation and Cultural Centre and the desire to encourage use of that facility.

In June and July 2019, Council provided an opportunity to the community to submit feedback on options for the future use of the Town Hall. A total of 12 submissions were received, with a summary of the key ideas being:

- Tourist attraction including the local museum and historical group items. Support collaboration of groups e.g. Craft & Information Centre, Museum & Historical Group, Pingelly Tourism Group & Friends of Pingelly Railway Station.
- Convert the Town Hall into a Museum to depict the history and culture of Pingelly, with provision to acknowledge the Noongar People. Tourism Information & Promotion.
- Display of Higgins Brothers photos of Pingelly soldiers past and present.
- Relocation of the existing Museum collection.
- Expansion of the Pingelly Opportunity Shop.
- Leave vacant for 1-3 years.
- Gift to the National Trust of Australia with the view of setting it up as an interactive museum on Agriculture for the Pingelly/Great Southern area, giving history on farming. Also for displays on what the town hall has been used for over the years. The National Trust may also open a cafe/souvenir shop.
- Maintained by ratepayers for all functions, including the ANZAC Day service and Stay Active Group.

Council considered these submissions and noted that it would be beneficial to take further time to consider the matter.

A further submission was received in February 2020, supporting the option to utilise the facility for the display of Returned and Services League (RSL) portraits, and requesting Council finalise the decision on the Town Hall by April 2020.

#### **Comment**

As Council has previously considered the varied submissions on the use of the Town Hall, a decision could justifiably be made on the options presented to date, without undertaking further consultation. While the submissions received to date have merit, further engagement is considered beneficial to determine if the options provided will provide the best outcome for Pingelly as a whole, including an analysis of whether the use should be for a community or economic purpose.



Given the importance of the decision around the future use of the Town Hall due to the opportunity it presents in achieving social and economic stimulation for the local community it is considered beneficial to take an additional short period of time to ensure the facility is maximised. A key factor in the ultimate success and acceptance of the chosen outcome will in-part lie in the level of engagement with the wider community, and the opportunity provided to make a contribution to the decision-making process. It is therefore recommended that further consultation is undertaken, with the decision making process to be completed within a period of approximately 3 months.

The proposed timeline for the key activities making up the engagement is:

March	- Initial briefing with various community groups - Community workshops (1 x day and 1 x evening)
April	- Options and analysis finalised - Final consultation around options
May	- Final report to Council

Funding for the overarching consultation is proposed to be re-allocated from the community survey budget. \$18,000 was allocated for this purpose. An approximate allocation of \$4,500 is required to engage a facilitator to conduct the community workshops. Informal discussion has occurred with Council regarding the frequency of community surveys, noting that large scale surveys generally occur every 2 or 4 years in line with the Strategic Community Plan (SCP) review process. The last survey was carried out approximately 18 months ago to inform the major review of the SCP which was adopted in September 2019. It is proposed therefore that a further survey is completed in either 2020/21 or 2022/23.

#### **Consultation**

Various methods of consultation are proposed over a period of two months to ensure widespread feedback and opportunities for discussion are available to the community and interested parties.

#### **Statutory Environment**

Nil

#### **Policy Implications**

Policy 4.8 Consultation and Communication. This Policy provides general guidance around communication methods that the Shire of Pingelly may utilise and outlines a commitment to community engagement.

#### **Financial Implications**

There is no effect on the financial position of the Shire as a result of the recommendation.

#### **Strategic Implications**

Goal 5	Innovation, Leadership and Governance
Outcome 5.2	The Shire's community feels community involvement and engagement is working well
Strategy 5.2.1	The community is provided with opportunities to engage on strategic, corporate, asset and financial plans, and other major plans and issues

## Risk Implications

Risk	Risks exist in relation to the ultimate decision around the use of the facility. The receptiveness of the decision will be influenced through the level of consultation, including its appropriateness and extent.
Risk Rating (Prior to Treatment or Control)	High (10)
Principal Risk Theme	Reputational
Risk Action Plan (Controls or Treatment Proposed)	Community consultation and further exploration of the most appropriate options for the use of the hall will reduce the identified risks.

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

## Voting Requirements

Absolute majority

## Recommendation

That Council endorses the commencement of community consultation regarding the future use of the Pingelly Town Hall, acknowledging that the associated costs of approximately \$4,500 will be allocated from the funds set aside for the community survey in the 2019/20 Budget.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **14.2 Pingelly Tourism Strategy**

<b>File Reference:</b>	<b>ADM0051</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Previous Reference:</b>	<b>Nil</b>

### **Summary**

Council is requested to endorse the development of a Pingelly Tourism Strategy.

### **Background**

Tourism is growing as a strategic outcome for all levels of government and has been a specific focus of the WA State Government over the last two years. It is therefore reasonable to believe that the number of tourists visiting Western Australia's regional areas is likely to continue to grow in the foreseeable future. In order that Pingelly is positioned to service this substantial opportunity, it is considered necessary that a collaborative approach to tourism, supported by community and the local government is progressed.

A key theme in the Shire of Pingelly Strategic Community Plan is to strengthen the Pingelly economy, and both tourism development in general, and the collaboration with the Pingelly Tourism Group are noted.

### **Comment**

A Pingelly Tourism Strategy would act as the strategic planning document to provide direction regarding tourism development opportunities. It is considered to be a high priority to allow the Shire of Pingelly to have a clearly defined role in this space, manage any risks, and to fulfil a positive vision for the visitor economy. A strategy will also ensure the efficient allocation of resources through a streamlined and focused approach in the areas that will provide the most significant impact.

The timeline for the development of the Tourism Strategy is proposed to be:

- Engagement commences May 2020
- Final Strategy prepared June 2020
- Report presented to Council July 2020

The Tourism Strategy is proposed to be predominantly completed in-house, with one key aspect requiring funding, being the engagement of a tourism professional to undertake a workshop with various stakeholders. The expertise of a tourism professional will ensure that guidance in the direction of proven strategies that align with sound strategic tourism outcomes are used to inform the discussions that occur.

Funding for the workshops is proposed to be allocated from the Integrated Planning and Reporting budget allocation which is not fully required due to a number of strategies being completed in house. An approximate allocation of \$4,500 is required.

### **Consultation**

The Tourism Group have been informally approached to gain an indication of their support for the development of a joint Strategy, accommodating both the Shire of Pingelly and the Pingelly Tourism Group having lead roles identified within the final document.

### **Statutory Environment**

Nil

### **Policy Implications**

Nil



### Financial Implications

There is no effect on the financial position of the Shire as a result of the recommendation. The Tourism Strategy, when developed, is likely to identify resources that are required to implement some of the priority actions.

### Strategic Implications

Goal 1	Economy
Outcome 1.1	The Shire experiences significant new business growth and employment and is known widely as an innovative and collaborative community which is attracting new population and investment
Strategy 1.1.3	Support the development and promotion of key messages for use by the community, the Shire and businesses, to convey Pingelly S economic and community vision, the steps being taken to achieve it, and the benefits of living, working, investing in, or visiting the area.
Strategy 1.1.4	Support business and community tourism promotion initiatives
Outcome 1.3	The right resources and infrastructure are in place to support business development, including an increase in visitors and visitor spend in the Shire.
Strategy 1.3.1	Support local tourism infrastructure development

### Risk Implications

Risk	<p>Failure to consult with the Tourism Group and the wider community through the development of the Strategy may lead to a lack of engagement and willingness to progress tourism initiatives.</p> <p>The lack of progressing a tourism strategy also presents risks as there is no direction for the Shire's involvement in tourism if this is not carried out.</p>
Risk Rating (Prior to Treatment or Control)	Medium (8)
Principal Risk Theme	Reputational
Risk Action Plan (Controls or Treatment Proposed)	Engagement with the Pingelly Tourism Group and the wider community when developing the Strategy.

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

### Voting Requirements

Absolute majority

### Recommendation

**That Council endorses the development of a Tourism Strategy, acknowledging that the associated costs of approximately \$4,500 will be allocated from the Integrated Planning and Reporting component of the 2019/20 Budget.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

### **14.3 Policy – Attendance at Events**

<b>File Reference:</b>	<b>ADM0487</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Draft Attendance at Events Policy</b>
<b>Previous Reference:</b>	<b>Nil</b>

#### **Summary**

Council is requested to endorse a new policy to establish guidelines for appropriate disclosure and management of acceptance of invitations to events and functions.

#### **Background**

As part of the Local Government Act Review it was recognised that a new gift framework should be developed to provide a transparent system of accountability where members of the community can have confidence in the decision-making of their elected representatives. On 20 October 2019, the new gifts framework, contained within the Local Government Legislation Amendment Act 2019 came into operation.

Local governments were advised by departmental circular in November 2019 of the requirement to prepare and adopt a policy that relates to the attendance of council members and Chief Executive Officers at events such as concerts, conferences and functions. This policy is required to address the provision of tickets to events, payments in respect of attendance, approval of attendance by the local government, and the criteria for approval. The Department of Local Government, Sport and Cultural Industries explained the reasons for change: "It is important that council members and CEOs make decisions – and are seen to be making decisions – free from influence. The amendments also recognise that there is a valid role for council members in attending events, but makes this a decision of council in accordance with a published policy."

Decision-making could be influenced, or perceived to be influenced, in a number of ways, including through financial relationships, personal relationships and the receipt of gifts. The Local Government Act 1995 sets out requirements on council members, Chief Executive Officers and other employees to ensure transparency and accountability in decision-making. Certain gifts received by council members and CEOs are specifically excluded from the conflict of interest provisions (section 5.62(1B)), including a gift that is received in accordance with an Attendance at Events policy.

#### **Comment**

The purpose of this proposed policy is to establish guidelines for appropriate disclosure and management of acceptance of invitations to events or functions, or other hospitality occasions, where elected members and employees are invited free of charge, whether as part of their official duties as council or City representatives or not. 6. The content of the proposed policy is provided in the attachment for review.

In essence, the policy deals with a council member's or CEO's attendance at events as a representative of the council. If a council member or CEO attends an event in accordance with the local government's policy, then no conflict of interest arises.

The Policy provides for various pre-approved events that are considered to be standard council business. Where an invitation to an event outside of the pre-approved events is received, an approval process is required to be followed.

#### **Consultation**

WALGA



### Statutory Environment

As at 19 October 2019, section 5.90A(2), of the Act, states:

"A local government must prepare and adopt\* a policy that deals with matters relating to the attendance of council members and the CEO at events, including —

- (a) the provision of tickets to events; and
- (b) payments in respect of attendance; and
- (c) approval of attendance by the local government and criteria for approval; and
- (d) any prescribed matter."

\*Absolute Majority Required.

### Policy Implications

No existing policy relates to this item. A new policy is required to be adopted as per legislative requirements.

### Financial Implications

There are no direct financial or resource implications.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome	Nil applicable
Strategy	Nil applicable

### Risk Implications

Risk	Failure to adopt a policy in relation to attendance at events will be a matter of non-compliance.
Risk Rating (Prior to Treatment or Control)	Medium (8)
Principal Risk Theme	Compliance / Reputation
Risk Action Plan (Controls or Treatment Proposed)	By adopting the proposed policy position, Council is mitigating potential compliance and reputational risks.

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

### Voting Requirements

Absolute majority

### Recommendation

**That Council adopts the Attendance at Events Policy as detailed in the attachment.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## Council Policy



Council Policy Name:	Attendance at Events
Responsible Directorate	Office of the Chief Executive

### 1. PURPOSE

The purpose of this policy is to establish guidelines for appropriate disclosure and management of acceptance of invitations to events or functions, or other hospitality occasions, where elected members and employees are invited free of charge, whether as part of their official duties as council or Shire representatives or not.

### 2. SCOPE

This policy applies to Elected Members and the Chief Executive Officer of the Shire of Pingelly.

### 3. DEFINITIONS

In accordance with section 5.90A of the Local Government Act, an event includes, but is not limited to the following:

- a concert
- a conference
- a function
- a sporting event
- occasions prescribed by the Local Government (Administration) Regulations 1996

### 4. POLICY STATEMENT

Elected members and the Chief Executive Officer attend events to fulfil their leadership role in the community. Elected Members and/or the Chief Executive Officer will receive tickets or invitations to attend events to represent the City. The event may be a paid event or a ticket/invitation may be gifted in kind.

Attendance is approved for the following events by Elected Members and the Chief Executive Officer:

- a) Advocacy lobbying or Ministerial briefings
- b) Meetings of clubs or organisations within the Shire of Pingelly
- c) Any free event held within the Shire of Pingelly
- d) Australian or West Australian Local Government events
- e) Local Government Professionals Association (WA) events
- f) Events hosted by Clubs or Not for Profit Organisations within the Shire of Pingelly to which the Shire President, an Elected Member or the Chief Executive Officer has been officially invited
- g) Shire hosted ceremonies and functions
- h) Shire hosted events with employees
- i) Shire run tournaments or events
- j) Shire sponsored functions or events
- k) Community art exhibitions
- l) Cultural events/festivals



## Council Policy



Council Policy Name:	Attendance at Events
Responsible Directorate	Office of the Chief Executive

- m) Events run by a Local, State or Federal Government
- n) Events run by schools and universities within the City of Stirling
- o) Major professional bodies associated with local government at a local, state and federal level
- p) Opening or launch of an event or facility within the Shire of Pingelly
- q) Recognition of Service events
- r) RSL events
- s) Where Shire President, Elected Member or Chief Executive Officer representation has been formally requested
- t) Free public events

All Elected Members and the Chief Executive Officer are entitled to attend a pre-approved event. If there is a fee associated with a pre-approved event, the fee, will be paid for by the Shire out of the Shire's budget by way of reimbursement, unless the event is a conference which is dealt with under an alternative Council Policy.

If there are more Elected Members than tickets provided, then the Shire President shall allocate the tickets.

If an elected member (or Chief Executive Officer) is unable or does not wish to attend the event to which the invitation relates, the member is to advise the event organiser of their unavailability, or may distribute it to another elected member (or member of staff) of their choosing, if the event organiser agrees. Otherwise, it is at the sole discretion of the event organiser, whether the invitation, or tickets, can be redistributed.

### 2. Approval Process

Where an invitation is received to an event that is not pre-approved, it may be submitted for approval prior to the event as follows:

- Events for the Shire President may be approved by the Deputy Shire President
- Events for Councillors may be approved by the Shire President
- Events for the Chief Executive Officer may be approved by the Shire President

Considerations for approval of the event include:

- Any justification provided by the applicant when the event is submitted for approval
- The benefit to the Shire of the person attending
- Alignment to the Shire's Strategic Community Plan
- The number of Shire representatives already approved to attend

Where an Elected Member has an event approved through this process, and there is a fee associated with the event, then the cost of the event, will be reimbursed on request.

Where the Chief Executive Officer has an event approved through this process, and there is a fee associated with the event, then the cost of the event is to be paid for out of the Shire's relevant budget allocation.

## Council Policy



Council Policy Name:	Attendance at Events
Responsible Directorate	Office of the Chief Executive

### 3. Non-Approved Events

Any event that is not pre-approved, is not submitted through an approval process, or is received personally, is considered a non-approved event.

- If the event is ticketed and the Elected Member or Chief Executive Officer pays the full ticketed price and does not seek reimbursement, then no action is required.
- If the event is ticketed and the Elected Member or Chief Executive Officer pays a discounted rate, or is provided with a free ticket(s), with a discount value, then the recipient must disclose receipt of the tickets (and any other associated hospitality) within 10 days to the Chief Executive Officer (or President if the CEO) if the discount or free value is greater than \$300 for Elected Members and the CEO.

### 4. Conferences and other training activities

The Shire supports Elected Members and the Chief Executive Officer in attending conferences. Conferences encourage development and networking opportunities. Council maintains various policies which apply to conference and training activities of elected members.

### Procedures

Organisations that desire attendance at an event by a particular person(s), such as the President, Deputy President, Elected Member, Chief Executive Officer or particular officer of the Shire, should clearly indicate that on the offer, together what is expected of that individual, should they be available, and whether the invite / offer or ticket is transferable to another Shire representative.

Free or discounted Invitations / Offers or Tickets that are provided to the Shire without denotation as to who they are for, are be provided to the Chief Executive Officer and attendance determined by the Chief Executive Officer in liaison with the Shire President, based on relative benefit to the organisation in attending the event, the overall cost in attending the event, inclusive of travel or accommodation, availability of representatives, and the expected role of the relevant Elected Member or employee.

### 5. RELATED DOCUMENTATION / LEGISLATION

Local Government Act 1995 – Section 5.90A

Local Government (Administration) Regulations 1996 r.34B

### 6. REVIEW DETAILS

Review Frequency	3 yearly		
Council Adoption Date	<insert date>	Resolution #	<insert resolution#>



#### **14.4 Risk Management Framework and Policy**

<b>File Reference:</b>	<b>ADM00348</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Previous Reference:</b>	<b>Draft Risk Management Framework and Policy</b>

##### **Summary**

Council is requested to endorse the draft Shire of Pingelly Risk Management Framework and associated Risk Management Policy.

##### **Background**

A risk management framework provides structure and guidance to risk management activities and outlines the components that provide the foundations and organisational arrangements for designing, implementing, monitoring and reviewing risk management throughout a local government's operations. The absence of a Risk Management Framework and associated Policy has been noted in previous compliance reviews undertaken by the Shire's auditors.

##### **Comment**

The draft Risk Management Policy provides overarching guidance for the management of risk across Council. This policy underpins the Council's commitment to sustainability and continuous improvement and to protecting the community, employees, assets and the organisation against potential losses.

The Risk Management Framework (RMF) defines the scope, objectives, measures, roles, responsibilities, processes, tools and documentation for all organisational risk management activities. It been developed in accordance with the International Risk Management Standard ISO 31000:2009, and describes the way managing risk translates into every day practice. The RMF aims to support an integrated and effective approach to management of risk, incorporating and representing an organisation-wide approach. It also provides guidance on the arrangements for designing, implementing, monitoring and continually improving risk management, and outlines the drivers, principles, objectives and risk process.

The objectives of the Framework are to, at every level of the Shire:

- Provide a systematic approach to the early identification and management of risks;
- Provide consistent risk assessment criteria;
- Provide accurate and concise risk information that informs decision making;
- Implement risk treatment strategies that are efficient in reducing risk to an acceptable level and are cost effective; and to
- Monitor and review risk levels to ensure that risk exposure remains within risk appetite.

Establishment of risk assessment criteria allows decisions to be made and accepted, noting the level of risk, or alternatively, identifying adequate treatments to be put in place to mitigate the risk implications to an acceptable level.

The Audit Committee has a formal role in overseeing the management of significant risk, including but not limited to, the receipt of the Triennial Report on risk management controls and associated processes.

The adoption of both the draft Policy and Framework will fulfil the necessary requirements in terms of meeting a base standard. The establishment of a culture of risk management will require ongoing focus and training across the Shire to ensure it is an embedded in business practices.



### Consultation

Local Government Insurance Services

### Statutory Environment

Nil

### Policy Implications

The Shire of Pingelly does not have a current policy around the management of risks.

### Financial Implications

There are no direct financial or resource implications.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome 5.2	Nil applicable
Strategy 5.2.1	Nil applicable

### Risk Implications

Risk	<p>Failure to adopt a Risk Management Framework will result in the inability to support an integrated and effective approach to risk management and lack of guidance on the arrangements for designing, implementing, monitoring and continually improving risk management process.</p> <p>The absence of a Framework and Policy has been noted in previous audits, and while it is not a legislative requirement, it is considered best practice, and used as a measuring tool used in the triennial Regulation 17 Review of Risk Management Systems and Processes.</p>
Risk Rating (Prior to Treatment or Control)	Medium (9)
Principal Risk Theme	Reputational
Risk Action Plan (Controls or Treatment Proposed)	No further action required.

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

### Voting Requirements

Absolute majority

### Recommendation

That Council endorses draft Risk Management Framework and Risk Management Policy as contained in the attachment.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_





# Risk Management Framework

# Table of Contents

Introduction .....	1
Risk Management Policy .....	2
Policy Statement .....	2
Risk Management Procedures .....	3
Framework Review .....	3
Operating Model .....	3
Governance Structure .....	4
Roles & Responsibilities .....	5
Framework Structure .....	6
Risk & Control Management .....	7
Risk & Control Assessment .....	7
Communication & Consultation .....	10
Reporting Requirements .....	11
Coverage & Frequency .....	11
Key Indicators .....	12
Identification .....	12
Validity of Source .....	12
Tolerances .....	12
Monitor & Review .....	12
Risk Acceptance .....	13
Appendix A – Risk Assessment and Acceptance Criteria .....	14
Appendix B – Risk Theme Definitions .....	1



## Introduction

The Policy and Procedures form the Risk Management Framework for the Shire of Pingelly ("the Shire"). It sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2009 Risk Management.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

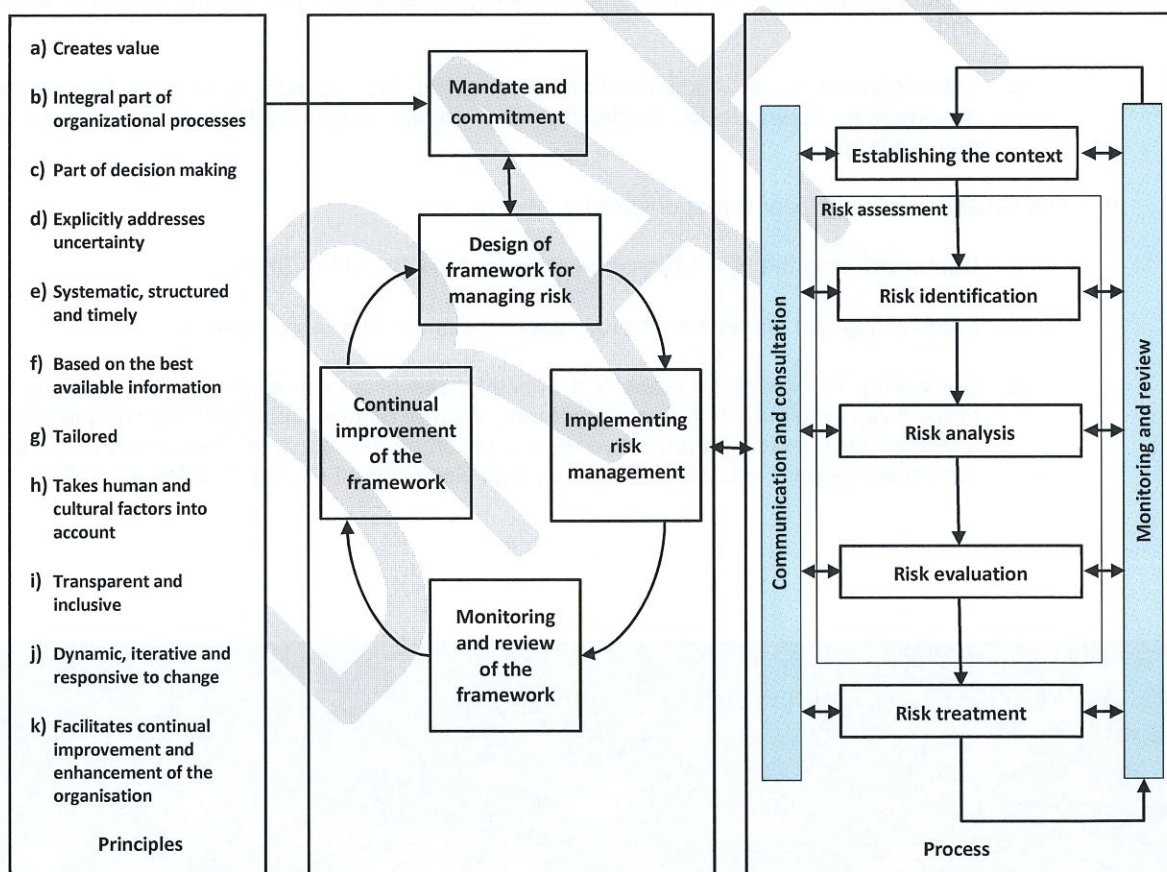


Figure 1: Risk Management Process

## Risk Management Policy

The Shire of Pingelly's Risk Management Policy was adopted in February 2020 and is scheduled for review on a triennial basis. The Policy demonstrates the Shires commitment to the development of a culture of risk-based decision making, directed towards the effective management of potential opportunities and a reduction of potential impacts of risk.

### Policy Statement

1. Risk management is defined in the relevant International Standard (ISO 31000) as the coordinated activities to direct and control an organisation with regard to risk.
2. The Shire of Pingelly is committed to the effective management of risk and will implement a risk management framework based on the ISO 31000 Standard to achieve this. The Council recognises that adequate resources are needed to effectively manage risks.
3. The Council is responsible for:
  - a. Ensuring that a Risk Management Policy has been developed and adopted;
  - b. Ensuring the Chief Executive Officer has implemented the risk management framework; and
  - c. Establishment of an Audit Committee to assist the Council in fulfilling its corporate governance, stewardship, leadership and control responsibilities in relation to risk management.
4. The Chief Executive Officer is responsible for:
  - a. Communicating the Risk Management Policy throughout the Shire;
  - b. Establishing risk management processes across the Shire's operations;
  - c. Reviewing the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance not less than once every 3 financial years and reporting the results of that review to the audit committee as per Regulation 17 of the Local Government (Audit) Regulations 1996.





# Risk Management Procedures

## Governance

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

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

## Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every four years.

## Operating Model

The Shire has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

### First Line of Defence

All operational areas of the Shire are considered ‘1<sup>st</sup> Line’. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the decisioning of risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

### Second Line of Defence

The Director Corporate and Community Services acts as the primary ‘2<sup>nd</sup> Line’. This position manages the framework for risk management, including implementing the governance procedures and providing the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1<sup>st</sup> & 3<sup>rd</sup> lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1<sup>st</sup> Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the Shire's risk reporting for the Audit Committee.

### Third Line of Defence

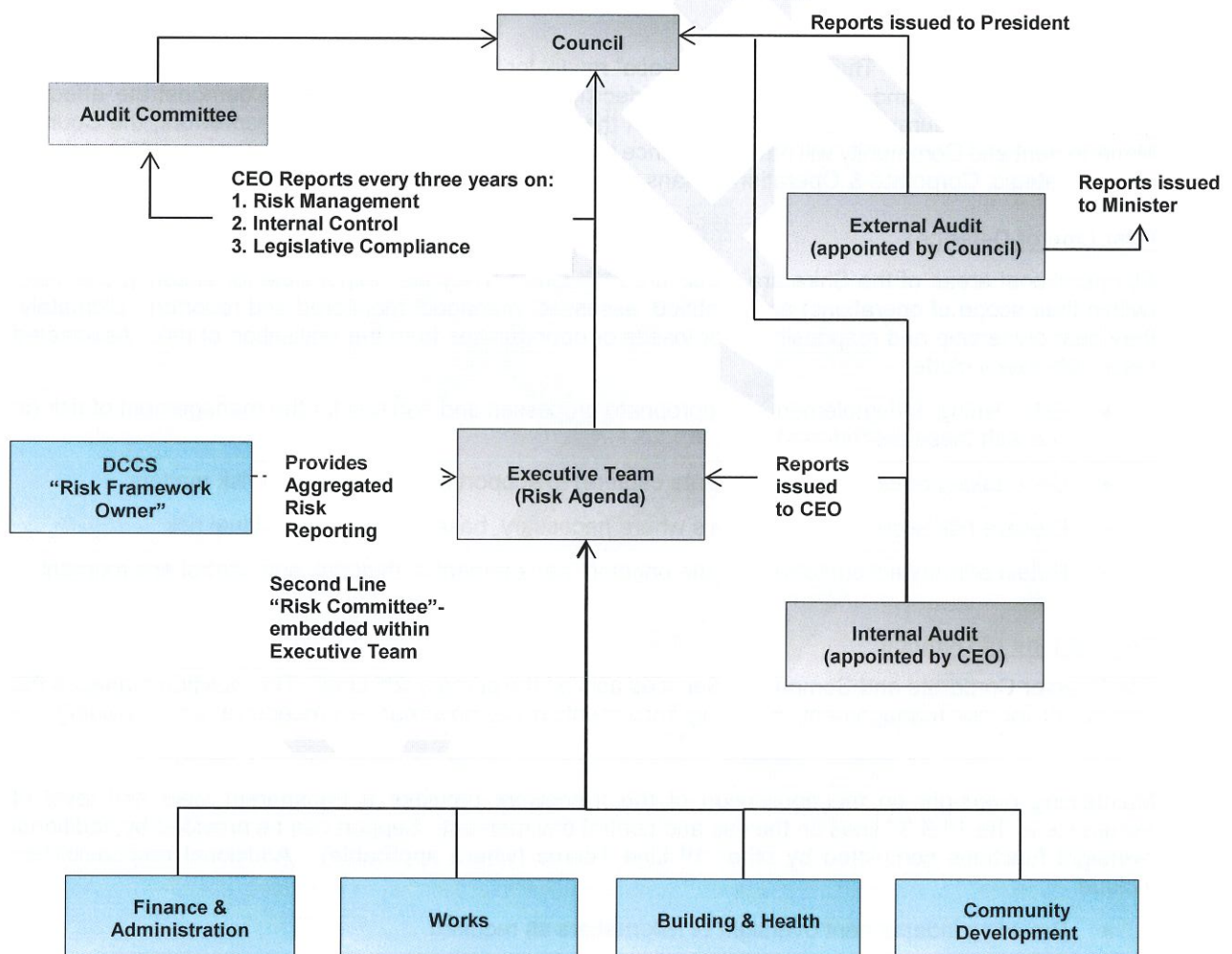
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1<sup>st</sup> & 2<sup>nd</sup> Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

### **Governance Structure**

The following diagram depicts the current operating structure for risk management within the Shire.



## **Roles & Responsibilities**

### **Council**

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain an Audit Committee in terms of the Local Government Act.

### **Audit Committee**

- Support Council to provide effective corporate governance.
- Oversight of all matters that relate to the conduct of External Audits.
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

### **Executive Team (in their capacity as the 'Risk Committee')**

- Appoint Internal Auditors as required under the Local Government (Audit) regulations.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Own and manage the Risk Profiles at Shire Level.

### **Director Corporate and Community Services (in their capacity as the 'Risk Framework Owner')**

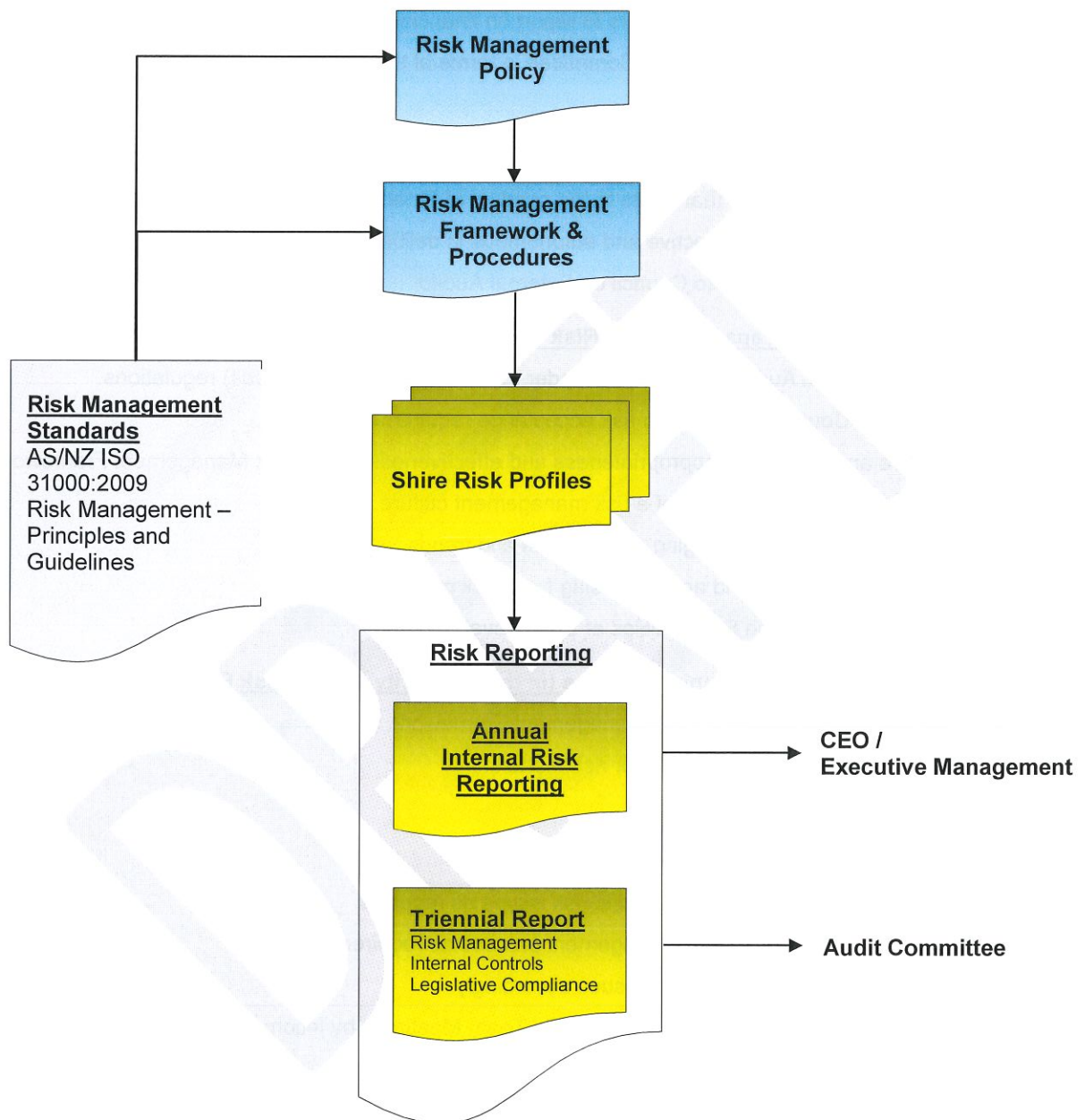
- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for risk matters.

### **Work Areas**

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Staff / Team Meetings, by incorporating the following agenda items;
  - New or emerging risks.
  - Review existing risks.
  - Control adequacy.
  - Outstanding issues and actions.

### Framework Structure

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.





## Risk & Control Management

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

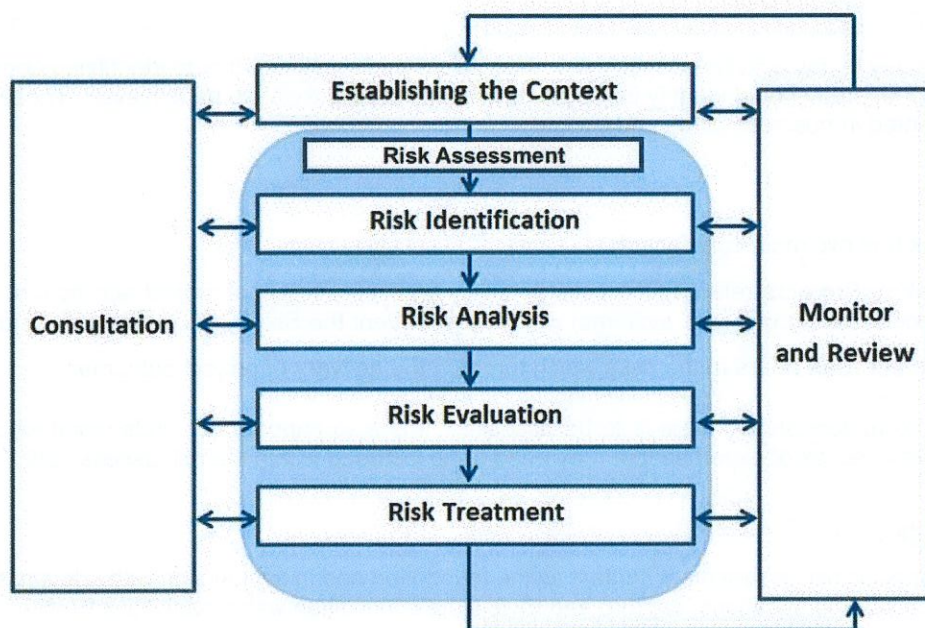
Each Manager, in conjunction with the Director Corporate and Community Services are accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a 12 month basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

### Risk & Control Assessment

To ensure alignment with ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.



#### Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

##### **Organisational Context**

The Shire's Risk Management Procedures provide the basic information and guidance regarding the organisational context to conduct a risk assessment. This includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Director Corporate and Community Services and Chief Executive Officer.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

### **Specific Risk Assessment Context**

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

#### Strategic Context

The Shire's external environment and high level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

#### Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. These may already be documented in business plans and budgets.

#### Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Shire from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

#### Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

This step is also where opportunities for enhancement or gain across the organisation can be found. Risks can also be identified through other business operations including policy and procedure development, internal and external audits, customer complaints, incidents and systems analysis.

**Risk Description** – describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event.

**Potential Causes** – are the conditions that may present or the failures that may lead to the event, or point in time when control is lost (risk).

**Controls** – are measures that modify risk. At this point in the process only existing controls should be considered. They must meet the following three tests to be considered:

1. Is it an object, technological system and / or human action?
2. Does it, by itself, arrest or mitigate an unwanted sequence?
3. Is the required performance specifiable, measurable and auditable?

**Consequences** – need to be impacts to the Shire. These can be health of staff, visitors or contractors; financial; interruption to services provided; non-compliance; damage to reputation or other assets or the environment. There is no need to determine the level of impact at this stage.

#### Risk Analysis

To analyse the risks the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied as follows:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

#### Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

#### Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on:

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Executive Team is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

### Monitoring & Review

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and the appropriateness of treatment / action options selected, we can determine if the organisations resources are being put to the best use possible. During the quarterly reporting process, management are required to review any risks within their area and follow up on controls and treatments / action that are mitigating those risks. Monitoring and the reviewing of risks, controls and treatments also applies to any actions / treatments to come out of an internal audit. The audit report will provide recommendations that effectively are treatments for controls and risks that have been tested during an internal review.

The Shire is to review all Risk Profiles at least on an 18 month basis or if triggered by one of the following;

- changes to context
- a treatment is implemented
- an incident occurs or due to audit/regulator findings

The Director Corporate and Community Services is to monitor the status of risk treatment implementation and report to the Executive Management Team as required.

The Executive Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the Executive Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

### **Communication & Consultation**

Effective communication and consultation are essential to ensure that those responsible for managing risk, and those with a vested interest, understand the basis on which decisions are made and why particular treatment / action options are selected or the reasons to accept risks have changed. As risk is defined as the effect of uncertainty on objectives, consulting with relevant stakeholders assists in the reduction of components of uncertainty. Communicating these risks and the information surrounding the event sequence ensures decisions are based on the best available knowledge.

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

Risk management awareness and training will be provided to all staff.

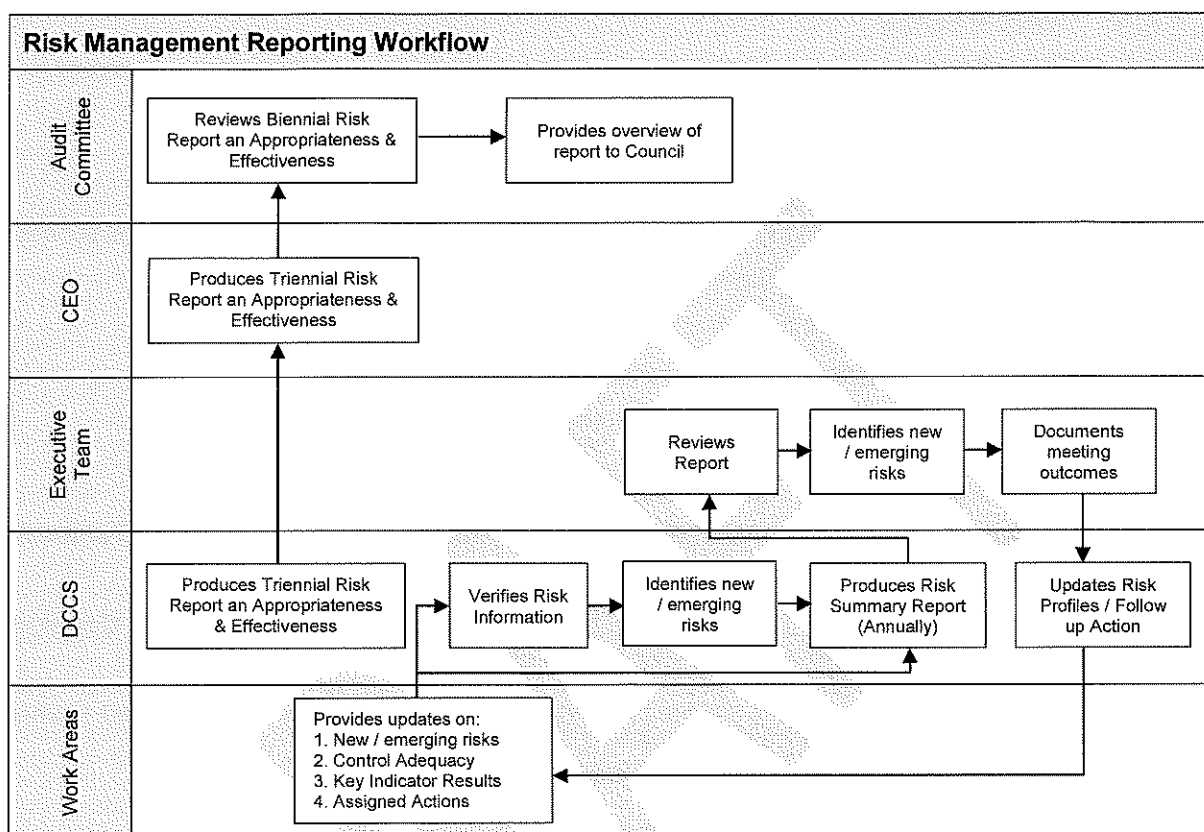
Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.



## Reporting Requirements

### Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Director Corporate & Community Services.
- Work through assigned actions and provide relevant updates to the Director Corporate & Community Services.
- Risks / Issues reported to the Executive Team are reflective of the current risk and control environment.

The Director Corporate & Community Services is responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on an 18 month basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Six Monthly Risk Reporting for the Executive Team – Contains an overview of the Risk Summary for the Shire.
- Annual Compliance Audit Return completion and lodgement.

## Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

### Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

### Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

### Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

### Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

## Risk Acceptance

Day to day operational management decisions are managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Director or the Chief Executive Officer and cover:

- A description of the risk.
- An assessment of the risk (e.g. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk. Accepted risks must be continually reviewed through standard operating reporting structure (i.e. Management Team).

## Appendix A – Risk Assessment and Acceptance Criteria

Rating	Measures of Consequence						
	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
<b>Insignificant</b>	Negligible injuries	Less than \$2,000	No material service interruption	No noticeable regulatory or statutory impact	Low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
<b>Minor</b>	First aid injuries	\$2,000 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliance	Low impact, a small number of complaints	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
<b>Moderate</b>	Medical type injuries <5 days	\$10,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Public embarrassment, moderate impact, low or moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
<b>Major</b>	Lost time injury >5 days	\$50,001 - \$200,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
<b>Catastrophic</b>	Fatality, permanent disability	More than \$200,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact



Measures of Consequence						
Rating	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property Environment
Measures of Likelihood						
Rating	Description			Frequency		
Almost Certain	The event is expected to occur in most circumstances			More than once per year		
Likely	The event will probably occur in most circumstances			At least once per year		
Possible	The event should occur at some time			At least once in 3 years		
Unlikely	The event could occur at some time			At least once in 10 years		
Rare	The event may only occur in exceptional circumstances			Less than once in 15 years		

Risk Matrix						
Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic	
Almost Certain	Moderate	High	High	Extreme	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme	Extreme
Possible	Low	Moderate	Moderate	High	High	High
Unlikely	Low	Low	Moderate	Moderate	High	High
Rare	Low	Low	Low	Low	Moderate	Moderate



Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational staff member
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Director
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Executive Management Team / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO

Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	<ol style="list-style-type: none"> <li>Processes (Controls) operating as intended and aligned to Policies / Procedures.</li> <li>Subject to ongoing monitoring.</li> <li>Reviewed and tested regularly.</li> </ol>
Adequate	There is <u>some</u> scope for improvement.	<ol style="list-style-type: none"> <li>Processes (Controls) generally operating as intended, however inadequacies exist.</li> <li>Nil or limited monitoring.</li> <li>Reviewed and tested, but not regularly.</li> </ol>
Inadequate	There is a <u>need</u> for improvement or action.	<ol style="list-style-type: none"> <li>Processes (Controls) not operating as intended.</li> <li>Processes (Controls) do not exist, or are not being complied with.</li> <li>Have not been reviewed or tested for some time.</li> </ol>

## Appendix B – Risk Theme Definitions

### Misconduct

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

### External theft & fraud (inc. Cyber Crime)

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

### Business & community disruption

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

### Errors, omissions, delays

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

#### Failure of IT &/or Communications Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Change Management".

#### Failure to fulfil statutory, regulatory or compliance requirements

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate employee and visitor safety and security") or any Employment Practices based legislation (refer "Ineffective Employment practices")

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for the Shire.

#### Providing inaccurate advice / information

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

#### Inadequate project / change Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

#### Inadequate Document Management Processes

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.



Inadequate safety and security practices

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment.

Inadequate engagement practices

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Inadequate asset sustainability practices

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Inadequate Supplier / Contract Management

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer "Inadequate Procurement, Disposal or Tender Practices".

Ineffective employment practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately

qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S)
- Discrimination, Harassment & Bullying in the workplace
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place
- Induction issues
- Terminations (including any tribunal issues)
- Industrial activity

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.

Ineffective management of facilities / venues / events

Failure to effectively manage the day to day operations of facilities and / or venues. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Inadequate environmental management.

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

# Council Policy

Council Policy Name:	Risk Management
Responsible Directorate	Office of the Chief Executive



## 1. PURPOSE

The purpose of this Policy is to demonstrate the Shire of Pingelly's commitment to the development of a culture of risk-based decision making directed towards the effective management of potential opportunities and reduction of potential impacts of risk.

## 2. SCOPE

This Policy is applicable to the Shire of Pingelly and its operations.

## 3. DEFINITIONS

Nil

## 4. POLICY STATEMENT

- 4.1 Risk management is defined in the International Standard (ISO 31000) as the coordinated activities to direct and control an organisation with regard to risk.
- 4.2 The Shire of Pingelly is committed to the effective management of risk and will implement a risk management framework based on the ISO 31000 Standard to achieve this. The Council recognises that adequate resources are needed to effectively manage risks.
- 4.3 The Council is responsible for:
  - a) Ensuring that a Risk Management Policy has been developed and adopted;
  - b) Ensuring the Chief Executive Officer has implemented the risk management framework; and
  - c) Establishment of an Audit Committee to assist the Council in fulfilling its corporate governance, stewardship, leadership and control responsibilities in relation to risk management.
- 4.4 The Chief Executive Officer is responsible for:
  - a) Communicating the Risk Management Policy throughout the Shire;
  - b) Establishing risk management processes across the Shire's operations; and
  - c) Reviewing the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance not less than once every 3 financial years and reporting the results of that review to the Audit Committee as per Regulation 17 of the Local Government (Audit) Regulations 1996.

## 5. RELATED DOCUMENTATION / LEGISLATION

- International Standard ISO 31000:2018 - Risk Management Guidelines
- Risk Management Framework

## Council Policy



Council Policy Name: Risk Management  
Responsible Directorate: Office of the Chief Executive

- Local Government (Audit) Regulations 1996

### 6. REVIEW DETAILS

Review Frequency	3 yearly		
Council Adoption Date	<insert date>	Resolution #	<insert resolution#>

DRAFT



## **15. DIRECTORATE OF CORPORATE AND COMMUNITY SERVICES**

### **15.1 Monthly Statement of Financial Activity – December 2019**

**File Reference:** ADM0075  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Director Corporate & Community Services  
**Disclosure of Interest:** Nil  
**Attachments:** Monthly Statement of Financial Activity for the period 1 July 2019 to 31 December 2019  
**Previous Reference:** Nil

#### **Summary**

In Accordance with the *Local Government Act 1995* Section 5.25 (1) and *Local Government (Financial Management) Regulations 1996*, Monthly Financial Statements are required to be presented to Council, in order to ensure that income and expenditure is in keeping with budget forecasts.

The Monthly Statements of Financial Activity for the month of December 2019 are attached for Council consideration and adoption. This report now incorporates new Australian Accounting Standards Board (AASB) requirements effective from 1 July 2019. AASB 15 Revenue from Contracts with Customers (IFRS 15), AASB 1058 Income for Not-for Profit Entities, AASB 16 Lease replaces AASB 117 (IFRS 16).

#### **Background**

In order to prepare the monthly statements, the following reconciliations have been completed and verified:

- Reconciliation of assets, payroll and taxation services;
- Reconciliation of all shire's bank accounts, including term deposits;
- Reconciliation of Rates, including outstanding debtors;
- Reconciliation of Sundry Creditors and Debtors;

#### **Consultation**

Nil

#### **Statutory Environment**

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

Section 34: Financial Reports to be Prepared

(1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail -

- (a) Annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1) (b) or (c);
- (b) Budget estimates to the end of the month to which the statement relates;
- (c) Actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- (d) Material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) The net current assets at the end of the month to which the statement relates.

- (2) Each statement of financial activity is to be accompanied by documents containing -
- (a) An explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
  - (b) An explanation of each of the material variances referred to in sub regulation (1) (d); and
  - (c) Such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown -
- (a) According to nature and type classification;
  - (b) By program; or
  - (c) By business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), is to be -
- (a) Presented to the council -
    - (i) At the next ordinary meeting of the council following the end of the month to which the statement relates; or
    - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of the council after that meeting; and
  - (b) Recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

### Policy Implications

There are no policy implications.

### Financial Implications

There are no significant trends or issues to be reported. The report and officer recommendation is consistent with Council's adopted Budget 2019/2020.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome	Nil applicable
Strategy	Nil applicable

### Risk Implications

Risk	Failure to monitor the Shire's ongoing financial performance would increase the risk of a negative impact on the Shire's financial position. As the monthly report is a legislative requirement, non-compliance may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

**Voting Requirements**

Simple Majority

**Recommendation**

**That with respect to the Monthly Statements of Financial Activity for the month ending 31 December 2019 be accepted and material variances be noted.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



## SHIRE OF PINGELLY

### MONTHLY STATEMENT OF FINANCIAL ACTIVITY

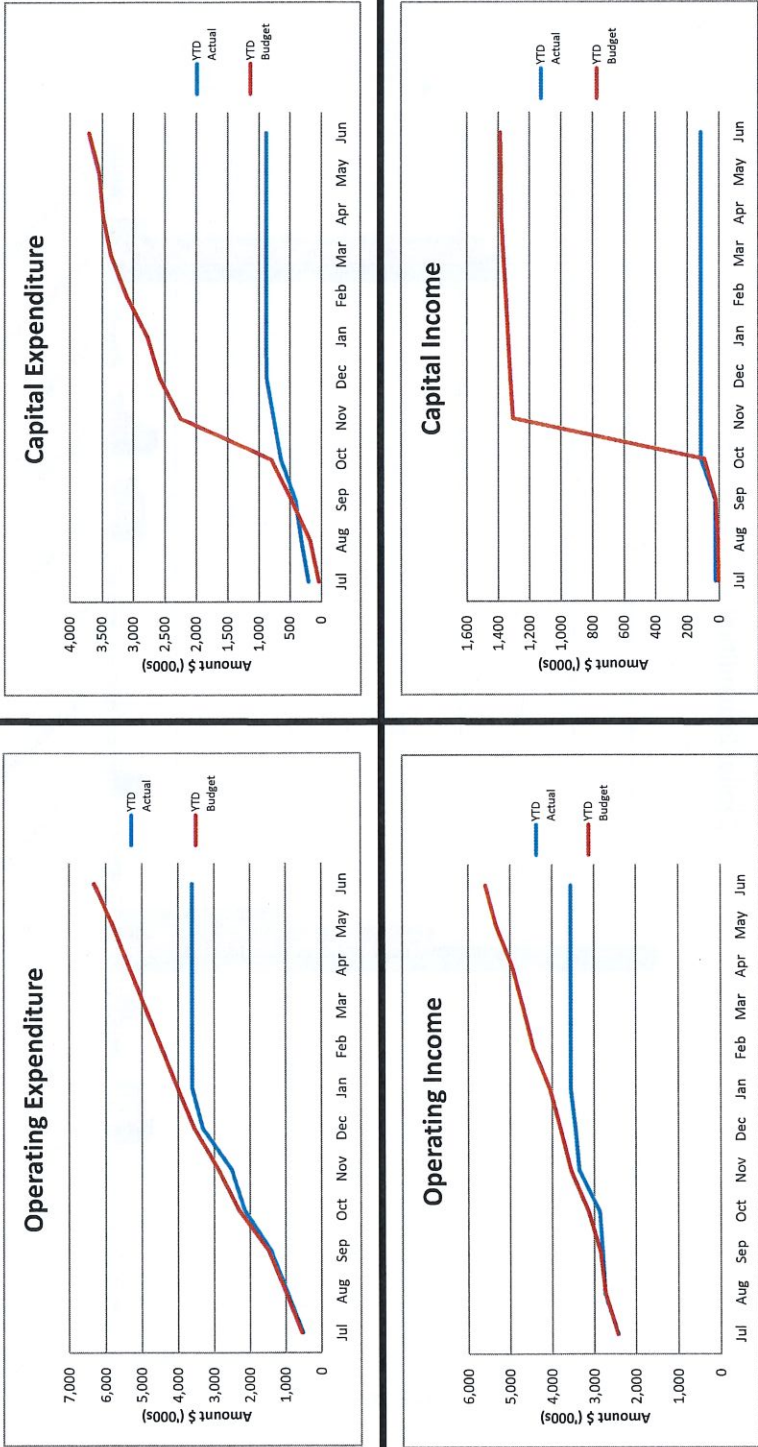
FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

#### TABLE OF CONTENTS

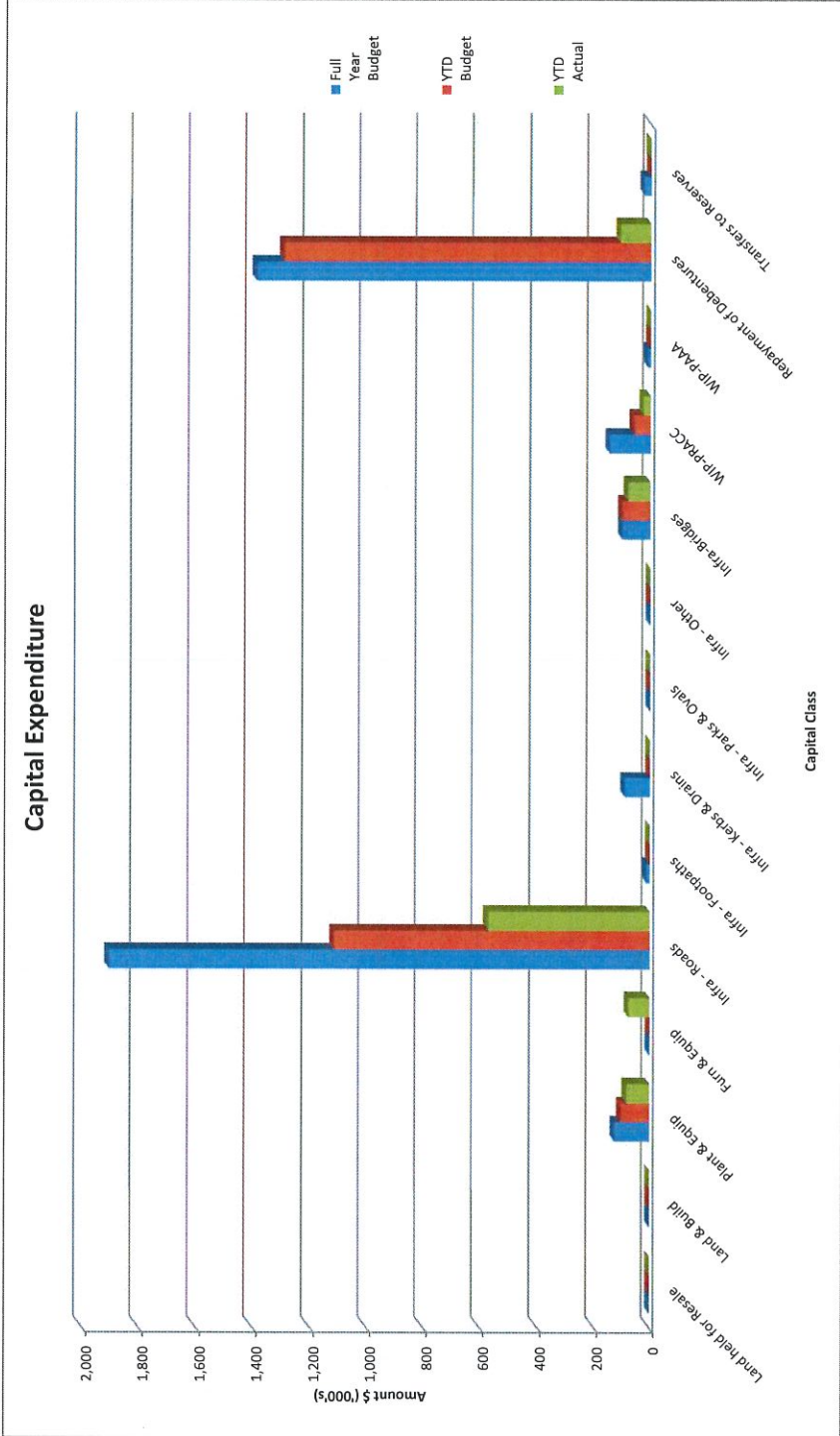
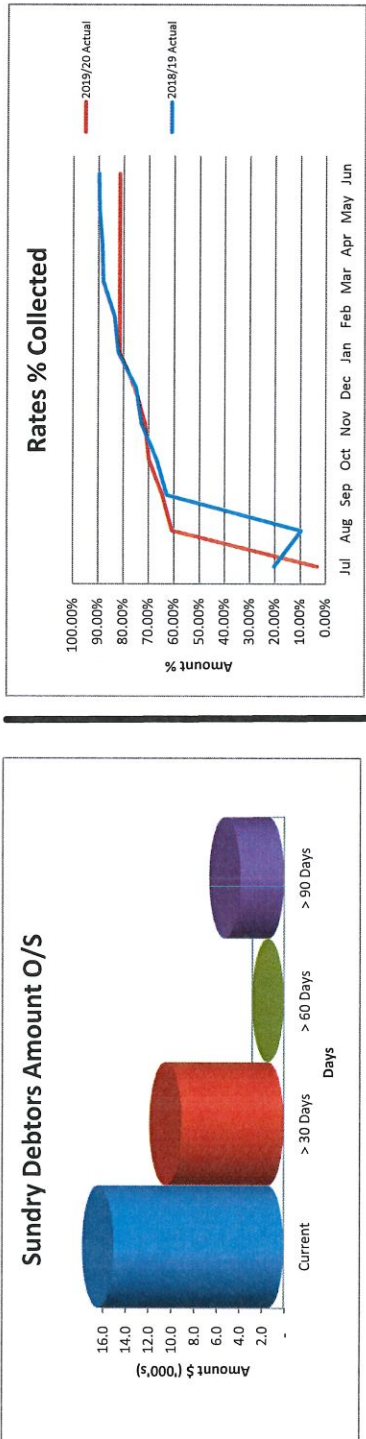
Graphical Analysis	1 to 2
Report Balancing Integrity	3
Statement of Financial Activity	4
Report on Significant Variances	5
Notes to and Forming Part of the Statement	
1 Acquisition of Assets	6 to 7
2 Disposal of Assets	8
3 Information on Borrowings	9
4 Reserves	10 to 11
5 Net Current Assets	12
6 Rating Information	13
7 Municipal Funds Restricted Cash - Bonds and Deposits	14
8 Operating Statement	15
9 Statement of Financial Position	16
10 Financial Ratios	17
Restricted Funds Summary	18



Income and Expenditure Graphs to 31 December 2019



Other Graphs to 31 December 2019



## SHIRE OF PINGELLY

**Summary of Balancing Contained Within The Monthly Reports**

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	December 2019 Y-T-D Budget \$	December 2019 Actual \$
<b>Finance Statement</b>				
<b><u>Balancing to Rating Note</u></b>				
Rates Balance per Finance Statement	2,084,538	2,084,538	2,084,798	2,092,613
Balance per Note 6 (Rating Information)	2,084,538	2,084,538	2,084,798	2,092,614
Variance	0	0	0	(1)
<b><u>Balancing of Closing Position</u></b>				
Closing Balance per Finance Statement	0	0	820,583	1,334,898
Closing Balance per General Fund Summary	0	0	820,583	1,334,898
Variance	0	0	0	0
<b><u>Balancing of Operating Income</u></b>				
Operating Income per Finance Statement	5,584,572	5,584,572	3,781,827	3,423,951
Operating Income per General Fund Summary	5,584,572	5,584,572	3,781,827	3,423,951
Variance	0	0	0	(0)
<b><u>Balancing of Operating Expenditure</u></b>				
Operating Expense per Finance Statement	(6,325,500)	(6,325,500)	(3,548,322)	(3,308,826)
Operating Expense per General Fund Summary	(6,325,500)	(6,325,500)	(3,548,322)	(3,308,826)
Variance	0	0	0	0
<b><u>Balancing of Capital Income</u></b>				
Capital Income per Finance Statement	1,409,380	1,409,380	1,332,012	127,716
Capital Income per General Fund Summary	1,409,380	1,409,380	1,332,012	127,716
Variance	0	0	0	0
<b><u>Balancing of Capital Expenditure</u></b>				
Capital Expense per Finance Statement	(3,808,527)	(3,808,527)	(2,679,395)	(962,757)
Capital Expense per General Fund Summary	(3,808,527)	(3,808,527)	(2,679,395)	(962,757)
Variance	0	0	0	(0)

## SHIRE OF PINGELLY

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

	NOTE	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	December 2019 Y-T-D Budget \$	December 2019 Actual \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
<b>Operating</b>								
<b>Revenues/Sources</b>								
General Purpose Funding		657,707	657,707	342,759	321,011	(21,748)	(6.34%)	
Governance		38,385	38,385	19,074	50,716	31,642	165.89%	▲
Law, Order, Public Safety		70,802	70,802	18,494	20,779	2,285	12.36%	
Health		1,636	1,636	810	345	(465)	(57.41%)	
Education and Welfare		28,425	28,425	14,208	14,016	(192)	(1.35%)	
Community Amenities		211,850	211,850	187,290	179,643	(7,647)	(4.08%)	
Recreation and Culture		57,285	57,285	26,528	26,118	(410)	(1.55%)	
Transport		2,336,897	2,336,897	1,039,374	653,943	(385,431)	(37.08%)	▼
Economic Services		45,820	45,820	22,696	36,163	13,267	57.94%	▲
Other Property and Services		51,227	51,227	25,596	28,603	3,007	11.75%	
		3,500,034	3,500,034	1,697,029	1,331,337	(365,692)	(21.55%)	
<b>(Expenses)/(Applications)</b>								
General Purpose Funding		(198,531)	(198,531)	(97,770)	(116,523)	(18,753)	(19.18%)	▲
Governance		(669,607)	(669,607)	(558,557)	(418,407)	140,150	25.09%	▼
Law, Order, Public Safety		(236,557)	(236,557)	(127,494)	(140,735)	(13,241)	(10.39%)	▲
Health		(140,955)	(140,955)	(71,120)	(72,777)	(1,657)	(2.33%)	
Education and Welfare		(119,363)	(119,363)	(61,528)	(102,357)	(40,829)	(66.36%)	▲
Community Amenities		(417,533)	(417,533)	(198,320)	(172,363)	25,957	13.09%	▼
Recreation & Culture		(1,383,936)	(1,383,936)	(794,574)	(771,299)	23,275	2.93%	
Transport		(2,817,866)	(2,817,866)	(1,423,398)	(1,262,818)	160,580	11.28%	▼
Economic Services		(314,988)	(314,988)	(154,470)	(159,528)	(5,058)	(3.27%)	
Other Property and Services		(26,164)	(26,164)	(61,091)	(92,019)	(30,928)	(51%)	▲
		(6,325,500)	(6,325,500)	(3,548,322)	(3,308,826)	239,496	(6.75%)	
<b>Net Operating Result Excluding Rates</b>		(2,825,466)	(2,825,466)	(1,851,293)	(1,977,489)	(126,196)	6.82%	
<b>Adjustments for Non-Cash</b>								
<b>(Revenue) and Expenditure</b>								
(Profit)/Loss on Asset Disposals	2	385,719	385,719	380,931	367,311	(13,620)	3.58%	
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0	0.00%	
Movement in Employee Benefit Provisions		0	0	0	0	0	0.00%	
Changes in Accounting Policy - Lease Liability		0	0	0	77,269	0	0.00%	
Adjustments in Fixed Assets		0	0	0	0	0	0.00%	
Rounding		0	0	0	0	0	0.00%	
Depreciation on Assets		2,472,000	2,472,000	1,235,982	1,292,687	56,705	(4.59%)	
<b>Capital Revenue and (Expenditure)</b>								
Purchase Land Held for Resale	1	0	0	0	0	0	0.00%	
Purchase of Land and Buildings	1	0	0	0	0	0	0.00%	
Purchase of Furniture & Equipment	1	0	0	0	(77,269)	(77,269)	0.00%	
Purchase of Plant & Equipment	1	(126,900)	(126,900)	(104,700)	(84,157)	20,543	19.62%	▼
Purchase of WIP - PP & E	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Roads	1	(1,903,851)	(1,903,851)	(1,115,863)	(572,224)	543,639	48.72%	▼
Purchase of Infrastructure Assets - Footpaths	1	(12,000)	(12,000)	0	0	0	0.00%	
Purchase of Infrastructure Assets - Kerbs & Drains	1	(91,588)	(91,588)	0	(117)	(117)	0.00%	
Purchase of Infrastructure Assets - Parks & Ovals	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Bridges	1	(101,888)	(101,888)	(101,888)	(81,280)	20,608	20.23%	▼
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0	0.00%	
Purchase of WIP Recreation and Culture	1	(148,464)	(148,464)	(60,834)	(25,261)	35,573	58.48%	▼
Purchase of WIP Aged Accommodation	1	(10,000)	(10,000)	(1,174)	0	1,174	100.00%	
Proceeds from Disposal of Assets	2	120,430	120,430	60,214	58,312	(1,902)	(3.16%)	
Repayment of Debentures	3	(1,389,880)	(1,389,880)	(1,294,936)	(110,540)	1,184,396	91.46%	▼
Proceeds from New Debentures	3	1,200,000	1,200,000	1,200,000	0	(1,200,000)	(100.00%)	▼
Repayment of Leases	3	0	0	0	(9,810)	(9,810)	0.00%	
Self-Supporting Loan Principal Income		24,300	24,300	12,150	15,941	3,791	31.20%	
Transfer from Restricted Asset - Unspent Loans		0	0	0	0	0	0.00%	
Transfers to Restricted Assets (Reserves)	4	(23,956)	(23,956)	0	(2,100)	(2,100)	0.00%	
Transfers from Restricted Asset (Reserves)	4	64,650	64,650	59,648	53,463	(6,185)	(10.37%)	▼
Transfers to Restricted Assets (Other)		0	0	0	0	0	0.00%	
Transfers from Restricted Asset (Other)		0	0	0	0	0	0.00%	
ADD Net Current Assets July 1 B/Fwd	5	282,356	282,356	317,548	317,548	35,192	0.00%	
Net Current Assets - Unspent Grants		0	0	0	0	0	0.00%	
LESS Net Current Assets Year to Date	5	0	0	820,583	1,334,898	514,315	(62.68%)	▼
<b>Amount Raised from Rates</b>		<u>(2,084,538)</u>	<u>(2,084,538)</u>	<u>(2,084,798)</u>	<u>(2,092,613)</u>	<u>(7,815)</u>	<u>0.37%</u>	

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

**Material Variances Symbol**

Above Budget Expectations Greater than 10% and \$5,000 ▲  
Below Budget Expectations Less than 10% and \$5,000 ▼



**SHIRE OF PINGELLY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019**  
**Report on Significant variances Greater than 10% and \$5,000**

**Purpose**

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

**REPORTABLE OPERATING REVENUE VARIATIONS**

<b>Governance - variance below budget expectations</b>		31,642
Lighthouse Project Grant not budgeted for YTD Actual higher than YTD Budget (Permanent Difference)	9,000	
<b>Transport - variance above budget expectations</b>		(385,431)
Regional Road Group funding Actual YTD received more than budget YTD (Timing Difference)	(2,662)	
Main Roads Grants funding Actual YTD less than YTD Budget (Timing Difference)	(152,671)	
Roads to Recovery funding Actual YTD received more than budget YTD (Timing Difference)	40,381	
State Blackspot Funding Actual YTD less than YTD Budget (Timing Difference)	(75,427)	
Road Projects Other Grants Actual YTD less than Budget YTD (Timing Difference)	(60,448)	
WANDRAA Funding Storm Damage - YTD Actual less than YTD Budget (Timing Difference)	(134,004)	
<b>Economic Services - variance below budget expectations</b>		13,267
Other Income Actuals YTD more than YTD Budget (Timing Difference)	-	

**REPORTABLE OPERATING EXPENSE VARIATIONS**

<b>Governance - variance above budget expectations</b>		140,150
Audit fees YTD less than YTD Budget (Timing Difference)	27,894	
Administration Allocated more YTD Actual than YTD Budget (Timing Difference)	164,087	
Admin Membership Actual YTD more than budget YTD (Timing Difference)	(5,144)	
<b>Health - variance below budget expectations</b>		(1,657)
Other Health - Contract Health Services YTD Actual less than YTD Budget (Timing difference).	4,996	
<b>Education and Welfare - variances below budget expectations</b>		(40,829)
Education - Depreciation YTD Actual more than Budget YTD (Timing difference)	(13,254)	
<b>Community Amenities - variance below budget expectations</b>		25,957
Domestic Refuse collection charges YTD Actual less than YTD Budget (Timing difference)	#VALUE!	
Recycle Domestic Refuse collection charges YTD Actual less than YTD Budget (Timing difference)	#VALUE!	
<b>Transport - variance below budget expectations</b>		160,580
Road Maintenance YTD Actual more than YTD Budget (Timing Difference)	(73,949)	
Townsite Maintenance YTD Actual more than YTD Budget (Timing Difference)	(19,459)	
Depreciation YTD Actual less than Budget YTD (Timing difference)	55,777	
<b>Other Property and Services - variance below budget expectations</b>		(30,928)
Private Works - YTD Actual higher than YTD Budget (Timing Difference)	-	
Salaries & Wages - Gross Salaries and Wages - YTD Actual less than YTD Budget (Timing Difference)	-	

**REPORTABLE NON-CASH VARIATIONS**

<b>(Profit)/Loss on Asset Disposals - below budget expectations</b>		(13,620)
Handover Joint Venture Housing occurred October 2019 (Timing Difference)	120,957	
Handover of CRC Building waiting on Settlement December 2019 (Timing Difference)		

**REPORTABLE CAPITAL EXPENDITURE VARIATIONS**

<b>Purchase of Furniture &amp; Equipment - Variance below budget expectations.</b>		(77,269)
New Accounting Standard AASB116 Accounting for Leases adjustment (Budget Review Item)	(77,269)	
<b>Purchase of Plant &amp; Equipment - below budget expectations</b>		20,543
Purchase of Plant & Equipment YTD Actuals less than YTD Budget (Timing difference)	84,157	
<b>Purchase of Road Infrastructure Assets - below budget expectations</b>		543,639
RRG05 Wickepin Pingelly Slk 7.9-9.0 YTD Actuals less than YTD Budget (Timing Difference)	119,648	
RRG09 Yenellin Road Upgrade Rrg (Timing Difference)	(3,690)	
Capex - 10 Shaddick Rd Realine & Regravel Slk 14.0-17.5 - Crsf Funding Project YTD Actuals less than YTD Budget (Timing Difference)	8,481	
CRSF6 Capex - Wickepin Pingelly Road - Crsf Funding (Timing Difference)	419,200	
<b>Purchase of Works in Progress Assets - PRACC - above budget expectations</b>		(35,573)
PRACC Project Expenditure YTD Actuals less than YTD Budget - (Timing Difference)	25,261	
<b>Purchase of Works in Progress Assets - PAAA - above budget expectations</b>		1,174
PAAA Project Expenditure YTD Actuals more than YTD Budget - (Timing Difference)		
<b>Repayment of Debentures - Variance below budget expectations.</b>		(1,184,396)
Repayment of Loans YTD Actual more than YTD Budget (Timing Difference)	110,540	
Conversion of Short Term Borrowings postponed 3 months by WATC (Timing Difference)	(1,200,000)	

**REPORTABLE CAPITAL REVENUE VARIATIONS**

<b>Proceeds from Disposal of Assets - below budget expectations</b>		
Proceeds from Disposal of assets YTD Actual above YTD Budget - (Timing Difference)	58,312	(1,902)

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019**

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	December 2019 YTD Actual \$
<b>1. ACQUISITION OF ASSETS</b>				
The following assets have been acquired during the period under review:				
<b><u>By Program</u></b>				
<b>Governance</b>				
<u>Other Governance</u>				
Capex-Right Of Use Asset Photocopier	0	0	0	77,269.09
Capex - Admin Plant Purchases	80,000	80,000	80,000	36,867.91
<b>Education &amp; Welfare</b>				
<u>Other Aged &amp; Disabled Services</u>				
Capex - Paaa Construction Community	9,000	9,000	774	0.00
Capex - Paaa Landscaping Sensory Garden	1,000	1,000	400	0.00
<b>Recreation and Culture</b>				
<u>Works in Progress - Recreation Centre</u>				
Capex - Pracc Architects & Consultants	4,000	4,000	1,600	600.00
Capex - Praac Building Construction	15,192	15,192	6,076	4,863.64
Capex - Pracc Quantity Surveyor	0	0	0	0.00
Capex - Pracc Demolition	0	0	0	0.00
Capex - Pracc Utility Services	0	0	0	0.00
Capex - Pracc Earth Works	15,772	15,772	7,720	0.00
Capex - Pracc Carpark And Drainage	25,000	25,000	3,570	13,648.81
Capex - Pracc Landscaping Soft & Hard	30,000	30,000	12,624	0.00
Capex - Pracc Playground	0	0	0	0.00
Capex - Pracc Opening & Promotion	0	0	0	344.00
Capex - Pracc Fit Out Furniture	0	0	0	0.00
Capex - Pracc Bowling Green	23,500	23,500	11,748	5,804.67
Capex - Pracc Gym Equipment	0	0	0	0.00
Capex - Pracc Footpaths	35,000	35,000	17,496	0.00

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	December 2019 Actual \$
<b>1. ACQUISITION OF ASSETS (Continued)</b>				
<b>Transport</b>				
<i>Construction - Roads, Bridges, Depots</i>				
<b>Bridges Purchase - Schedule 12</b>				
Capex - Bridge - Replace Box Culverts	101,888	101,888	101,888	81,279.60
<b>Roads Construction</b>				
Capex - Sbs Bodey Street And Harper Street	167,000	167,000	0	0.00
Capex - Rrg Yenellin Road Upgrade	126,235	126,235	0	3,690.00
Capex - Rrg Bullaring Road	64,500	64,500	0	0.00
Capex - Aldersyde Pingelly Road - Roads	96,016	96,016	96,016	96,016.00
Capex - Milton Road	198,000	198,000	198,000	198,000.00
Capex - Rrg Wickpin Pingelly Slk 7.9-9.0	270,000	270,000	134,988	15,340.00
Crsl Jingaring Road Gravel Resheeting	0	0	0	0.00
Capex - Wickpin Pingelly Road - Crsl	738,100	738,100	442,860	23,660.39
Capex - Zig Zag Road - Crsl Funding	244,000	244,000	243,999	235,517.93
Footpaths - Construction	12,000	12,000	0	0.00
Rennet Street Drainage Flume	91,588	91,588	0	117.07
<i>Road Plant Purchases</i>				
Capex - Fuel Pods	2,500	2,500	2,500	2,462.94
<b>Economic Services</b>				
<i>Other Economic Services</i>				
Plant Purchase - Schedule 13	44,400	44,400	22,200	44,826.05
	<u>2,394,691</u>	<u>2,394,691</u>	<u>1,384,459</u>	<u>840,308.10</u>
<b>By Class</b>				
Land Held for Resale - Current	0	0	0	0.00
Land Held for Resale - Non Current	0	0	0	0.00
Land	0	0	0	0.00
Buildings	0	0	0	0.00
Furniture & Equipment	0	0	0	77,269.09
Plant & Equipment	126,900	126,900	104,700	84,156.90
Work in Progress - PPE	0	0	0	0.00
Infrastructure - Roads	1,903,851	1,903,851	1,115,863	572,224.32
Infrastructure - Footpaths	12,000	12,000	0	0.00
Infrastructure - Kerbs & Drains	91,588	91,588	0	117.07
Infrastructure - Parks & Ovals	0	0	0	0.00
Infrastructure - Bridges	101,888	101,888	101,888	81,279.60
Infrastructure - Other	0	0	0	0.00
Works in Progress - Recreation Centre	148,464	148,464	60,834	25,261.12
Works in Progress - Aged Care Accommodation	10,000	10,000	1,174	0.00
	<u>2,394,691</u>	<u>2,394,691</u>	<u>1,384,459</u>	<u>840,308.10</u>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

## 2. DISPOSALS OF ASSETS

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

<u>By Program</u>		Written Down Value		Sale Proceeds		Profit(Loss)	
Asset No		2019/20 Budget \$	December 2019 Actual \$	2019/20 Budget \$	December 2019 Actual \$	2019/20 Budget \$	December 2019 Actual \$
	<b>Governance</b>						
1037	5 Webb St (Land)	23,000	0.00	20,000	0.00	(3,000)	0.00
PCEO18	PCEO18 - CEO Vehicle	40,000	34,895.42	39,000	35,958.82	(1,000)	1,063.40
PCEO19	PCEO19 - CEO Vehicle	40,000	0.00	39,000	0.00	(1,000)	0.00
PCEO20	PCEO20 - CEO Vehicle	0	0.00	0	0.00	0	0.00
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600.00	221,028.69	0	0.00	(230,600)	(221,028.69)
10191	CRC Lot 2 (18) Parade Street-Land	16,000.00	16,000.00	0	0.00	(16,000)	(16,000.00)
10173	Lot 602 (38) Sharow St Land	4,753	4,752.80	0	0.00	(4,753)	(4,752.80)
10174	Lot 603(36) Sharow St Land	4,753	4,752.80	0	0.00	(4,753)	(4,752.80)
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	111,451.72	0	0.00	(115,043)	(111,451.72)
	<b>Economic Services</b>						
PCOM1	Community Car	32,000	32,740.77	22,430	22,352.73	(9,570)	(10,388.04)
		506,149	425,622.20	120,430	58,311.55	(385,719)	(367,310.65)

<u>By Class of Asset</u>		Written Down Value		Sale Proceeds		Profit(Loss)	
Asset No		2019/20 Budget \$	December 2019 Actual \$	2019/20 Budget \$	December 2019 Actual \$	2019/20 Budget \$	December 2019 Actual \$
	<b>Plant &amp; Equipment</b>						
PCEO18	PCEO18 - CEO Vehicle	40,000	34,895.42	39,000	35,959	(1,000)	1,063.40
PCEO19	PCEO19 - CEO Vehicle	40,000	0.00	39,000	0	(1,000)	0.00
PCEO20	PCEO20 - CEO Vehicle	0	0.00	0	0	0	0.00
PCOM1	Community Car	32,000	32,740.77	22,430	22,353	(9,570)	(10,388.04)
	<b>Land &amp; Buildings</b>						
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600	221,028.69	0	0	(230,600)	(221,028.69)
10191	CRC Lot 2 (18) Parade Street-Land	16,000	16,000.00	0	0	(16,000)	(16,000.00)
10173	Lot 602 (38) Sharow St Land	4,753	4,752.80	0	0	(4,753)	(4,752.80)
10174	Lot 603(36) Sharow St Land	4,753	4,752.80	0	0	(4,753)	(4,752.80)
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	111,451.72	0	0	(115,043)	(111,451.72)
1037	5 Webb St (Land)	23,000	0.00	20,000	0.00	(3,000)	0.00
		506,149	425,622.20	120,430	58,311.55	(385,719)	(367,310.65)

Summary

Profit on Asset Disposals  
Loss on Asset Disposals

2019/20 Adopted Budget \$	December 2019 Actual \$
0	1,063.40
(385,719)	(368,374.05)
(385,719)	(367,310.65)



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

## 3. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

Particulars	Principal 1-Jul-19	New Loans		Principal Repayments			Principal Outstanding			Interest Repayments		
		2019/20 Budget \$	2019/20 Actual \$	2019/20 Budget \$	2018/19 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2017/18 Revised Budget	2019/20 Actual \$
<b>Education &amp; Welfare</b>												
Loan 120 - SSL Pingelly Cottage Homes *	174,120	0	0	24,300	24,300	15,941	149,820	149,820	158,179	16,129	16,129	5,320
<b>Recreation &amp; Culture</b>												
Loan 123 - Recreation and Cultural Centre	2,188,286			143,397	143,397	94,599	2,054,889	2,054,889	2,103,687	135,845	135,845	47,862
Loan 124 - Recreation and Cultural Centre		1,200,000	0	22,183	22,183	0	1,177,817	1,177,817	0	17,820	17,820	0
WATC Short Term Facility	1,200,000		0	1,200,000	1,200,000	0	0	0	1,200,000	29,440	29,440	7,036
	3,572,406	1,200,000	0	1,389,880	1,389,880	110,540	3,382,526	3,382,526	3,461,866	199,234	199,234	60,218

(\*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

## 3. INFORMATION ON LEASES

## (b) Lease Repayments

Particulars	Principal 1-Jul-19	New Lease		Principal Repayments			Principal Outstanding			Interest Repayments		
		2019/20 Budget \$	2019/20 Actual \$	2019/20 Budget \$	2018/19 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2017/18 Revised Budget	2019/20 Actual \$
<b>Administration</b>												
Photocopier Lease	77,269	0	0	0	0	9,810	0	0	67,460	0	0	1,094
	77,269	0	0	0	0	9,810	0	0	67,460	0	0	1,094

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

	2019/20 Adopted Budget \$	December 2019 Actual \$
<b>4. RESERVES</b>		
<b>Cash Backed Reserves</b>		
<b>(a) Leave Reserve</b>		
Opening Balance	35,203	35,203
Amount Set Aside / Transfer to Reserve	515	590
Amount Used / Transfer from Reserve	(10,000)	0
	<u>25,718</u>	<u>35,793</u>
<b>(b) Plant Reserve</b>		
Opening Balance	65,722	65,722
Amount Set Aside / Transfer to Reserve	961	756
Amount Used / Transfer from Reserve	0	0
	<u>66,683</u>	<u>66,478</u>
<b>(c) Building and Recreation Reserve</b>		
Opening Balance	3,747	3,747
Amount Set Aside / Transfer to Reserve	20,006	33
Amount Used / Transfer from Reserve	0	0
	<u>23,753</u>	<u>3,780</u>
<b>(d) Electronic Equipment Reserve</b>		
Opening Balance	3,190	3,190
Amount Set Aside / Transfer to Reserve	4	28
Amount Used / Transfer from Reserve	0	0
	<u>3,194</u>	<u>3,218</u>
<b>(e) Community Bus Reserve</b>		
Opening Balance	11,618	11,618
Amount Set Aside / Transfer to Reserve	56	101
Amount Used / Transfer from Reserve	0	0
	<u>11,674</u>	<u>11,719</u>
<b>(f) Swimming Pool Reserve</b>		
Opening Balance	51,988	51,988
Amount Set Aside / Transfer to Reserve	1,123	453
Amount Used / Transfer from Reserve	0	0
	<u>53,111</u>	<u>52,441</u>
<b>(g) Joint Venture Housing Reserve</b>		
Opening Balance	53,463	53,463
Amount Set Aside / Transfer to Reserve	1,187	0
Amount Used / Transfer from Reserve	(54,650)	(53,463)
	<u>0</u>	<u>0</u>
<b>(h) Refuse Site Rehab/Closure Reserve</b>		
Opening Balance	15,829	15,829
Amount Set Aside / Transfer to Reserve	104	138
Amount Used / Transfer from Reserve	0	0
	<u>15,933</u>	<u>15,967</u>
<b>Total Cash Backed Reserves</b>	<u><u>200,066</u></u>	<u><u>189,396</u></u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

	2019/20 Adopted Budget \$	December 2019 Actual \$
<b>4. RESERVES (Continued)</b>		
<b>Cash Backed Reserves (Continued)</b>		
<b>Summary of Transfers To Cash Backed Reserves</b>		
<b>Transfers to Reserves</b>		
Leave Reserve	515	590
Plant Reserve	961	756
Building and Recreation Reserve	20,006	33
Electronic Equipment Reserve	4	28
Community Bus Reserve	56	101
Swimming Pool Reserve	1,123	453
Joint Venture Housing Reserve	1,187	0
Refuse Site Rehab/Closure Reserve	104	138
	<u>23,956</u>	<u>2,099</u>
<b>Transfers from Reserves</b>		
Leave Reserve	(10,000)	0
Plant Reserve	0	0
Building Reserve	0	0
Electronic Equipment Reserve	0	0
Community Bus Reserve	0	0
Swimming Pool Reserve	0	0
Joint Venture Housing Reserve	(54,650)	(53,463)
Refuse Site Rehab/Closure Reserve	0	0
	<u>(64,650)</u>	<u>(53,463)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(40,694)</u>	<u>(51,364)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

**Leave Reserve**

- to be used to fund annual and long service leave requirements.

**Plant Reserve**

- to be used for the purchase of major plant.

**Building and Recreation Reserve**

- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.

**Electronic Equipment Reserve**

- to be used to fund the purchase of administration computer system equipment.

**Community Bus Reserve**

- to be used to fund the change-over of the community bus.

**Swimming Pool Reserve**

- to be used to fund the upgrading of the swimming pool complex

**Joint Venture Housing Reserve**

- to be used for the future maintenance of the Joint Venture units

**Refuse Site Rehab/Closure Reserve**

- to be used to facilitate the rehabilitation/closure of the town refuse site.

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

	2018/19 B/Fwd Per 2019/20 Budget \$	2018/19 B/Fwd Per Financial Report \$	December 2019 Actual \$
<b>5. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	191,736	191,736	614,509
Cash - Restricted Unspent Grants	99,356	99,356	427,119
Cash - Restricted Unspent Loans	0	0	(0)
Cash - Restricted Reserves	240,760	240,760	189,396
Receivables (Budget Purposes Only)	0	0	0
Rates Outstanding	180,395	180,395	555,340
Sundry Debtors	24,386	24,386	34,632
Provision for Doubtful Debts	0	0	0
Gst Receivable	21,955	21,955	15,201
Contract Asset	0	0	0
Loans - clubs/institutions	24,300	24,300	8,359
Accrued Income/Payments In Advance	0	0	0
Investments	0	0	0
Inventories	8,744	8,744	4,974
	<u>791,631</u>	<u>791,631</u>	<u>1,849,532</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions (Budget Purposes Only)	0	0	-
Sundry Creditors	127	127	127
Accrued Interest On Loans	(74,614)	(74,614)	-
Accrued Salaries & Wages	(23,698)	(23,698)	-
Income In Advance	(90,981)	0	(75,519)
Gst Payable	(9,832)	(9,832)	(1,557)
Payroll Creditors	0	0	-
Contract Liabilities	0	0	-
Performance Obligation Liability	0	0	(343,890)
Prepaid Rates Liability	0	0	(10,651)
Current Lease Liability	0	0	(9,957)
Accrued Expenses	(12,406)	(68,195)	55,789
PAYG Liability	(27,512)	(27,512)	(28,385)
Other Payables	(5,299)	(5,299)	(3,774)
Current Employee Benefits Provision	(282,570)	(282,570)	(282,570)
Current Loan Liability	<u>(1,367,697)</u>	<u>(1,367,697)</u>	<u>(1,257,157)</u>
	<u>(1,894,482)</u>	<u>(1,859,290)</u>	<u>(1,957,543)</u>
<b>NET CURRENT ASSET POSITION</b>	<b>(1,102,851)</b>	<b>(1,067,659)</b>	<b>(108,012)</b>
Less: Cash - Reserves - Restricted	(240,760)	(240,760)	(189,396)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	0
Less: Current Loans - Clubs / Institutions	(24,300)	(24,300)	(8,359)
Less: Investments	0	0	0
Add Back : Component of Leave Liability not Required to be Funded	282,570	282,570	282,570
Add Back : Current Loan Liability	1,367,697	1,367,697	1,257,157
Add Back : Current Lease Liability	0	0	9,957
Adjustment in Accounting policies	0	0	90,981
Adjustment for Trust Transactions Within Muni	0	0	0
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<u><b>282,356</b></u>	<u><b>317,548</b></u>	<u><b>1,334,897.65</b></u>



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

## 6. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2019/20 Rate Revenue \$	2019/20 Interim Rates \$	2019/20 Back Rates \$	2019/20 Total Revenue \$	2019/20 Budget \$
<b>General Rate</b>								
GRV - Residential	0.120060	322	3,678,844	441,682	(99)	(117)	441,466	439,884
GRV - Rural Residential	0.120060	66	816,816	98,067	94	14	98,175	98,067
GRV - Commercial/Industrial	0.120060	29	412,252	49,495	0	0	49,495	39,744
GRV - Townsites	0.120060	12	144,560	17,356	0	0	17,356	17,356
UV - Broadacre Rural	0.010340	247	130,804,500	1,352,519	(497)	0	1,352,022	1,352,447
<b>Sub-Totals</b>		676	135,856,972	1,959,119	(502)	(103)	1,958,514	1,947,498
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV - Residential	900	62	96,900	55,800	0	0	55,800	55,800
GRV - Rural Residential	900	23	52,909	20,700	0	0	20,700	20,700
GRV - Commercial/Industrial	900	11	36,200	9,900	0	0	9,900	12,600
GRV - Townsites	900	8	44,160	7,200	0	0	7,200	7,200
UV - Broadacre Rural	900	45	2,753,000	40,500	0	0	40,500	40,500
<b>Sub-Totals</b>		149	2,983,169	134,100	0	0	134,100	136,800
Ex Gratia Rates							2,092,614	2,084,298
Movement in Excess Rates							214	240
							(26,037)	0
<b>Total Amount of General Rates Specified Area Rates</b>							2,066,791	2,084,538
							0	0
<b>Total Rates</b>							2,066,791	2,084,538

All land except exempt land in the Shire of Pingelly is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

**SHIRE OF PINGELLY**

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

**FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019**

**Municipal Funds Restricted Cash - Bonds and Deposits**

<b>Detail</b>	<b>Balance 01-Jul-19 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance \$</b>
Transport Licensing	0	174,274	(174,274)	0
BCITF Levy	0	0	0	0
Rates	0	0	0	0
Funds Held on Behalf of Groups	40	0	0	40
Unclaimed Monies	1,052	0	0	1,052
Builders Registration Board	0	0	0	0
Social Club	0	0	0	0
Nomination Deposits	0	160	(160)	0
Bond Monies (Including Key Deposits)	7,150	870	(1,686)	6,334
	<u>8,242</u>	<u>175,304</u>	<u>(176,120)</u>	<u>7,426</u>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

## 8. OPERATING STATEMENT

	December 2019 Actual \$	2019/20 Revised Budget \$	2019/20 Adopted Budget \$	2018/19 Actual \$
<b>OPERATING REVENUES</b>				
Governance	50,716	38,385	38,385	80,098
General Purpose Funding	2,413,625	2,742,245	2,742,245	3,307,592
Law, Order, Public Safety	20,779	70,802	70,802	94,360
Health	345	1,636	1,636	1,526
Education and Welfare	14,016	28,425	28,425	12,737
Housing	0	0	0	0
Community Amenities	179,643	211,850	211,850	210,008
Recreation and Culture	26,118	57,285	57,285	735,338
Transport	653,943	2,336,897	2,336,897	938,651
Economic Services	36,163	45,820	45,820	25,394
Other Property and Services	28,603	51,227	51,227	48,273
<b>TOTAL OPERATING REVENUE</b>	<b>3,423,951</b>	<b>5,584,572</b>	<b>5,584,572</b>	<b>5,453,978</b>
<b>OPERATING EXPENSES</b>				
Governance	418,407	669,607	669,607	544,118
General Purpose Funding	116,523	198,531	198,531	174,790
Law, Order, Public Safety	140,735	236,557	236,557	232,566
Health	72,777	140,955	140,955	112,673
Education and Welfare	102,357	119,363	119,363	67,615
Housing	0	0	0	0
Community Amenities	172,363	417,533	417,533	380,608
Recreation & Culture	771,299	1,383,936	1,383,936	1,310,318
Transport	1,262,818	2,817,866	2,817,866	2,916,697
Economic Services	159,528	314,988	314,988	237,135
Other Property and Services	92,019	26,164	26,164	114,281
<b>TOTAL OPERATING EXPENSE</b>	<b>3,308,826</b>	<b>6,325,500</b>	<b>6,325,500</b>	<b>6,090,801</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>115,125</b>	<b>(740,928)</b>	<b>(740,928)</b>	<b>(636,823)</b>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

9. STATEMENT OF FINANCIAL POSITION

	December 2019 Actual \$	2018/19 Actual \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	1,231,025	531,852
Investments Current	5,000	5,000
Trade and Other Receivables	613,532	251,036
Inventories	4,974	8,744
Trust at Bank	7,426	8,242
<b>TOTAL CURRENT ASSETS</b>	<b>1,861,957</b>	<b>804,874</b>
<b>NON-CURRENT ASSETS</b>		
Other Receivables	219,278	219,278
Inventories	0	0
Property, Plant and Equipment	19,601,894	20,141,783
Infrastructure	67,113,600	67,451,711
Investments Non Current	52,551	52,551
<b>TOTAL NON-CURRENT ASSETS</b>	<b>86,987,323</b>	<b>87,865,323</b>
<b>TOTAL ASSETS</b>	<b>88,849,280</b>	<b>88,670,197</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	417,816	209,023
Long Term Borrowings	1,257,157	1,367,697
Provisions	329,149	329,149
Trust Liability	7,426	8,242
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,011,548</b>	<b>1,914,111</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and Other Payables	57,503	0
Long Term Borrowings	2,204,709	2,204,709
Provisions	96,091	96,091
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,358,303</b>	<b>2,300,800</b>
<b>TOTAL LIABILITIES</b>	<b>4,369,851</b>	<b>4,214,911</b>
<b>NET ASSETS</b>	<b>84,479,429</b>	<b>84,455,286</b>
<b>EQUITY</b>		
Retained Surplus	32,666,227	32,590,720
Reserves - Cash Backed	189,396	240,760
Revaluation Surplus	51,623,806	51,623,806
<b>TOTAL EQUITY</b>	<b>84,479,429</b>	<b>84,455,286</b>



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 DECEMBER 2019

#### 10. FINANCIAL RATIOS

	2019 YTD	2018	2017	2016
Current Ratio	0.74	0.51	2.03	1.05
Operating Surplus Ratio	(0.20)	(0.74)	(0.60)	(0.72)

The above ratios are calculated as follows:

##### Current Ratio

$$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$$

##### Purpose:

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

##### Standards:

The standard is not met if the ratio is lower than 1:1 (less than 100%)

The standard is met if the ratio is greater than 1:1 (100% or greater)

A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

Below Std
Std met

NB: Ratio is currently affected by \$1.2M Short Term Borrowing recorded as a current liability.

Adjusted Current Ratio adjusting for this figure is:

\*\* 2.93

##### Operating Surplus Ratio

$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{(\text{Own Source Operating Revenue})}$$

##### Purpose:

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

##### Standards:

Basic Standard is not met less than < 1% (< 0.01)

Basic Standard between 1% and 15% (0.01 and 0.15)

Advanced Standard greater than > 15% (> 0.15).

Below Std
Basic Std
Adv Std

SHIRE OF PINGELLY RESTRICTED CASH RECONCILIATION 31 December 2019								
Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure previous year 2016/17	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Actual Expenditure current year 2019/20	Restricted Funds Remaining
Harper St Bodey St State Blackspot SBS01	Transport	1235	20,533.20	0.00	0.00	0.00	0.00	20,533.20
Wickepin Pingelly Road RRG05 and R2R	Transport	1230	74,800.00	0.00	0.00	0.00	15,340.00	59,460.00
Yenellin Road Upgrade RRG09	Transport	1230	69,386.00	0.00	0.00	14,400.00	3,690.00	51,296.00
Bullaring Road RRG12	Transport	1230	57,850.40	0.00	0.00	45,000.00	0.00	12,850.40
Milton Road RRG14 and R2R	Transport	1230	198,000.00	0.00	0.00	0.00	198,000.00	0.00
Aldersyde Pingelly Road R2R	Transport	1230	15,791.00	0.00	0.00	0.00	15,791.00	0.00
Wickepin Pingelly Road CRSF5	Transport	1231	295,240.00	0.00	0.00	0.00	23,660.39	271,579.61
Zig Zag Road CRSF6 and R2R	Transport	1231	211,466.60	0.00	0.00	0.00	211,466.60	0.00
Rennet Street Drainage Flume-Water Corporation	Transport	1250	0.00	0.00	0.00	0.00	0.00	0.00
Lighthouse Project Grant	Administration	0469	9,000.00	0.00	0.00	0.00	0.00	9,000.00
WA Bicycle Network Grant	Transport	1262	2,400.00	0.00	0.00	0.00	0.00	2,400.00
Main Roads Bullaring rd Bridge Funding 18/19 c/fwd	Transport	1250	252,000.00	0.00	0.00	170,720.40	81,279.60	0.00
Sub Total								427,119.20
Total Restricted Grant Funds								
Available Cash								427,119.20
Municipal Bank	Muni Fund Bank Till Float SES Till Float Petty Cash on hand	GL/Job Account	Interest Rate	Maturing				Balance
Municipal Bank		0111	Variable	N.A.			1,040,878.65	
Municipal Bank		0112					50.00	
Municipal Bank		0113					200.00	
Municipal Bank		0114					500.00	
Total Cash								1,041,628.65
Less Restricted Cash								(427,119.20)
Total Unrestricted Cash								614,509.45

## **15.2 Monthly Statement of Financial Activity – January 2020**

<b>File Reference:</b>	<b>ADM0075</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Director Corporate &amp; Community Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Monthly Statements of Financial Activity for the period 1 July 2019 to 31 January 2020</b>
<b>Previous Reference:</b>	<b>Nil</b>

### **Summary**

In Accordance with the *Local Government Act 1995* Section 5.25 (1) and *Local Government (Financial Management) Regulations 1996*, Monthly Financial Statements are required to be presented to Council, in order to ensure that income and expenditure is in keeping with budget forecasts.

The Monthly Statements of Financial Activity for the month of January 2020 are attached for Council consideration and adoption. This report now incorporates new Australian Accounting Standards Board (AASB) requirements effective from 1 July 2019. AASB 15 Revenue from Contracts with Customers (IFRS 15), AASB 1058 Income for Not-for Profit Entities, AASB 16 Lease replaces AASB 117 (IFRS 16).

### **Background**

In order to prepare the monthly statements, the following reconciliations have been completed and verified:

- Reconciliation of assets, payroll and taxation services;
- Reconciliation of all shire's bank accounts, including term deposits;
- Reconciliation of Rates, including outstanding debtors;
- Reconciliation of Sundry Creditors and Debtors;

### **Consultation**

Nil

### **Statutory Environment**

*Local Government Act 1995;*

*Local Government (Financial Management) Regulations 1996*

Section 34: Financial Reports to be Prepared

(1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail -

- (a) Annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1) (b) or (c);
- (b) Budget estimates to the end of the month to which the statement relates;
- (c) Actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- (d) Material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) The net current assets at the end of the month to which the statement relates.



- (2) Each statement of financial activity is to be accompanied by documents containing -
- (a) An explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
  - (b) An explanation of each of the material variances referred to in sub regulation (1) (d); and
  - (c) Such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown -
- (a) According to nature and type classification;
  - (b) By program; or
  - (c) By business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), is to be -
- (a) Presented to the council -
    - (i) At the next ordinary meeting of the council following the end of the month to which the statement relates; or
    - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of the council after that meeting; and
  - (b) Recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

#### Policy Implications

There are no policy implications.

#### Financial Implications

There are no significant trends or issues to be reported. The report and officer recommendation is consistent with Council's adopted Budget 2019/2020.

#### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome 5.2	Nil applicable
Strategy 5.2.1	Nil applicable

#### Risk Implications

Risk	Failure to monitor the Shire's ongoing financial performance would increase the risk of a negative impact on the Shire's financial position. As the monthly report is a legislative requirement, non-compliance may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

**Voting Requirements**  
Simple Majority

**Recommendation**  
**That with respect to the Monthly Statements of Financial Activity for the month ending 31 January 2020 be accepted and material variances be noted.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



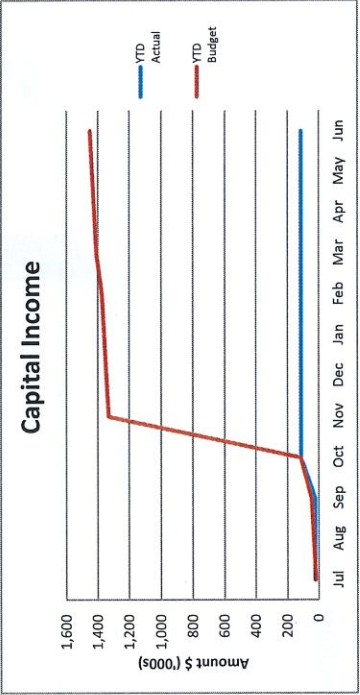
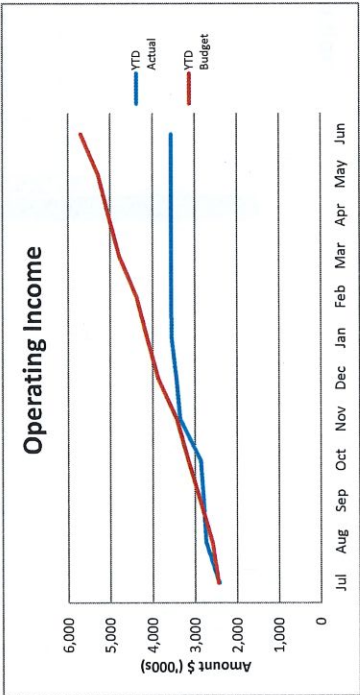
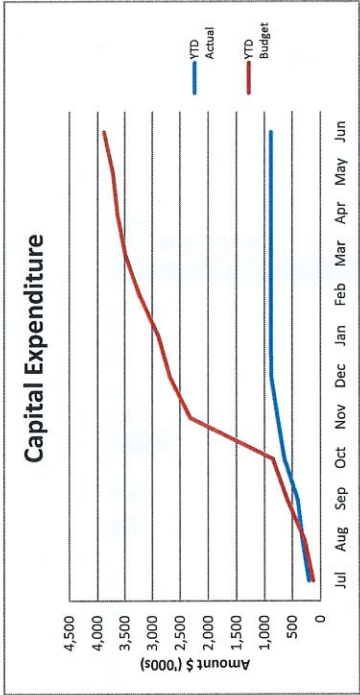
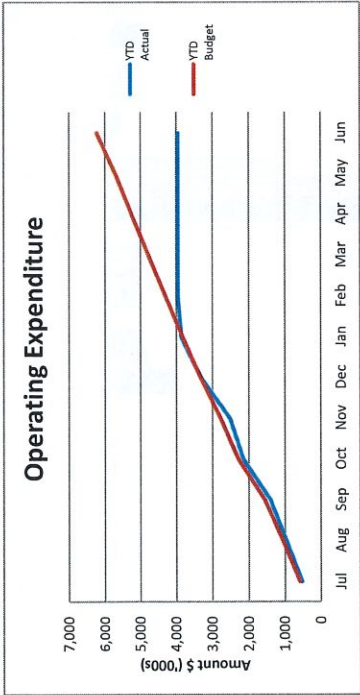


**SHIRE OF PINGELLY**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020**

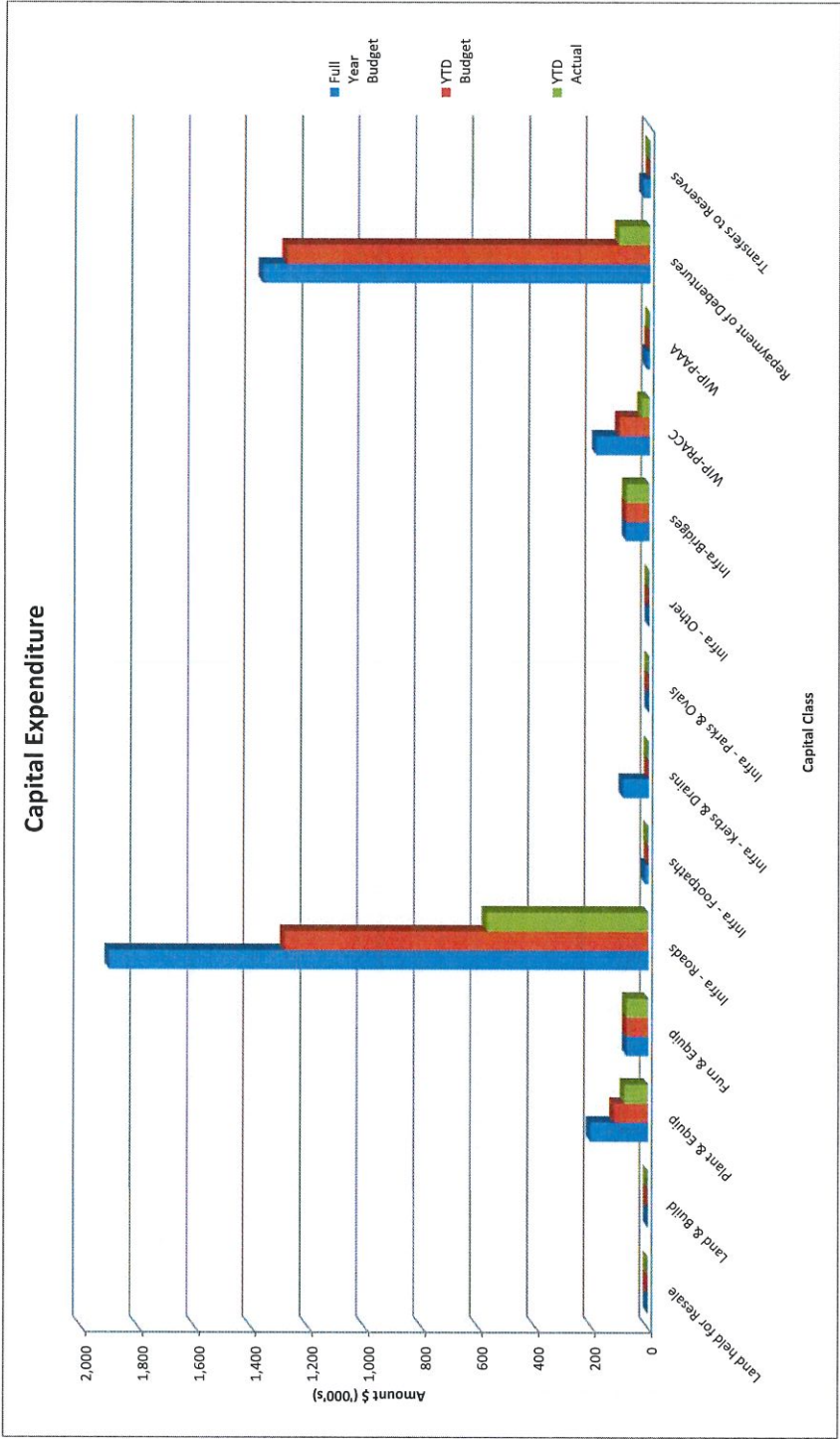
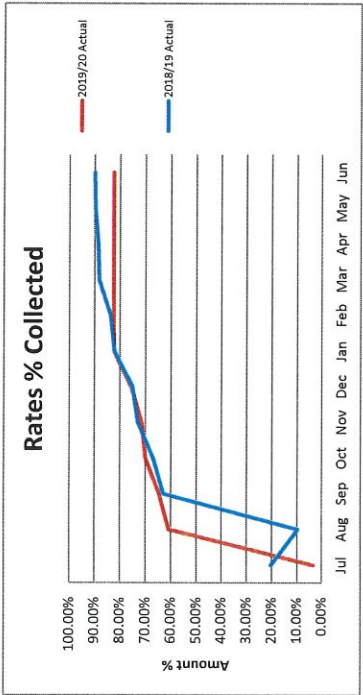
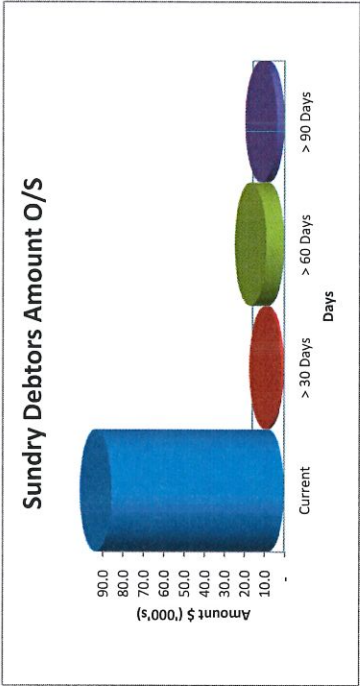
**TABLE OF CONTENTS**

Graphical Analysis	1 to 2
Report Balancing Integrity	3
Statement of Financial Activity	4
Report on Significant Variances	5
Notes to and Forming Part of the Statement	
1 Acquisition of Assets	6 to 7
2 Disposal of Assets	8
3 Information on Borrowings	9
4 Reserves	10 to 11
5 Net Current Assets	12
6 Rating Information	13
7 Municipal Funds Restricted Cash - Bonds and Deposits	14
8 Operating Statement	15
9 Statement of Financial Position	16
10 Financial Ratios	17
Restricted Funds Summary	18

Income and Expenditure Graphs to 31 January 2020



Other Graphs to 31 January 2020



## SHIRE OF PINGELLY

**Summary of Balancing Contained Within The Monthly Reports**

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	January 2020 Y-T-D Budget \$	January 2020 Actual \$
<b>Finance Statement</b>				
<b><u>Balancing to Rating Note</u></b>				
Rates Balance per Finance Statement	2,084,538	2,084,538	2,084,756	2,092,612
Balance per Note 6 (Rating Information)	2,084,538	2,084,538	2,084,756	2,092,614
Variance	0	0	0	(2)
<b><u>Balancing of Closing Position</u></b>				
Closing Balance per Finance Statement	0	120,677	675,146	1,123,315
Closing Balance per General Fund Summary	0	120,677	675,139	1,123,315
Variance	0	0	7.00	(0)
<b><u>Balancing of Operating Income</u></b>				
Operating Income per Finance Statement	5,584,572	5,694,024	4,118,837	3,541,228
Operating Income per General Fund Summary	5,584,572	5,694,024	4,118,837	3,541,226
Variance	0	0	0	1.77
<b><u>Balancing of Operating Expenditure</u></b>				
Operating Expense per Finance Statement	(6,325,500)	(6,233,965)	(3,808,581)	(3,849,284)
Operating Expense per General Fund Summary	(6,325,500)	(6,233,965)	(3,808,581)	(3,849,285)
Variance	0	0	0	0.60
<b><u>Balancing of Capital Income</u></b>				
Capital Income per Finance Statement	1,409,380	1,473,380	1,346,964	127,716
Capital Income per General Fund Summary	1,409,380	1,473,380	1,346,957	127,716
Variance	0	0	7.00	0
<b><u>Balancing of Capital Expenditure</u></b>				
Capital Expense per Finance Statement	(3,808,527)	(3,985,818)	(2,973,308)	(972,222)
Capital Expense per General Fund Summary	(3,808,527)	(3,985,818)	(2,973,308)	(972,222)
Variance	0	0	0	(0.53)



## SHIRE OF PINGELLY

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

	NOTE	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	January 2020 Y-T-D Budget \$	January 2020 Actual \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
<b>Operating</b>								
<b>Revenues/Sources</b>								
General Purpose Funding		657,707	675,504	352,536	328,225	(24,311)	(6.90%)	
Governance		38,385	68,683	52,551	52,383	(168)	(0.32%)	
Law, Order, Public Safety		70,802	71,264	34,891	36,936	2,045	5.86%	
Health		1,636	1,636	945	967	22	2.33%	
Education and Welfare		28,425	28,425	16,468	14,016	(2,452)	(14.89%)	
Community Amenities		211,850	199,640	184,140	182,146	(1,994)	(1.08%)	
Recreation and Culture		57,285	70,487	45,407	28,272	(17,135)	(37.74%)	▼
Transport		2,336,897	2,396,800	1,290,569	737,136	(553,433)	(42.88%)	▼
Economic Services		45,820	45,820	26,712	37,287	10,575	39.59%	▲
Other Property and Services		51,227	51,227	29,862	31,246	1,384	4.63%	
		3,500,034	3,609,486	2,034,081	1,448,614	(585,467)	(28.78%)	
<b>(Expenses)/(Applications)</b>								
General Purpose Funding		(198,531)	(198,531)	(114,065)	(128,665)	(14,600)	(12.80%)	▲
Governance		(669,607)	(634,768)	(405,132)	(452,028)	(46,896)	(11.58%)	▲
Law, Order, Public Safety		(236,557)	(236,557)	(145,658)	(163,976)	(18,318)	(12.58%)	▲
Health		(140,955)	(145,955)	(85,669)	(76,009)	9,660	11.28%	▼
Education and Welfare		(119,363)	(128,363)	(78,815)	(106,768)	(27,953)	(35.47%)	▲
Community Amenities		(417,533)	(416,833)	(245,349)	(212,167)	33,182	13.52%	▼
Recreation & Culture		(1,383,936)	(1,366,116)	(875,873)	(891,607)	(15,734)	(1.80%)	
Transport		(2,817,866)	(2,829,541)	(1,662,600)	(1,493,314)	169,286	10.18%	▼
Economic Services		(314,988)	(314,988)	(182,344)	(183,013)	(669)	(0.37%)	
Other Property and Services		(26,164)	37,687	(13,076)	(141,737)	(128,661)	(984%)	▲
		(6,325,500)	(6,233,965)	(3,808,581)	(3,849,284)	(40,703)	1.07%	
<b>Net Operating Result Excluding Rates</b>		(2,825,466)	(2,624,479)	(1,774,500)	(2,400,670)	(626,170)	35.29%	
<b>Adjustments for Non-Cash</b>								
<b>(Revenue) and Expenditure</b>								
(Profit)/Loss on Asset Disposals	2	385,719	397,219	231,707	367,311	135,604	(58.52%)	▲
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0	0.00%	
Movement in Employee Benefit Provisions		0	0	0	0	0	0.00%	
Changes in Accounting Policy - Lease Liability		0	77,269	0	77,269	0	0.00%	
Adjustments in Fixed Assets		0	0	0	0	0	0.00%	
Rounding		0	0	0	0	0	0.00%	
Depreciation on Assets		2,472,000	2,472,000	1,441,979	1,513,752	71,773	(4.98%)	
<b>Capital Revenue and (Expenditure)</b>								
Purchase Land Held for Resale	1	0	0	0	0	0	0.00%	
Purchase of Land and Buildings	1	0	0	0	0	0	0.00%	
Purchase of Furniture & Equipment	1	0	(77,269)	(77,269)	(77,269)	0	0.00%	
Purchase of Plant & Equipment	1	(126,900)	(206,900)	(121,731)	(84,189)	37,542	30.84%	▼
Purchase of WIP - PP & E	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Roads	1	(1,903,851)	(1,903,851)	(1,285,981)	(573,502)	712,479	55.40%	▼
Purchase of Infrastructure Assets - Footpaths	1	(12,000)	(12,000)	0	(2,300)	(2,300)	0.00%	
Purchase of Infrastructure Assets - Kerbs & Drains	1	(91,588)	(91,588)	0	(1,577)	(1,577)	0.00%	
Purchase of Infrastructure Assets - Parks & Ovals	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Bridges	1	(101,888)	(82,186)	(82,186)	(81,280)	906	1.10%	
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0	0.00%	
Purchase of WIP Recreation and Culture	1	(148,464)	(190,605)	(107,874)	(28,007)	79,867	74.04%	▼
Purchase of WIP Aged Accommodation	1	(10,000)	(10,000)	(2,890)	0	2,890	100.00%	
Proceeds from Disposal of Assets	2	120,430	166,430	74,333	58,312	(16,021)	(21.55%)	▼
Repayment of Debentures	3	(1,389,880)	(1,367,697)	(1,283,848)	(110,540)	1,173,308	91.39%	▼
Proceeds from New Debentures	3	1,200,000	1,200,000	1,200,000	0	(1,200,000)	(100.00%)	▼
Repayment of Leases	3	0	(19,766)	(11,529)	(11,459)	70	(0.61%)	
Advances to Community Groups		0	0	0	0	0	0.00%	
Self-Supporting Loan Principal Income		24,300	24,300	12,150	15,941	3,791	31.20%	
Transfer from Restricted Asset - Unspent Loans		0	0	0	0	0	0.00%	
Transfers to Restricted Assets (Reserves)	4	(23,956)	(23,956)	0	(2,100)	(2,100)	0.00%	
Transfers from Restricted Asset (Reserves)	4	64,650	82,650	60,481	53,463	(7,018)	(11.60%)	▼
Transfers to Restricted Assets (Other)		0	0	0	0	0	0.00%	
Transfers from Restricted Asset (Other)		0	0	0	0	0	0.00%	
ADD Net Current Assets July 1 B/Fwd	5	282,356	226,568	317,548	317,548	35,192	0.00%	
Net Current Assets - Unspent Grants		0	0	0	0	0	0.00%	
LESS Net Current Assets Year to Date	5	0	120,677	675,146	1,123,315	448,170	(66.38%)	▼
<b>Amount Raised from Rates</b>		(2,084,538)	(2,084,538)	(2,084,756)	(2,092,612)	(7,856)	0.38%	

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

**Material Variances Symbol**

Above Budget Expectations  
Below Budget Expectations

Greater than 10% and \$5,000  
Less than 10% and \$5,000

▲  
▼



**SHIRE OF PINGELLY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020**  
**Report on Significant variances Greater than 10% and \$5,000**

**Purpose**

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

**REPORTABLE OPERATING REVENUE VARIATIONS**

<b>Recreation and Culture - variance below budget expectations</b>		(17,135)
Insurance Rebate - Good Driver rebate above budget expectations (Permanent Difference)	3,006	
Community Event Program Income YTD Actuals less than YTD Budget - Fervor event postponed	(6,062)	
Dept of Sport and Rec Cricket practice nets Grant YTD Actual less than YTD Budget (Timing Difference)	(9,261)	
<b>Transport - variance below budget expectations</b>		(553,433)
Regional Road Group funding Actual YTD received more than budget YTD (Timing Difference)	(41,230)	
Main Roads Grants funding Actual YTD less than YTD Budget (Timing Difference)	(251,755)	
Roads to Recovery funding Actual YTD received more than budget YTD (Timing Difference)	(236)	
State Blackspot Funding Actual YTD less than YTD Budget (Timing Difference)	(90,575)	
Road Projects Other Grants Actual YTD less than Budget YTD (Timing Difference)	(20,448)	
WANDRAA Funding Storm Damage - YTD Actual less than YTD Budget (Timing Difference)	(148,090)	
<b>Economic Services - variance above budget expectations</b>		10,575
Reimbursement for Community Car changeover YTD Actual more than YTD Budget (Timing Difference)	11,870	

**REPORTABLE OPERATING EXPENSE VARIATIONS**

<b>Governance - variance above budget expectations</b>		(46,896)
Audit fees YTD less than YTD Budget (Timing Difference)	21,905	
Administration Allocated more YTD Actual than YTD Budget (Timing Difference)	133,875	
Admin Salaries and Wages Actual YTD less than Budget YTD (Timing Difference)	5,996	
Admin Membership Actual YTD more than budget YTD (Timing Difference)	(5,144)	
Depreciation YTD Actual less than YTD Budget Depn (Timing Difference)	9,330	
<b>General Purpose Funding - variance above budget expectations</b>		(14,600)
Administration Allocated YTD actual less than YTD budget (Timing Difference)	(10,714)	
<b>Law, Order, Public Safety - variance above budget expectations</b>		(18,318)
Fire Fighting Expenditure - YTD Actual more than YTD Budget (Timing Difference)	(16,299)	
<b>Health - variance below budget expectations</b>		9,660
Other Health - Contract Health Services YTD Actual less than YTD Budget (Timing difference)	11,662	
<b>Education and Welfare - variances above budget expectations</b>		(27,953)
Education - Depreciation YTD Actual more than Budget YTD (Timing difference)	(15,043)	
<b>Community Amenities - variance below budget expectations</b>		33,182
Domestic Refuse collection charges YTD Actual less than YTD Budget (Timing difference)	6,498	
Recycle Domestic Refuse collection charges YTD Actual less than YTD Budget (Timing difference)	7,780	
Refuse site maintenance YTD Actual more than YTD Budget (Timing difference)	16,375	
<b>Transport - variance below budget expectations</b>		169,286
Road Maintenance YTD Actual more than YTD Budget (Timing Difference)	(70,527)	
Townsite Maintenance YTD Actual more than YTD Budget (Timing Difference)	(14,350)	
Depreciation YTD Actual less than Budget YTD (Timing difference)	63,530	
<b>Other Property and Services - variance above budget expectations</b>		(128,661)
Public Works O/heads - Allocated to Works & Svcs - YTD Actuals less than YTD Budget under allocated YTD (Timing Difference) Manual allocation required.	(114,630)	
Plant Op Costs - Allocated to Works & Services - YTD Actual less than YTD Budget under allocated (Timing Difference) Manual Allocation required.	(12,036)	

**REPORTABLE NON-CASH VARIATIONS**

<b>(Profit)/Loss on Asset Disposals - above budget expectations</b>		135,604
Handover of CRC finalised (Timing Difference)	(237,029)	
Handover Joint Venture Housing occurred October 2019 (Timing Difference)	120,957	

**REPORTABLE CAPITAL EXPENDITURE VARIATIONS**

<b>Purchase of Plant &amp; Equipment - below budget expectations</b>		37,542
Purchase of Plant & Equipment YTD Actuals less than YTD Budget (Timing difference)	84,189	
<b>Purchase of Road Infrastructure Assets - below budget expectations</b>		712,479
Road Infrastructure YTD Actuals less than YTD Budget (Timing Difference)		
RRG05 Wickepin Pingelly Slk 7.9-9.0 YTD Actuals less than YTD Budget (Timing Difference)	142,146	
Capex - 10 Shaddick Rd Realine & Regravel Slk 14.0-17.5 - Crsf Funding Project YTD Actuals less than YTD Budget (Timing Difference)	8,481	
<b>Purchase of Works in Progress Assets - PRACC - below budget expectations</b>		(79,867)
PRACC Project Expenditure YTD Actuals less than YTD Budget - (Timing Difference)	(79,867)	
<b>Repayment of Debentures - Variance below budget expectations.</b>		(1,173,308)
Repayment of Loans YTD Actual more than YTD Budget (Timing Difference)	110,540	
Conversion of Short Term Borrowings postponed 3 months by WATC (Timing Difference)	(1,200,000)	

**REPORTABLE CAPITAL REVENUE VARIATIONS**

<b>Proceeds from Disposal of Assets - below budget expectations</b>		(16,021)
Proceeds from Disposal of assets YTD Actual above YTD Budget - (Timing Difference)	58,312	
<b>Proceeds from New Loans below budget expectations</b>		(1,200,000)
S/T Loan conversion to Debenture for PRACC programmed to be raised in November 2019 with WATC Postponed 3 months (Timing Difference)	(1,200,000)	
<b>Transfers from Restricted Assets below budget expectations</b>		(7,018)
YTD Budget less than YTD Actuals (Timing Difference) usually transfer funds in June period 12		

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020**

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	January 2020 YTD Actual \$	Forecast 2019/20 Actuals \$
<b>1. ACQUISITION OF ASSETS</b>					
The following assets have been acquired during the period under review:					
<b><u>By Program</u></b>					
<b>Governance</b>					
<u>Other Governance</u>					
Capex-Right Of Use Asset Photocopier	0	77,269	77,269	77,269.09	77,269.00
Capex - Admin Plant Purchases	80,000	160,000	93,331	36,867.91	160,000.00
<b>Education &amp; Welfare</b>					
<u>Other Aged &amp; Disabled Services</u>					
Capex - Paaa Construction Community	9,000	9,000	2,390	0.00	9,000.00
Capex - Paaa Landscaping Sensory Garden	1,000	1,000	500	0.00	1,000.00
<b>Recreation and Culture</b>					
<u>Works in Progress - Recreation Centre</u>					
Capex - Pracc Architects & Consultants	4,000	15,600	9,100	600.00	15,600.00
Capex - Praac Building Construction	15,192	15,192	7,595	4,863.64	15,192.00
Capex - Pracc Quantity Surveyor	0	0	0	0.00	0.00
Capex - Pracc Demolition	0	0	0	0.00	0.00
Capex - Pracc Utility Services	0	7,952	7,952	0.00	7,952.00
Capex - Pracc Earth Works	15,772	15,772	9,060	0.00	15,772.00
Capex - Pracc Carpark And Drainage	25,000	25,000	7,140	13,648.81	25,000.00
Capex - Pracc Landscaping Soft & Hard	30,000	30,000	14,728	2,745.50	30,000.00
Capex - Pracc Playground	0	12,000	12,000	0.00	12,000.00
Capex - Pracc Opening & Promotion	0	0	0	344.00	0.00
Capex - Pracc Fit Out Furniture	0	0	0	0.00	0.00
Capex - Pracc Bowling Green	23,500	29,500	17,206	5,804.67	29,500.00
Capex - Pracc Gym Equipment	0	0	0	0.00	0.00
Capex - Pracc Footpaths	35,000	39,589	23,093	0.00	39,589.00



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	January 2020 Actual \$	Forecast 2019/20 Actuals \$
<b>1. ACQUISITION OF ASSETS (Continued)</b>					
<b>Transport</b>					
<u>Construction - Roads, Bridges, Depots</u>					
<b>Bridges Purchase - Schedule 12</b>					
Capex - Bridge - Replace Box Culverts	101,888	82,186	82,186	81,279.60	82,186.00
<b>Roads Construction</b>					
Capex - Sbs Bodey Street And Harper	167,000	167,000	0	0.00	167,000.00
Capex - Rrg Yenellin Road Upgrade	126,235	126,235	0	3,690.00	126,235.00
Capex - Rrg Bullaring Road	64,500	64,500	0	0.00	64,500.00
Capex - Aldersyde Pingelly Road - Roads	96,016	96,016	96,016	96,016.00	96,016.00
Capex - Milton Road	198,000	198,000	198,000	198,000.00	198,000.00
Capex - Rrg Wickepin Pingelly Slk 7.9-9.0	270,000	270,000	157,486	15,340.00	270,000.00
Crsf Jingaring Road Gravel Resheeting	0	0	0	0.00	0.00
Capex - Wickepin Pingelly Road - Crsf	738,100	738,100	590,480	24,938.28	738,100.00
Capex - Zig Zag Road - Crsf Funding	244,000	244,000	243,999	235,517.93	244,000.00
Footpaths - Construction	12,000	12,000	0	2,300.00	12,000.00
Rennet Street Drainage Flume	91,588	91,588	0	1,577.07	91,588.00
<u>Road Plant Purchases</u>					
Capex - Fuel Pods	2,500	2,500	2,500	2,495.44	2,500.00
<b>Economic Services</b>					
<u>Other Economic Services</u>					
Plant Purchase - Schedule 13	44,400	44,400	25,900	44,826.05	44,400.00
	<u>2,394,691</u>	<u>2,574,399</u>	<u>1,677,931</u>	<u>848,123.99</u>	<u>2,574,399.00</u>
<b>By Class</b>					
Land Held for Resale - Current	0	0	0	0.00	0.00
Land Held for Resale - Non Current	0	0	0	0.00	0.00
Lease Repayments	0	0	0	0.00	0.00
Land	0	0	0	0.00	0.00
Buildings	0	0	0	0.00	0.00
Furniture & Equipment	0	77,269	77,269	77,269.09	77,269.00
Plant & Equipment	126,900	206,900	121,731	84,189.40	206,900.00
Work in Progress - PPE	0	0	0	0.00	0.00
Infrastructure - Roads	1,903,851	1,903,851	1,285,981	573,502.21	1,903,851.00
Infrastructure - Footpaths	12,000	12,000	0	2,300.00	12,000.00
Infrastructure - Kerbs & Drains	91,588	91,588	0	1,577.07	91,588.00
Infrastructure - Parks & Ovals	0	0	0	0.00	0.00
Infrastructure - Bridges	101,888	82,186	82,186	81,279.60	82,186.00
Infrastructure - Other	0	0	0	0.00	0.00
Works in Progress - Recreation Centre	148,464	190,605	107,874	28,006.62	190,605.00
Works in Progress - Aged Care Accommodation	10,000	10,000	2,890	0.00	10,000.00
	<u>2,394,691</u>	<u>2,574,399</u>	<u>1,677,931</u>	<u>848,123.99</u>	<u>2,574,399.00</u>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

## 2. DISPOSALS OF ASSETS

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

By Program		Written Down Value			Sale Proceeds			Profit/(Loss)		
		2019/20 Budget \$	Revised Budget	January 2020 Actual \$	2019/20 Budget \$	Revised Budget	January 2020 Actual \$	2019/20 Budget \$	Revised Budget	January 2020 Actual \$
Asset No										
	<b>Governance</b>									
1037	5 Webb St (Land)	23,000	23,000	0.00	20,000	20,000	0.00	(3,000)	(3,000)	0.00
PCEO18	PCEO18 - CEO Vehicle	40,000	40,000	34,895.42	39,000	39,000	35,958.82	(1,000)	(1,000)	1,063.40
PCEO19	PCEO19 - CEO Vehicle	40,000	40,000	0.00	39,000	39,000	0.00	(1,000)	(1,000)	0.00
PCEO20	PCEO20 - CEO Vehicle	0	40,000	0.00	0	39,000	0.00	0	(1,000)	0.00
DCCS01	DCCS01 - DCCS Vehicle	0	17,500	0.00	0	7,000	0.00	0	(10,500)	0.00
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600.00	230,600	221,028.69	0	0	0.00	(230,600)	(230,600)	(221,028.69)
10191	CRC Lot 2 (18) Parade Street-Land	16,000.00	16,000	16,000.00	0	0	0.00	(16,000)	(16,000)	(16,000.00)
10173	Lot 602 (38) Sharow St Land	4,753	4,753	4,752.80	0	0	0.00	(4,753)	(4,753)	(4,752.80)
10174	Lot 603(36) Sharow St Land	4,753	4,753	4,752.80	0	0	0.00	(4,753)	(4,753)	(4,752.80)
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	115,043	111,451.72	0	0	0.00	(115,043)	(115,043)	(111,451.72)
	<b>Economic Services</b>									
PCOM1	Community Car	32,000	32,000	32,740.77	22,430	22,430	22,352.73	(9,570)	(9,570)	(10,388.04)
		506,149	563,649	425,622.20	120,430	166,430	58,311.55	(385,719)	(397,218)	(367,310.65)

By Class of Asset		Written Down Value			Sale Proceeds			Profit/(Loss)		
		2019/20 Budget \$	Revised Budget	January 2020 Actual \$	2019/20 Budget \$	Revised Budget	January 2020 Actual \$	2019/20 Budget \$	Revised Budget	January 2020 Actual \$
Asset No										
	<b>Plant &amp; Equipment</b>									
PCEO18	PCEO18 - CEO Vehicle	40,000	40,000	34,895.42	39,000	39,000	35,959	(1,000)	(1,000)	1,063.40
PCEO19	PCEO19 - CEO Vehicle	40,000	40,000	0.00	39,000	39,000	0	(1,000)	(1,000)	0.00
PCEO20	PCEO20 - CEO Vehicle	0	40,000	0.00	0	39,000	0	0	(1,000)	0.00
DCCS01	DCCS01 - DCCS Vehicle	0	17,500	0.00	0	7,000	0	0	(10,500)	0.00
PCOM1	Community Car	32,000	32,000	32,740.77	22,430	22,430	22,353	(9,570)	(9,570)	(10,388.04)
	<b>Land &amp; Buildings</b>									
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600	230,600	221,028.69	0	0	0	(230,600)	(230,600)	(221,028.69)
10191	CRC Lot 2 (18) Parade Street-Land	16,000	16,000	16,000.00	0	0	0	(16,000)	(16,000)	(16,000.00)
10173	Lot 602 (38) Sharow St Land	4,753	4,753	4,752.80	0	0	0	(4,753)	(4,753)	(4,752.80)
10174	Lot 603(36) Sharow St Land	4,753	4,753	4,752.80	0	0	0	(4,753)	(4,753)	(4,752.80)
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	115,043	111,451.72	0	0	0	(115,043)	(115,043)	(111,451.72)
1037	5 Webb St (Land)	23,000	23,000	0.00	20,000	20,000	0.00	(3,000)	(3,000)	0.00
		506,149	563,649	425,622.20	120,430	166,430	58,311.55	(385,719)	(397,218)	(367,310.65)

## Summary

Profit on Asset Disposals  
Loss on Asset Disposals

2019/20 Adopted Budget \$	Revised Budget \$	January 2020 Actual \$
0		1,063.40
(385,719)	(397,218)	(368,374.05)
(385,719)		(367,310.65)



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

## 3. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

Particulars	Principal 1-Jul-19	New Loans		Principal Repayments			Principal Outstanding			Interest Repayments		
		2019/20 Budget \$	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$
<b>Education &amp; Welfare</b>												
Loan 120 - SSL Pingelly Cottage Homes	174,120	0	0	24,300	24,300	15,941	149,820	149,820	158,179	16,129	16,129	5,320
<b>Recreation &amp; Culture</b>												
Loan 123 - Recreation and Cultural Centre	2,198,286			143,397	143,397	94,599	2,054,889	2,054,889	2,103,687	135,845	135,845	47,862
Loan 124 - Recreation and Cultural Centre		1,200,000	0	22,183	0	0	1,177,817	1,200,000	0	17,820	17,820	0
WATC Short Term Facility	1,200,000		0	1,200,000	1,200,000	0	0	0	1,200,000	29,440	29,440	7,036
	3,572,406	1,200,000	0	1,389,880	1,367,697	110,540	3,382,526	3,404,709	3,461,866	199,234	199,234	60,218

(\*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

## 3. INFORMATION ON LEASES

## (b) Lease Repayments

Particulars	Principal 1-Jul-19	New Lease		Principal Repayments			Principal Outstanding			Interest Repayments		
		2019/20 Budget \$	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Actual \$
<b>Administration</b>												
Photocopier Lease	77,269	0	0	0	0	11,459	0	0	65,810	0	0	1,279
	77,269	0	0	0	0	11,459	0	0	65,810	0	0	1,279



## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

	2019/20 Adopted Budget \$	January 2020 Actual \$
<b>4. RESERVES</b>		
<b>Cash Backed Reserves</b>		
<b>(a) Leave Reserve</b>		
Opening Balance	35,203	35,203
Amount Set Aside / Transfer to Reserve	515	590
Amount Used / Transfer from Reserve	(10,000)	0
	<u>25,718</u>	<u>35,793</u>
<b>(b) Plant Reserve</b>		
Opening Balance	65,722	65,722
Amount Set Aside / Transfer to Reserve	961	756
Amount Used / Transfer from Reserve	0	0
	<u>66,683</u>	<u>66,478</u>
<b>(c) Building and Recreation Reserve</b>		
Opening Balance	3,747	3,747
Amount Set Aside / Transfer to Reserve	20,006	33
Amount Used / Transfer from Reserve	0	0
	<u>23,753</u>	<u>3,780</u>
<b>(d) Electronic Equipment Reserve</b>		
Opening Balance	3,190	3,190
Amount Set Aside / Transfer to Reserve	4	28
Amount Used / Transfer from Reserve	0	0
	<u>3,194</u>	<u>3,218</u>
<b>(e) Community Bus Reserve</b>		
Opening Balance	11,618	11,618
Amount Set Aside / Transfer to Reserve	56	101
Amount Used / Transfer from Reserve	0	0
	<u>11,674</u>	<u>11,719</u>
<b>(f) Swimming Pool Reserve</b>		
Opening Balance	51,988	51,988
Amount Set Aside / Transfer to Reserve	1,123	453
Amount Used / Transfer from Reserve	0	0
	<u>53,111</u>	<u>52,441</u>
<b>(g) Joint Venture Housing Reserve</b>		
Opening Balance	53,463	53,463
Amount Set Aside / Transfer to Reserve	1,187	0
Amount Used / Transfer from Reserve	(54,650)	(53,463)
	<u>0</u>	<u>0</u>
<b>(h) Refuse Site Rehab/Closure Reserve</b>		
Opening Balance	15,829	15,829
Amount Set Aside / Transfer to Reserve	104	138
Amount Used / Transfer from Reserve	0	0
	<u>15,933</u>	<u>15,967</u>
<b>Total Cash Backed Reserves</b>	<u>200,066</u>	<u>189,396</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

	2019/20 Adopted Budget \$	January 2020 Actual \$
<b>4. RESERVES (Continued)</b>		
<b>Cash Backed Reserves (Continued)</b>		
<b>Summary of Transfers To Cash Backed Reserves</b>		
<b>Transfers to Reserves</b>		
Leave Reserve	515	590
Plant Reserve	961	756
Building and Recreation Reserve	20,006	33
Electronic Equipment Reserve	4	28
Community Bus Reserve	56	101
Swimming Pool Reserve	1,123	453
Joint Venture Housing Reserve	1,187	0
Refuse Site Rehab/Closure Reserve	104	138
	<u>23,956</u>	<u>2,099</u>
<b>Transfers from Reserves</b>		
Leave Reserve	(10,000)	0
Plant Reserve	0	0
Building Reserve	0	0
Electronic Equipment Reserve	0	0
Community Bus Reserve	0	0
Swimming Pool Reserve	0	0
Joint Venture Housing Reserve	(54,650)	(53,463)
Refuse Site Rehab/Closure Reserve	0	0
	<u>(64,650)</u>	<u>(53,463)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(40,694)</u>	<u>(51,364)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

**Leave Reserve**

- to be used to fund annual and long service leave requirements.

**Plant Reserve**

- to be used for the purchase of major plant.

**Building and Recreation Reserve**

- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.

**Electronic Equipment Reserve**

- to be used to fund the purchase of administration computer system equipment.

**Community Bus Reserve**

- to be used to fund the change-over of the community bus.

**Swimming Pool Reserve**

- to be used to fund the upgrading of the swimming pool complex

**Joint Venture Housing Reserve**

- to be used for the future maintenance of the Joint Venture units

**Refuse Site Rehab/Closure Reserve**

- to be used to facilitate the rehabilitation/closure of the town refuse site.

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

	2018/19 B/Fwd Per 2019/20 Budget \$	2018/19 B/Fwd Per Financial Report \$	January 2020 Actual \$
<b>5. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	191,736	191,736	530,350
Cash - Restricted Unspent Grants	99,356	99,356	421,691
Cash - Restricted Unspent Loans	0	0	(0)
Cash - Restricted Reserves	240,760	240,760	189,396
Receivables (Budget Purposes Only)	0	0	0
Rates Outstanding	180,395	180,395	383,512
Sundry Debtors	24,386	24,386	83,656
Provision for Doubtful Debts	0	0	0
Gst Receivable	21,955	21,955	14,932
Contract Asset	0	0	0
Loans - clubs/institutions	24,300	24,300	8,359
Accrued Income/Payments In Advance	0	0	0
Investments	0	0	0
Inventories	8,744	8,744	13,345
	<u>791,631</u>	<u>791,631</u>	<u>1,645,243</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions (Budget Purposes Only)	0	0	-
Sundry Creditors	127	127	127
Accrued Interest On Loans	(74,614)	(74,614)	-
Accrued Salaries & Wages	(23,698)	(23,698)	-
Income In Advance	(90,981)	0	(75,519)
Gst Payable	(9,832)	(9,832)	(2,418)
Payroll Creditors	0	0	-
Contract Liabilities	0	0	-
Performance Obligation Liability	0	0	(343,890)
Prepaid Rates Liability	0	0	(16,413)
Current Lease Liability	0	0	(8,308)
Accrued Expenses	(12,406)	(68,195)	55,789
PAYG Liability	(27,512)	(27,512)	(29,213)
Other Payables	(5,299)	(5,299)	(3,615)
Current Employee Benefits Provision	(282,570)	(282,570)	(282,570)
Current Loan Liability	(1,367,697)	(1,367,697)	(1,257,157)
	<u>(1,894,482)</u>	<u>(1,859,290)</u>	<u>(1,963,187)</u>
<b>NET CURRENT ASSET POSITION</b>	<b>(1,102,851)</b>	<b>(1,067,659)</b>	<b>(317,945)</b>
Less: Cash - Reserves - Restricted	(240,760)	(240,760)	(189,396)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	0
Less: Current Loans - Clubs / Institutions	(24,300)	(24,300)	(8,359)
Less: Investments	0	0	0
Add Back : Component of Leave Liability not Required to be Funded	282,570	282,570	282,570
Add Back : Current Loan Liability	1,367,697	1,367,697	1,257,157
Add Back : Current Lease Liability	0	0	8,308
Adjustment in Accounting policies	0	0	90,981
Adjustment for Trust Transactions Within Muni	0	0	0
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<b><u>282,356</u></b>	<b><u>317,548</u></b>	<b><u>1,123,315.49</u></b>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

## 6. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2019/20 Rate Revenue \$	2019/20 Interim Rates \$	2019/20 Back Rates \$	2019/20 Total Revenue \$	2019/20 Budget \$
<b>General Rate</b>								
GRV - Residential	0.120060	322	3,678,844	441,682	(99)	(117)	441,466	439,884
GRV - Rural Residential	0.120060	66	816,816	98,067	94	14	98,175	98,067
GRV - Commercial/Industrial	0.120060	29	412,252	49,495	0	0	49,495	39,744
GRV - Townsites	0.120060	12	144,560	17,356	0	0	17,356	17,356
UV - Broadacre Rural	0.010340	247	130,804,500	1,352,519	(497)	0	1,352,022	1,352,447
<b>Sub-Totals</b>		676	135,856,972	1,959,119	(502)	(103)	1,958,514	1,947,498
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV - Residential	900	62	96,900	55,800	0	0	55,800	55,800
GRV - Rural Residential	900	23	52,909	20,700	0	0	20,700	20,700
GRV - Commercial/Industrial	900	11	36,200	9,900	0	0	9,900	12,600
GRV - Townsites	900	8	44,160	7,200	0	0	7,200	7,200
UV - Broadacre Rural	900	45	2,753,000	40,500	0	0	40,500	40,500
<b>Sub-Totals</b>		149	2,983,169	134,100	0	0	134,100	136,800
Ex Gratia Rates							2,092,614	2,084,298
Movement in Excess Rates							214	240
							(26,037)	0
<b>Total Amount of General Rates Specified Area Rates</b>							2,066,791	2,084,538
<b>Total Rates</b>							2,066,791	2,084,538

All land except exempt land in the Shire of Pingelly is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.



**SHIRE OF PINGELLY**

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

**FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020**

**Municipal Funds Restricted Cash - Bonds and Deposits**

<b>Detail</b>	<b>Balance 01-Jul-19 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance \$</b>
Transport Licensing	0	213,686	(213,686)	0
BCITF Levy	0	0	0	0
Rates	0	0	0	0
Funds Held on Behalf of Groups	40	0	0	40
Unclaimed Monies	1,052	0	0	1,052
Builders Registration Board	0	0	0	0
Social Club	0	0	0	0
Nomination Deposits	0	160	(160)	0
Bond Monies (Including Key Deposits)	7,150	870	(1,946)	6,074
	<u>8,242</u>	<u>214,716</u>	<u>(215,792)</u>	<u>7,166</u>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

## 8. OPERATING STATEMENT

	January 2020 Actual \$	2019/20 Revised Budget \$	2019/20 Adopted Budget \$	2018/19 Actual \$
<b>OPERATING REVENUES</b>				
Governance	52,383	68,683	38,385	80,098
General Purpose Funding	2,420,839	2,760,042	2,742,245	3,307,592
Law, Order, Public Safety	36,936	71,264	70,802	94,360
Health	967	1,636	1,636	1,526
Education and Welfare	14,016	28,425	28,425	12,737
Housing	0	0	0	0
Community Amenities	182,146	199,640	211,850	210,008
Recreation and Culture	28,272	70,487	57,285	735,338
Transport	737,136	2,396,800	2,336,897	938,651
Economic Services	37,287	45,820	45,820	25,394
Other Property and Services	31,246	51,227	51,227	48,273
<b>TOTAL OPERATING REVENUE</b>	<b>3,541,228</b>	<b>5,694,024</b>	<b>5,584,572</b>	<b>5,453,978</b>
<b>OPERATING EXPENSES</b>				
Governance	452,028	634,768	669,607	544,118
General Purpose Funding	128,665	198,531	198,531	174,790
Law, Order, Public Safety	163,976	236,557	236,557	232,566
Health	76,009	145,955	140,955	112,673
Education and Welfare	106,768	128,363	119,363	67,615
Housing	0	0	0	0
Community Amenities	212,167	416,833	417,533	380,608
Recreation & Culture	891,607	1,366,116	1,383,936	1,310,318
Transport	1,493,314	2,829,541	2,817,866	2,916,697
Economic Services	183,013	314,988	314,988	237,135
Other Property and Services	141,737	(37,687)	26,164	114,281
<b>TOTAL OPERATING EXPENSE</b>	<b>3,849,284</b>	<b>6,233,965</b>	<b>6,325,500</b>	<b>6,090,801</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>(308,056)</b>	<b>(539,941)</b>	<b>(740,928)</b>	<b>(636,823)</b>

## SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

## 9. STATEMENT OF FINANCIAL POSITION

	January 2020 Actual \$	2018/19 Actual \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	1,141,438	531,852
Investments Current	5,000	5,000
Trade and Other Receivables	490,460	251,036
Inventories	13,345	8,744
Trust at Bank	7,166	8,242
<b>TOTAL CURRENT ASSETS</b>	<b>1,657,409</b>	<b>804,874</b>
<b>NON-CURRENT ASSETS</b>		
Other Receivables	219,278	219,278
Inventories	0	0
Property, Plant and Equipment	19,550,700	20,141,783
Infrastructure	66,951,543	67,451,711
Investments Non Current	52,551	52,551
<b>TOTAL NON-CURRENT ASSETS</b>	<b>86,774,072</b>	<b>87,865,323</b>
<b>TOTAL ASSETS</b>	<b>88,431,481</b>	<b>88,670,197</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	423,460	209,023
Long Term Borrowings	1,257,157	1,367,697
Provisions	329,149	329,149
Trust Liability	7,166	8,242
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,016,932</b>	<b>1,914,111</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and Other Payables	57,503	0
Long Term Borrowings	2,204,709	2,204,709
Provisions	96,091	96,091
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,358,303</b>	<b>2,300,800</b>
<b>TOTAL LIABILITIES</b>	<b>4,375,235</b>	<b>4,214,911</b>
<b>NET ASSETS</b>	<b>84,056,246</b>	<b>84,455,286</b>
<b>EQUITY</b>		
Retained Surplus	32,243,044	32,590,720
Reserves - Cash Backed	189,396	240,760
Revaluation Surplus	51,623,806	51,623,806
<b>TOTAL EQUITY</b>	<b>84,056,246</b>	<b>84,455,286</b>

# SHIRE OF PINGELLY

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

FOR THE PERIOD 1 JULY 2019 TO 31 JANUARY 2020

### 10. FINANCIAL RATIOS

	2019 YTD	2018	2017	2016
Current Ratio	0.62	0.51	2.03	1.05
Operating Surplus Ratio	(0.39)	(0.74)	(0.60)	(0.72)

The above ratios are calculated as follows:

#### Current Ratio

$$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$$

#### Purpose:

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

#### Standards:

The standard is not met if the ratio is lower than 1:1 (less than 100%)

The standard is met if the ratio is greater than 1:1 (100% or greater)

A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

Below Std  
Std met

NB: Ratio is currently affected by \$1.2M Short Term Borrowing recorded as a current liability.

Adjusted Current Ratio adjusting for this figure is:

\*\* 2.43

#### Operating Surplus Ratio

$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{(\text{Own Source Operating Revenue})}$$

#### Purpose:

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

#### Standards:

Basic Standard is not met less than < 1% (< 0.01)

Basic Standard between 1% and 15% (0.01 and 0.15)

Advanced Standard greater than > 15% (>0.15).

Below Std  
Basic Std  
Adv Std



SHIRE OF PINGELLY RESTRICTED CASH RECONCILIATION 31 January 2020									
Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure previous year 2016/17	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Actual Expenditure current year 2019/20	Restricted Funds Remaining	
Harper St Bodey St State Blackspot SBS01	Transport	1235	20,533.20	0.00	0.00	0.00	0.00	20,533.20	
Wickepin Pingelly Road 0156 - RRG05 and R2R	Transport	1230	74,800.00	0.00	0.00	0.00	15,340.00	59,460.00	
Yenellin Road Upgrade RRG09	Transport	1230	69,386.00	0.00	0.00	14,400.00	3,690.00	51,296.00	
Bullaring Road 0157 - RRG12	Transport	1230	57,850.40	0.00	0.00	45,000.00	0.00	12,850.40	
Milton Road RRG14 and R2R	Transport	1230	198,000.00	0.00	0.00	0.00	198,000.00	0.00	
Aldersyde Pingelly Road R2R	Transport	1230	15,791.00	0.00	0.00	0.00	15,791.00	0.00	
Wickepin Pingelly Road CRSF5	Transport	1231	295,240.00	0.00	0.00	0.00	24,938.28	270,301.72	
Zig Zag Road CRSF6 and R2R	Transport	1231	211,466.60	0.00	0.00	0.00	211,466.60	0.00	
Rennet Street Drainage Flume-Water Corporation	Transport	1250	0.00	0.00	0.00	0.00	0.00	0.00	
Lighthouse Project Grant	Administration	0469	9,000.00	0.00	0.00	0.00	1,849.86	7,150.14	
WA Bicycle Network Grant	Transport	1262	2,400.00	0.00	0.00	0.00	2,300.00	100.00	
Main Roads Bullaring rd Bridge Funding 18/19 c/fwd	Transport	1250	252,000.00	0.00	0.00	170,720.40	81,279.60	0.00	
<b>Sub Total</b>								<b>421,691.45</b>	
<b>Total Restricted Grant Funds</b>								<b>421,691.45</b>	
<b>Available Cash</b>								<b>Balance</b>	
Municipal Bank	Muni Fund Bank	0111	Variable	N.A.				951,291.18	
Municipal Bank	Till Float SES	0112						50.00	
Municipal Bank	Till Float	0113						200.00	
Municipal Bank	Petty Cash on hand	0114						500.00	
Total Cash								952,041.18	
Less Restricted Cash								(421,691.45)	
<b>Total Unrestricted Cash</b>								<b>530,349.73</b>	

### **15.3 Accounts Paid by Authority – December 2019**

**File Reference:** ADM0066  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Senior Finance Officer  
**Disclosure of Interest:** Nil  
**Attachments:** List of Accounts  
**Previous Reference:** Nil

#### **Summary**

Council endorsement is required for accounts made by authority for the month of December 2019.

#### **Background**

Nil

#### **Comment**

Unless otherwise identified, all payments have been made in accordance with Council's adopted 2019/20 Budget.

#### **Consultation**

Nil

#### **Statutory Environment**

Regulation 12 of the *Local Government (Financial Management) Regulations* provides that:

- (1) A payment may only be made from the municipal fund or the trust fund —
  - (a) if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or
  - (b) otherwise, if the payment is authorised in advance by a resolution of the council.
- (2) The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.

Regulation 13 of the *Local Government (Financial Management) Regulations* provides that:

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
  - (a) the payee's name;
  - (b) the amount of the payment;
  - (c) the date of the payment; and
  - (d) sufficient information to identify the transaction.
- (2) A list of accounts for approval to be paid is to be prepared each month showing —
  - (a) for each account which requires council authorisation in that month —
    - (i) the payee's name;
    - (ii) the amount of the payment; and
    - (iii) sufficient information to identify the transaction; and
  - (b) the date of the meeting of the Council to which the list is to be presented.
- (3) A list prepared under sub regulation (1) or (2) is to be —
  - (a) presented to the Council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.

### Policy Implications

There are no policy implications arising from this amendment.

### Financial Implications

There are no known financial implications upon either the Council's current budget or long term financial plan.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome 5.2	Nil applicable
Strategy 5.2.1	Nil applicable

### Risk Implications

Risk	Failure to present a detailed listing of payments in the prescribed form would result in non-compliance with the Local Government (Financial Management) Regulations 1996, which may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

### Voting Requirements

Simple Majority

### Recommendation

That Council endorse the Accounts for Payments for December 2019 as presented:

<b>DECEMBER 2019</b>	
<b>MUNI - 117984856</b>	
EFT 6558 - 6671	\$245,524.58
CHEQUE 24731 - 24742	\$12,365.99
<b>TRUST ACCOUNTS</b>	
DEPT OF TRANSPORT – DD10994.1 – DD11035.1	\$17,398.60
TRUST FUND – 1971 - 1971	\$100.00
<b>DIRECT DEBIT – PAY &amp; SUPER</b>	
EFT 6597 – 6670 & DD10992.1 – DD11026.6	\$18,398.03
<b>CREDIT CARDS &amp; LOAN REPAYMENT</b>	
DD11016.1 – DD11038.1	\$96,130.17
<b>GRAND TOTAL</b>	<b>\$389,917.37</b>
<b>Notification</b>	<b>Explanation</b>
Nil	N/A

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

#### **15.4 Accounts Paid by Authority – January 2020**

**File Reference:** ADM0066  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Senior Finance Officer  
**Disclosure of Interest:** Nil  
**Attachments:** List of Accounts  
**Previous Reference:** Nil

##### **Summary**

Council endorsement is required for accounts made by authority for the month of January 2020.

##### **Background**

Nil

##### **Comment**

Unless otherwise identified, all payments have been made in accordance with Council's adopted 2019/20 Budget.

##### **Consultation**

Nil

##### **Statutory Environment**

Regulation 12 of the *Local Government (Financial Management) Regulations* provides that:

- (1) A payment may only be made from the municipal fund or the trust fund —
  - (a) if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or
  - (b) otherwise, if the payment is authorised in advance by a resolution of the council.
- (2) The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.

Regulation 13 of the *Local Government (Financial Management) Regulations* provides that:

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
  - (a) the payee's name;
  - (b) the amount of the payment;
  - (c) the date of the payment; and
  - (d) sufficient information to identify the transaction.
- (2) A list of accounts for approval to be paid is to be prepared each month showing —
  - (a) for each account which requires council authorisation in that month —
    - (i) the payee's name;
    - (ii) the amount of the payment; and
    - (iii) sufficient information to identify the transaction; and
  - (b) the date of the meeting of the Council to which the list is to be presented.
- (3) A list prepared under sub regulation (1) or (2) is to be —
  - (a) presented to the Council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.



### Policy Implications

There are no policy implications arising from this amendment.

### Financial Implications

There are no known financial implications upon either the Council's current budget or long term financial plan.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome 5.2	Nil applicable
Strategy 5.2.1	Nil applicable

### Risk Implications

Risk	Failure to present a detailed listing of payments in the prescribed form would result in non-compliance with the Local Government (Financial Management) Regulations 1996, which may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

### Voting Requirements

Simple Majority

### Recommendation

That Council endorse the Accounts for Payments for January 2020 as presented:

<b>JANUARY 2020</b>	
<b>MUNI - 117984856</b>	
EFT 6675 - 6748	\$175,669.72
CHEQUE 24743 - 24749	\$33,514.18
<b>TRUST ACCOUNTS</b>	
DEPT OF TRANSPORT – DD11042.1 – DD11096.1	\$39,412.40
TRUST FUND – 1972 - 1974	\$260.00
<b>DIRECT DEBIT – PAY &amp; SUPER</b>	
DD11031.1 – DD11065.4 & EFT6672 - 6726	\$17,981.29
<b>CREDIT CARDS</b>	
DD11063.1 – DD11063.1	\$1,200.03
<b>GRAND TOTAL</b>	<b>\$268,037.62</b>
<b>Notification</b>	<b>Explanation</b>
Nil	N/A

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



## **15.5 2019/2020 Annual Budget Review**

<b>File Reference:</b>	<b>ADM0067</b>
<b>Location:</b>	<b>Shire of Pingelly</b>
<b>Applicant:</b>	<b>N/A</b>
<b>Author:</b>	<b>Stuart Billingham, Director Corporate &amp; Community Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>2019/20 Budget Review</b>

### **Summary**

To consider and adopt the Budget Review as presented for the period 1 July 2019 to 31 January 2020, as presented in the Budget Review.

### **Background**

Council adopted its 2019/20 Budget at its Ordinary Council meeting held 17 July 2019. It is now appropriate that a review of the Budget be put before Council for consideration and compliance with the relevant legislation.

Council is required to consider the review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.

### **Comment**

The purpose of the budget review is to ensure that that Council is informed of the likely financial position of the Shire at 30 June 2020 in comparison to its adopted budget. For purposes of annual reporting, Council is required to report against the adopted budget.

In reviewing the 2019/20 Budget and incorporating the amendments and the audited surplus for the 2018/19 financial year, the changes made to the various accounts have resulted in a change in the revised estimated closing balance of \$120,677 to 30 June 2020.

A copy of the 2019/20 Budget Review report and details of the individual amendments is provided in the attachment. Changes over \$5,000 include:

- Additional changeover of CEO vehicle at a cost of \$40,000 (trade in \$39,000) with a net effect of \$1,000
- Purchase of replacement works vehicle at a cost of \$40,000. This purchase is recommended to be funded by the trade in of PN791 (\$7,000), a contribution from the Plant Reserve (\$18,000) and a reduction in the allocation for Integrated Planning and Reporting (\$15,000)
- Savings on Bullaring Road Bridge materials \$19,702
- Increase in general financial assistance grant \$15,482
- Refund of workers compensation premium \$5,369
- LGIS Scheme distribution \$15,928
- New loan postponed saving \$17,820 in interest repayment
- New loan postponed, saving \$22,183 in principal repayment
- Lighthouse project grant funding and equal expenditure \$9,000
- Increase in both income and expenditure for Bowls shade structures \$6,000. Due to the significantly higher cost of this project in comparison to the budget allocation, this project is proposed to be managed as a part of the Pingelly Recreation and Cultural Centre overarching capital budget allocation. An impact of this will be a reduced scope of the carparking project in the current year.
- Installation of outdoor gym equipment \$12,000
- Increase in consultants' fees to provide for 2018/19 Pingelly Recreation and Cultural Centre commitments \$11,600
- Increase to install Pingelly Recreation and Cultural Centre communication switches to allow smart wiring in the Centre to function \$7,952
- Increase in WANDRRA storm damage funding \$59,903
- Increase in WANDRRA storm damage expenditure \$11,675



- Saving on staff relocation expenses \$5,000
- Reduction in income from cemetery fees \$14,000
- Savings in salaries and wages \$62,750
- Increase in Doctors vehicle allowance \$5,000. The additional expenditure for the 2019/20 period is due to the lack of a claim for this amount from the 2018/19 year.
- An adjustment to the 1 July 2019 opening position of -\$55,788 due to end of year audit adjustments.

### Consultation

Direct consultation has occurred with the Shire of Pingelly Executive Team.

### Statutory Environment

*Local Government Act 1995* Section 6.2 Municipal Budget.

*Local Government (Financial Management) Regulations 1996.*

Regulation 33A Review of Budget

- (1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department of Local Government, Sport & Cultural Industries.

### Policy Implications

There are no policy implications

### Financial Implications

The changes as a result of the Budget Review result in an estimated surplus of \$120,677 as at 30 June 2020.

### Strategic Implications

Goal 5	Innovation, Leadership and Governance
Outcome 5.6	Financial systems are effectively managed
Strategy 5.6.1	Financial management and reporting systems are able to deliver on all administrative and management functions, and long-term financial planning requirements.

### Risk Implications

Risk	Failure to present a detailed budget review in the prescribed form or closing date would result in non-compliance with the Local Government (Financial Management) Regulations 1996, which may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (4)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

### Voting Requirements

Absolute Majority

### Recommendation

That Council adopts the 2019/20 Budget Review for the period ending 31 January 2020 as attached.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**SHIRE OF PINGELLY  
BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2020**

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

**TABLE OF CONTENTS**

Statement of Budget Review by Nature or Type	2
Statement of Budget Review by Program	3
 Note 1 Basis of Preparation	 4
Note 2 Summary Graphs - Budget Review	5
Note 3 Net Current Funding Position	6-7
Note 4 Predicted Variances	8-12
Note 5 Budget Amendments	13



**SHIRE OF PINGELLY**  
**STATEMENT OF BUDGET REVIEW**  
**(NATURE OR TYPE)**  
**FOR THE PERIOD ENDED 31 JANUARY 2020**

	Note	Budget v Actual		Predicted			Material Variance
		Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)	
		\$	\$	\$	\$	\$	
<b>OPERATING ACTIVITIES</b>							
Net current assets at start of financial year surplus/(deficit)		282,356	317,548	(55,788)	0	226,568	▼
<b>Revenue from operating activities (excluding rates)</b>							
Operating grants, subsidies and contributions	4.1.3	1,038,067	493,986	83,850	0	1,121,917	▲
Profit on asset disposals	4.1.1	0	1,063	0	0	0	
Fees and charges	4.1.2	333,001	237,434	(11,748)	0	321,253	▼
Interest earnings	4.1.7	45,285	36,488	2,850	0	48,135	▲
Other revenue	4.1.8	82,191	90,344	24,304	0	106,495	▲
		1,498,544	859,316	99,256	0	1,597,800	
<b>Expenditure from operating activities</b>							
Employee costs	4.2.1	(1,528,119)	(889,690)	71,320	0	(1,456,799)	▼
Materials and contracts	4.2.2	(1,312,197)	(691,993)	13,125	0	(1,299,072)	▼
Utility charges	4.2.3	(149,304)	(99,137)	0	0	(149,304)	
Depreciation on non-current assets	4.2.4	(2,472,000)	(1,513,752)	0	0	(2,472,000)	
Interest expenses	4.2.5	(199,234)	(62,476)	15,779	0	(183,455)	▼
Insurance expenses	4.2.6	(180,846)	(178,289)	2,811	0	(178,035)	▼
Loss on asset disposals	4.2.7	(385,719)	(368,374)	(1,000)	0	(386,719)	▲
Other expenditure	4.2.8	(98,081)	(45,574)	0	0	(98,081)	
		(6,325,500)	(3,849,285)	102,035	0	(6,223,465)	
Non-cash amounts excluded from operating activities		2,857,719	1,958,332	78,269	0	2,935,988	▲
Amount attributable to operating activities		(1,686,881)	(714,089)	223,772	0	(1,463,109)	
<b>INVESTING ACTIVITIES</b>							
Non-operating grants, subsidies and contributions	4.3.1	2,001,730	615,119	10,196	0	2,011,926	▲
Purchase land held for resale	4.4.1	0	0	0	0	0	
Purchase land and buildings	4.4.2	0	0	0	0	0	
Purchase property, plant and equipment	4.4.3	(126,900)	(84,189)	(80,000)	0	(206,900)	▲
Purchase furniture and equipment	4.4.4	0	(77,269)	(77,269)	0	(77,269)	▲
Purchase and construction of infrastructure-roads	4.4.5	(1,903,851)	(573,502)	0	0	(1,903,851)	
Purchase and construction of infrastructure-kerbs and Drains		(91,588)	(1,577)	0	0	(91,588)	
Purchase and construction of infrastructure-bridges	4.4.10	(101,888)	(81,280)	19,702	0	(82,186)	
Purchase and construction of infrastructure-footpaths		(12,000)	(2,300)	0	0	(12,000)	
Purchase and construction of infrastructure-other	4.4.6	0	0	0	0	0	
Purchase of WIP - Recreation & Culture	4.4.11	(148,464)	(28,007)	(42,141)	0	(190,605)	
Purchase of WIP - Aged Accommodation		(10,000)	0	0	0	(10,000)	
Proceeds from disposal of assets	4.3.2	120,430	58,312	46,000	0	166,430	▲
Amount attributable to investing activities		(272,531)	(174,693)	(123,512)	0	(396,043)	
<b>FINANCING ACTIVITIES</b>							
Repayment of debentures	4.4.8	(1,389,880)	(110,540)	22,183	0	(1,367,697)	▼
Proceeds from new borrowings	4.3.3	1,200,000	0	0	0	1,200,000	
Repayment of Leases	4.4.12	0	(11,459)	(19,766)	0	(19,766)	
Proceeds from self supporting loans	4.3.6	24,300	15,941	0	0	24,300	
Transfers to cash backed reserves (restricted assets)	4.5.10	(23,956)	(2,100)	0	0	(23,956)	
Transfers from cash backed reserves (restricted assets)	4.5.11	64,650	53,463	18,000	0	82,650	▲
Amount attributable to financing activities		(124,886)	(54,695)	20,417	0	(104,469)	
Budget deficiency before general rates		(2,084,298)	(943,476)	120,677	0	(1,963,621)	
Estimated amount to be raised from general rates		2,084,298	2,066,791	(17,507)	0	2,066,791	▼
Closing funding surplus(deficit)	3	0	1,123,315	103,170	0	103,170	▲

**SHIRE OF PINGELLY  
STATEMENT OF BUDGET REVIEW  
(STATUTORY REPORTING PROGRAM)  
FOR THE PERIOD ENDED 31 JANUARY 2020**

Note	Budget v Actual		Predicted			Material Variance	
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)		
	\$	\$	\$	\$	\$		
OPERATING ACTIVITIES							
Net current assets at start of financial year surplus/(deficit)	282,356	317,548	(55,788)	0	226,568	▼	
Revenue from operating activities (excluding rates)							
Governance	38,385	52,383	30,298	0	68,683	▲	
General purpose funding	657,947	354,045	17,797	0	675,744	▲	
Law, order, public safety	70,802	36,936	462	0	71,264	▲	
Health	1,636	967	0	0	1,636		
Education and welfare	28,425	14,016	0	0	28,425		
Community amenities	211,850	182,146	(12,210)	0	199,640	▼	
Recreation and culture	36,618	19,272	3,006	0	39,624	▲	
Transport	355,834	131,017	59,903	0	415,737	▲	
Economic services	45,820	37,287	0	0	45,820		
Other property and services	51,227	31,246	0	0	51,227		
	1,498,544	859,315	99,256	0	1,597,800		
Expenditure from operating activities							
Governance	(669,607)	(452,028)	45,339	0	(624,268)	▼	
General purpose funding	(198,531)	(128,665)	0	0	(198,531)		
Law, order, public safety	(236,557)	(163,976)	0	0	(236,557)		
Health	(140,955)	(76,009)	(5,000)	0	(145,955)	▲	
Education and welfare	(119,363)	(106,768)	(9,000)	0	(128,363)	▲	
Community amenities	(417,533)	(212,167)	700	0	(416,833)	▼	
Recreation and culture	(1,383,936)	(891,607)	17,820	0	(1,366,116)	▼	
Transport	(2,817,866)	(1,493,314)	(11,675)	0	(2,829,541)	▲	
Economic services	(314,988)	(183,013)	0	0	(314,988)		
Other property and services	(26,164)	(141,737)	63,851	0	37,687	▼	
	(6,325,500)	(3,849,284)	102,035	0	(6,223,465)		
Non-cash amounts excluded from operating activities	2,857,719	1,958,332	78,269		2,935,988	▲	
Amount attributable to operating activities	(1,686,881)	(714,089)	223,772	0	(1,463,109)		
INVESTING ACTIVITIES							
Non-operating grants, subsidies and contributions	4.3.1	2,001,730	615,119	10,196	0	2,011,926	
Purchase land and buildings	4.4.2	0	0	0	0	0	
Purchase plant and equipment	4.4.3	(126,900)	(84,189)	(80,000)		(206,900)	▲
Purchase furniture and equipment	4.4.4	0	(77,269)	(77,269)	0	(77,269)	▲
Purchase and construction of infrastructure - roads	4.4.5	(1,903,851)	(573,502)	0	0	(1,903,851)	
Purchase and construction of infrastructure - kerbs & drains		(91,588)	(1,577)	0	0	(91,588)	
Purchase and construction of infrastructure - bridges	4.4.10	(101,888)	(81,280)	19,702	0	(82,186)	
Purchase and construction of infrastructure - footpaths		(12,000)	(2,300)	0	0	(12,000)	
Purchase and construction of infrastructure - other	4.4.6	0	0	0	0	0	
Purchase of WIP - Recreation & Culture	4.4.11	(148,464)	(28,007)	(42,141)	0	(190,605)	
Purchase of WIP - Aged Accomodation		(10,000)	0	0	0	(10,000)	
Proceeds from disposal of assets	4.3.2	120,430	58,312	46,000	0	166,430	▲
Amount attributable to investing activities		(272,531)	(174,693)	(123,512)	0	(396,043)	
FINANCING ACTIVITIES							
Repayment of borrowings	4.4.8	(1,389,880)	(110,540)	22,183		(1,367,697)	▼
Proceeds from new borrowings	4.3.3	1,200,000	0	0		1,200,000	
Repayment of Leases	4.4.12	0	(11,459)	(19,766)		(19,766)	
Proceeds from self supporting loans	4.3.6	24,300	15,941	0		24,300	
Transfers to cash backed reserves (restricted assets)	4.5.10	(23,956)	(2,100)	0	0	(23,956)	
Transfers from cash backed reserves (restricted assets)	4.5.11	64,650	53,463	18,000	0	82,650	▲
Amount attributable to financing activities		(124,886)	(54,695)	20,417	0	(104,469)	
Budget deficiency before general rates		(2,084,298)	(943,476)	120,677	0	(1,963,621)	
Estimated amount to be raised from general rates		2,084,298	2,066,791	(17,507)	0	2,066,791	
Closing Funding Surplus/(Deficit)	3	0	1,123,315	103,170	0	103,170	▲

**SHIRE OF PINGELLY  
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2020**

**1. BASIS OF PREPARATION**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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.

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**2019-20 ACTUAL BALANCES**

Balances shown in this budget review report as 2019-20 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

**ROUNDING OFF FIGURES**

All figures shown in this budget review report are rounded to the nearest dollar.

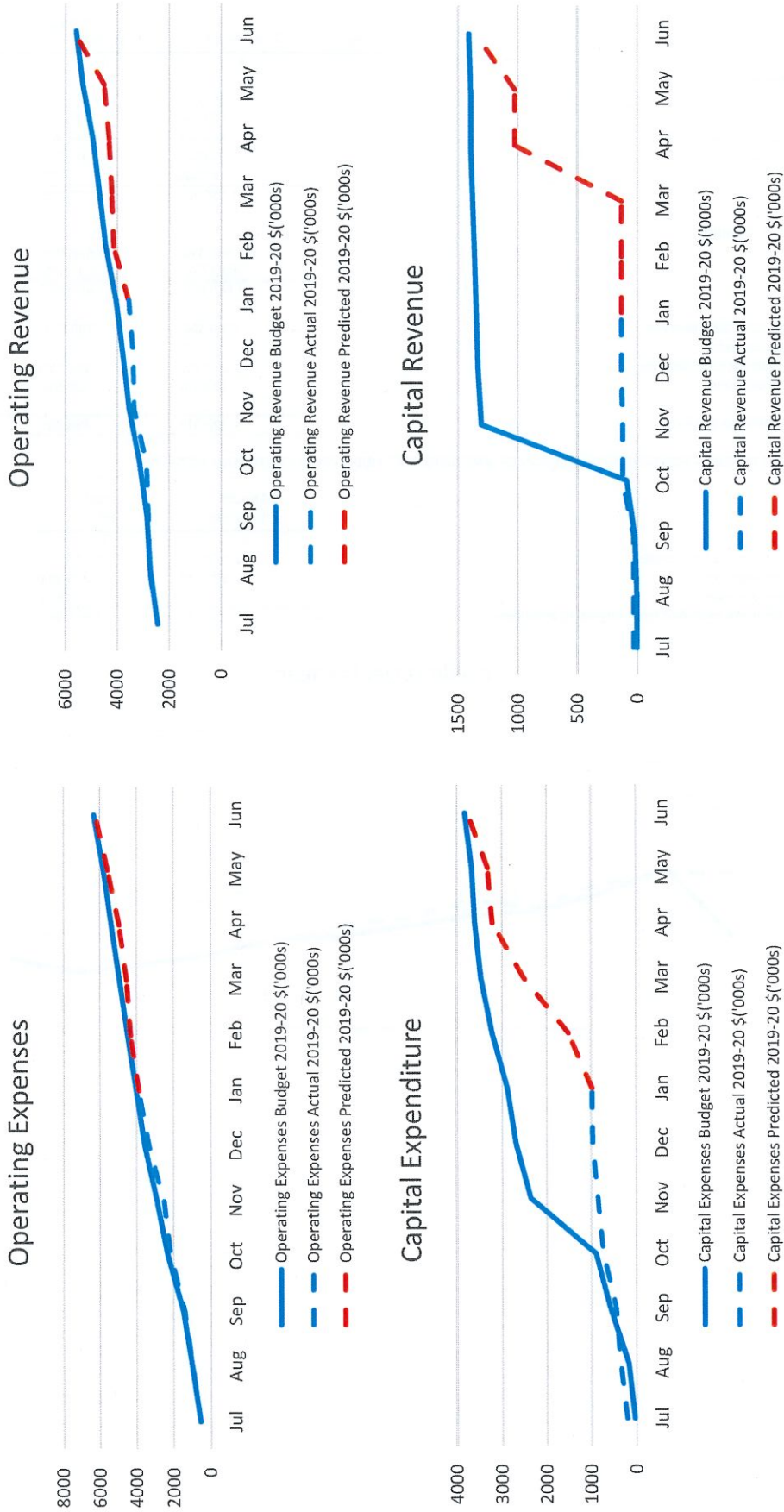
**BUDGET COMPARATIVE FIGURES**

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



SHIRE OF PINGELLY  
SUMMARY GRAPHS - BUDGET REVIEW  
FOR THE PERIOD ENDED 31 JANUARY 2020

2. SUMMARY GRAPHS - BUDGET REVIEW



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

**SHIRE OF PINGELLY**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**FOR THE PERIOD ENDED 31 JANUARY 2020**

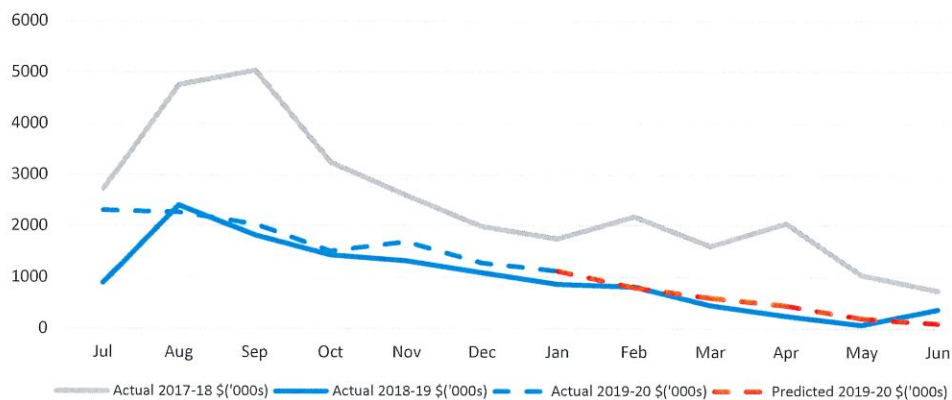
**3. NET CURRENT FUNDING POSITION**

Note	This Period	2019-20 Last Period	Same Period Last Year
	\$	\$	\$
<b>Current assets</b>			
Cash unrestricted	952,041	1,287,616	526,231
Cash restricted	189,396	188,571	241,215
Receivables - rates and rubbish	383,512	656,418	557,721
Receivables - other	98,588	130,917	161,553
Inventories	13,345	9,363	4,589
	<u>1,636,882</u>	<u>2,272,885</u>	<u>1,491,309</u>
<b>Less: current liabilities</b>			
Payables	(1,581,330)	(1,648,184)	(654,452)
Provisions	(282,570)	(282,570)	(303,871)
	<u>(1,863,900)</u>	<u>(1,930,754)</u>	<u>(958,323)</u>
<b>Less: cash restricted Reserves</b>	(189,396)	(188,571)	(241,215)
<b>Adjustments for trust</b>	0	0	8,190
<b>Add back: Current Loan liability</b>	1,257,159	1,257,159	500,000
<b>Add back: Provisions</b>	282,570	282,570	303,871
<b>Net current funding position</b>	<u>1,123,315</u>	<u>1,693,289</u>	<u>1,103,832</u>

**3A. NET CURRENT FUNDING POSITION - EXPLANATION OF AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES**

	Annual Budget (a)	YTD Actual (b)
	\$	\$
Depreciation on non-current assets	2,472,000	1,513,752
Loss on asset disposals	385,719	368,374
Profit on asset disposals	0	(1,063)
<b>Non-cash amounts excluded from operating activities</b>	<u>2,857,719</u>	<u>1,881,063</u>

Liquidity Over the Year





**SHIRE OF PINGELLY  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2020**

**3. COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 Net Current Assets of the budget.

**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.

**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 of Pingelly's operational cycle. In the case of liabilities where the Shire of Pingelly 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 of Pingelly's intentions to release for sale.

**LOANS AND RECEIVABLES**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire of Pingelly prior to the end of the financial year that are unpaid and arise when the Shire of Pingelly 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 of Pingelly'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 of Pingelly's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current of financial trade and other payables in the statement position. Shire of Pingelly's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**PROVISIONS**

Provisions are recognised when the Shire of Pingelly 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.

**RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS**

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Pingelly 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.

**SHIRE OF PINGELLY**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
**FOR THE PERIOD ENDED 31 JANUARY 2020**

**4. PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
<b>4.1 OPERATING REVENUE (EXCLUDING RATES)</b>		
<b>4.1.1 PROFIT ON ASSET DISPOSAL</b>		
No Material Variance		0
<b>4.1.2 FEES AND CHARGES</b>		
Fees and charge are expected to result in \$462 more in registrations		462
Tip Fees more than budget expectations \$2,100, commercial rubbish charges down \$310		1,790
Cemetery burial charges expected to be lower than Budget expectations		(14,000)
<b>4.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
General purpose grant higher than Budget \$437,947 to \$453,429		15,482
Road grant lower than Budget \$172,004 to \$171,469		(535)
Lighthouse Project Grant		9,000
WANDRRA Storm Damage income more than Budget expectations		59,903
<b>4.1.7 INTEREST EARNINGS</b>		
Additional municipal interest due to investment of larger amounts of cash		1,650
Rates instalment interest higher than budget expectations		1,200
<b>4.1.8 OTHER REVENUE</b>		
LGIS actual wages refund \$5,369 and scheme member funding \$15,928		21,298
LGIS Zurich Insurance - good driver rebate \$3,006		3,006
Predicted Variances Carried Forward	99,256	0
Predicted Variances Brought Forward	99,256	0

**SHIRE OF PINGELLY**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
**FOR THE PERIOD ENDED 31 JANUARY 2020**

**4. PREDICTED VARIANCES****Comments/Reason for Variance**

	<b>Variance \$</b>	
	<b>Permanent</b>	<b>Timing</b>
<b>4.2 OPERATING EXPENSES</b>		
<b>4.2.1 EMPLOYEE COSTS</b>		
Savings in administration salaries and wages, superannuation and other employee costs	8,000	
Saving on relocations expenses-governance	3,570	
Saving on relocations expenses-pwov's	5,000	
Saving on employee wages cost WS wages and superannuation expenses-pwov's	54,750	
<b>4.2.2 MATERIAL AND CONTRACTS</b>		
Lighthouse Project grant expenditure	(9,000)	
Change in Accounting Standard remove Photocopier lease charges	21,810	
Increase in doctors vehicle allowance due to timing of Invoicing from Doctors	(5,000)	
Savings in Waste collections costs after new tender prices received from 1 March 2020	2,200	
Install airconditioner in Refuse Site Office	(1,500)	
WANDRRA Storm Damage more than Budget	(11,675)	
Savings on vehicle registration	1,290	
Savings on Integrated Planning and Reporting costs	15,000	
<b>4.2.3 UTILITY CHARGES</b>		
No material variance	0	
<b>4.2.4 DEPRECIATION (NON CURRENT ASSETS)</b>		
No material variance	0	
<b>4.2.5 INTEREST EXPENSES</b>		
Photocopier lease liability Interest repayments	(2,041)	
Savings on new loan debenture interest repayment less than Budget - postponed to next financial year	17,820	
<b>4.2.6 INSURANCE EXPENSES</b>		
Reimbursement LGIS Workcare premium wages declaration from previous year	2,811	
<b>4.2.7 LOSS ON ASSET DISPOSAL</b>		
This adjustment resulted from the inclusion of an additional CEO vehicle changeover on the Budget	(1,000)	
<b>4.2.8 OTHER EXPENDITURE</b>		
No material variance	0	
Predicted Variances Carried Forward	201,291	0



**SHIRE OF PINGELLY**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
**FOR THE PERIOD ENDED 31 JANUARY 2020**

**4. PREDICTED VARIANCES**

**Comments/Reason for Variance**

	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	201,291	0
<b>4.3 CAPITAL REVENUE</b>		
<b>4.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
National Stronger Communities Grant - shade structures	6,000	
CSRFF cricket nets grant greater than budget expectations	4,196	
<b>4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS</b>		
Additional CEO vehicle listed on budget	39,000	
Additional DTS vehicle listed on Budget Trade in PN761	7,000	
<b>4.3.3 PROCEEDS FROM NEW DEBENTURES</b>		
No material variance	0	
<b>4.3.4 PROCEEDS FROM SALE OF INVESTMENT</b>		
No material variance	0	
<b>4.3.5 PROCEEDS FROM ADVANCES</b>		
No material variance	0	
<b>4.3.6 SELF-SUPPORTING LOAN PRINCIPAL</b>		
No material variance	0	
<b>4.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)</b>		
Increase transfer from Plant Reserve for DTS changeover	18,000	
Predicted Variances Carried Forward	275,487	0
Predicted Variances Brought Forward	275,487	0

**SHIRE OF PINGELLY  
NOTES TO THE REVIEW OF THE ANNUAL BUDGET  
FOR THE PERIOD ENDED 31 JANUARY 2020**

**4. PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
<b>4.4 CAPITAL EXPENSES</b>		
<b>4.4.1 LAND HELD FOR RESALE</b>		
No material variance		
<b>4.4.2 LAND AND BUILDINGS</b>		
No material variance		
<b>4.4.3 PLANT AND EQUIPMENT</b>		
Additional CEO vehicle changeover	(40,000)	
Additional DTS vehicle changeover	(40,000)	
<b>4.4.4 FURNITURE AND EQUIPMENT</b>		
Capex right of use asset photocopier change in accounting standard	(77,269)	
<b>4.4.5 INFRASTRUCTURE ASSETS - ROADS</b>		
No material variance	0	
<b>4.4.7 PURCHASES OF INVESTMENT</b>		
No material variance		
<b>4.4.8 REPAYMENT OF DEBENTURES</b>		
Savings on new loan debenture principal repayment less than budget - postponed to next financial year	22,183	
<b>4.4.9 ADVANCES TO COMMUNITY GROUPS</b>		
No material variance		
<b>4.4.10 INFRASTRUCTURE ASSETS - BRIDGES</b>		
Savings on materials Bullaring Road bridge works	19,702	
<b>4.4.6 INFRASTRUCTURE ASSETS - OTHER</b>		
No material variance		
<b>4.4.11 WIP RECREATION AND CULTURE</b>		
Increase bowls shade structure offset 100% by Grant	(6,000)	
Additional cost of cricket nets majority offset by increase in CSRFF grant	(4,589)	
Supply ,install and setup 2 x 24 port gigabit switches to rack mount panels in PRACC COMS rooms	(7,952)	
Consultants	(11,600)	
Forpark install outdoor gym equipment	(12,000)	
<b>4.4.12 Lease Liability Current</b>		
Photocopier lease liability principal repayments -change in Accounting Standards	(19,766)	
Predicted Variances Carried Forward	98,196	0
Predicted Variances Brought Forward	98,196	0



**SHIRE OF PINGELLY  
NOTES TO THE REVIEW OF THE ANNUAL BUDGET  
FOR THE PERIOD ENDED 31 JANUARY 2020**

**4. PREDICTED VARIANCES**

**Comments/Reason for Variance**

**4.5 OTHER ITEMS**

**4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)**

No material variance

0

**4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)**

No material variance

0

**4.5.1 RATE REVENUE**

No material variance

0

**4.5.2 OPENING FUNDING SURPLUS(DEFICIT)**

At the time of adopting the budget, various Creditors had not been raised as they had been paid in July/August. As a result of End of Year Audit adjustments to accrued expenses for the annual financial statements, this has resulted in a permanent change to the balance brought forward.

(55,788)

**4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)**

See 4.1.1 and 4.2.6 above for explanation of the change in net Profit (Loss)

1,000

Change in Accounting Policy - Lease Liability

77,269

**Total Predicted Variances as per Annual Budget Review**

120,677

0

SHIRE OF PINGELLY  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2020

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

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase In Available Cash	Decrease In Available Cash	Amended Budget Running Balance	Comments
	<b>Budget Adoption</b>							
112BR0.03/BRR21	Adjusted CFwd Surplus from Audit adjustments		Opening Surplus/(Deficit)				0	
103200.24	Savings on materials budget - Bullaring Road Bridge works		Capital Expenses		19,702	(55,788)	(36,086)	
103210.24	General Purpose Grant greater than budget		Operating Revenue		15,482	(535)	(20,604)	
106460.33	Road Grant less than budget		Operating Revenue		21,298		159	
111670.33	LGIS actual wages refund \$5,369 and scheme member funding \$15,028;		Operating Revenue		3,006		3,165	
	LGIS Zurich Insurance - good driver rebate \$3,006		Operating Revenue					
	Savings on new loan debenture interest repayment less than budget - loan repayments postponed to next financial year 2020/21		Operating Expenses		17,820		20,985	
116250.06	Savings on new loan debenture principal repayment less than budget - postponed to next financial year 2020/21		Operating Expenses		22,183		43,168	
110170.11	Reimbursement LGIS Workcare premium wages declaration from previous year.		Operating Expenses		2,811		45,979	
114060.05	Lighthouse Project grant expenditure not listed on budget		Operating Revenue		9,000		54,979	
104690.24	Lighthouse Project grant expenditure not listed on budget		Operating Revenue			(8,000)	45,979	
108440.03	Stronger Communities Grant - bowls shade structures successful		Operating Revenue		6,000		51,979	
111PR0.26/PR10	Increase bowls shade structure offset 100% by Grant		Capital Expenses			(6,000)	45,979	
111PW0.03/RCC14	Forpark install outdoor gym equipment		Capital Expenses			(12,000)	33,979	
111PW0.03/RCC11	Consultants \$11,600		Capital Expenses			(11,600)	22,379	
111PW0.03/RCC03	Supply, install and setup 2 x 24 port gigabit switches to rack mount panels in PRACC COMS rooms		Capital Expenses			(7,952)	14,427	
111PW0.03/RCC07	CSRFF Cricket nets grant greater than budget expectations		Capital Revenue		4,196		18,623	
111PR0.26/PR03	Additional cost of cricket nets offset by increase in CSRFF grant		Capital Expenses			(4,589)	14,034	
111PW0.03/RCC16	Additional CEO vehicle purchase changeover		Capital Expenses		39,000	(40,000)	(25,966)	
14APED.35	Additional CEO vehicle disposal listed on budget		Capital Expenses			(40,000)	13,034	
104580.30	Additional changeover DTS vehicle		Capital Expenses		7,000		(26,966)	
104580.30	Additional DTS vehicle disposal listed on budget PN761		Capital Revenue		18,000	(19,966)	(1,966)	
104540.37	Increase transfer from Plant Reserve		Capital Revenue		15,000		13,034	
104590.03	Integrated Planning Expenditure savings		Operating Expenses	(46,000)			13,034	
104610.31	Realisation on Disposal Account Non cash item		Non Cash Item					
104600.10	This adjustment resulted from the inclusion of an additional CEO vehicle changeover on the Budget.		Non Cash Item	(1,000)			13,034	
104600.10	This adjustment resulted from the inclusion of an additional DTS vehicle changeover on the Budget. Loss on disposal of PN761 WDV \$17,500 less \$7,000 trade.		Non Cash Item	(10,500)			13,034	
104190.03	See 4.1.1 and 4.2.6 above for explanation of the change in net Profit (Loss)		Non Cash Item		21,910		13,034	
14AFED.03/OFO07	Change in accounting standard remove photocopyer lease charges		Operating Expenses	(77,269)			34,844	
1019A0	Changes in accounting standards - leases		Capital Expenses				34,844	
1041H0.47	Photocopier lease liability interest repayments		Operating Expenses			(2,041)	32,803	
1045H0.03	Photocopier lease liability principal repayments		Operating Expenses			(15,766)	17,037	
112430.26	WANDRRA storm damage income more than budget expectations		Operating Revenue		59,803		72,840	
112140.03	WANDRRA storm damage expenses more than budget expectations		Operating Expenses		5,000	(11,675)	61,265	
114120.03	Saving on relocations expenses-pool's		Operating Expenses		462		66,265	
105830.25	Fees and charge expected to result in \$462 more in registrations		Operating Revenue				66,727	
110680.25/10620.25	Tip fees more than budget expectations \$2,100, commercial rubbish charges down \$310		Operating Revenue		1,790		68,517	
110700.25	Cemetery charges expected to be lower than budget expectations		Operating Revenue			(14,000)	54,517	
103230.22	Additional municipal interest due to investment of larger amounts of cash		Operating Revenue		1,650		56,167	
103110.22	Rates instalment interest higher than budget expectations		Operating Revenue		1,200		57,367	
104250.01	Savings in administration salaries and wages, superannuation and other employee costs.		Operating Revenue		8,000		65,367	
104230.01	Saving on relocations expenses-governance		Operating Expenses		3,570		68,937	
114030.01/114040.13	Saving on employee wages cost WS wages and superannuation expenses-pwb's		Operating Expenses		54,750	(5,000)	123,887	
110000.03/110020.03	Increase in doctors vehicle allowance due to timing of invoicing from Doctors		Operating Expenses		2,200		118,687	
110030.03/1003	Savings in waste collections costs after new tender prices received from 1 March 2020		Operating Expenses				120,887	
114340.03	Install Air-conditioned in Refuse Site Office		Operating Expenses		1,290	(1,500)	119,387	
	Savings on vehicle registration		Operating Expenses				120,677	
	<b>Amended Budget Cash Position as per Council Resolution</b>			(57,500)	362,123	(241,446)	120,677	

Classifications Pick List

Operating Revenue  
Operating Expenses  
Capital Revenue  
Capital Expenses  
Opening Surplus/(Deficit)  
Non Cash Item

## **15.6 Application for Rating Exemption – Southern Aboriginal Corporation**

<b>File Reference:</b>	<b>ADM0309, A3387, A4542, A6695, A7261, A6784</b>
<b>Location:</b>	<b>Admin</b>
<b>Applicant:</b>	<b>Southern Aboriginal Corporation</b>
<b>Author:</b>	<b>Director Corporate &amp; Community Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Previous Reference:</b>	<b>Nil</b>

### **Summary**

Council is requested to consider an application for the exemption of rates with respect to a total of five properties owned by the Southern Aboriginal Corporation in Pingelly at the following addresses:

- |  |       |
|--|-------|
| • Lot 457, HN 23 Paragon Street, Pingelly  | A3387 |
| • Lot 101, HN 28 Pasture Street, Pingelly  | A4542 |
| • Lot 435, HN 43 Park Street, Pingelly     | A6695 |
| • Lot 352, HN 37 Somerset Street, Pingelly | A7261 |
| • Lot 185, HN 56 Pitt Street, Pingelly     | A6784 |

### **Background**

Applications have been received from the Southern Aboriginal Corporation (SAC) for an exemption from rates, from 1 July 2020, for 5 residential properties in the Shire of Pingelly.

The SAC is a listed charitable organisation on the Australian Charities and Not for Profits Commission website, incorporated in 1983 as a not for profit under the Commonwealth Aboriginal and Torres Strait Islander Act 2006.

The SAC assists the following:

- Victims of crime (including family violence)
- People at risk of homelessness/ people experiencing homelessness
- Youth - 15 to under 25
- Aboriginal and Torres Strait Islander people
- Unemployed persons

Council has the discretion to exempt properties from rates, where land is used exclusively for charitable purposes, under section 6.26(g) of the Local Government Act 1995 (the Act). Section 6.26(2)(g) of the Act states that land used exclusively for charitable purposes is not rateable land. The Department of Local Government and Communities provides the following advice regarding the definition of "charitable purposes": Land will be exempt from rates if a council is satisfied that it is used exclusively for a charitable purpose. Historically, there are four categories of charitable purpose:

- The relief of poverty;
- The advancement of education;
- The advancement of religion; and
- Other purposes considered beneficial to the community.

To meet the criteria for a rates exemption, two requirements must be fulfilled;

1. The land must be used for a charitable purpose. In addition to the charitable purposes listed above, there must be a benefit to the general community for the purpose to meet the eligibility criteria.
2. The use must be exclusively be used for this purpose.  
If land is used for a dual purpose, it is not exclusively used for a charitable purpose, even though one of the purposes may be charitable. Nor will land be used exclusively for a charitable purpose where the land is used for the purpose of a business enterprise which is raising funds to be used for charitable purposes. The use of land for a charitable purpose may produce a 'profit' which is incidental to its charitable purpose. In this case the land may still be considered as 'exclusively used' for a charitable purpose.

In the instance where a local government refuses a rates exemption application, the applicant can challenge this decision in the State Administrative Tribunal. If approval is subsequently granted, the Council must apply a non-rateable status for that property, to the extent of the decision. Recent legal advice has confirmed that land which is used for residential accommodation may potentially constitute land used exclusively for charitable purposes, as the provision of affordable accommodation to aboriginal persons is likely to be charitable.

#### **Comment**

The SAC is a registered not-for-profit organisation which exists to provide affordable housing to aboriginal people. The determination of eligibility for a rating exemption is not on ownership, but on the use of the land. The key matter to be determined is whether the land is being used exclusively for charitable purposes as required by Section 6.26 (2) (g) of the *Local Government Act 1995*.

The SAC currently owns and rents five properties to provide affordable housing to aboriginal people at risk. The SAC has confirmed that they offer the housing in accordance with their constitution.

Given the SAC has confirmed the use for affordable housing for aboriginal people, and the land is used exclusively for charitable purposes, the properties are considered eligible to be exempted from rates under section 6.26(2)(g) of the *Local Government Act 1995*.

#### **Consultation**

Southern Aboriginal Corporation  
Western Australian Local Government Association  
Department of Local Government, Sport and Cultural Industries

#### **Statutory Environment**

Section 6.26(2)(g) of the *Local Government Act 1995* states that land used exclusively for charitable purposes is not rateable land. The *Charities Act 2013* sets out a list of charitable purposes.

#### **Policy Implications**

Nil

#### **Financial Implications**

As the application is for a rates exemption from 1 July 2020, there will be no effect on the current 2019/20 budget.

## Strategic Implications

Goal	Innovation, Leadership and Governance
Outcome	Nil
Strategy	Nil

## Risk Implications

Risk	There is a risk that if Council does not approve this exemption, the applicant can take the matter to the State Administrative Tribunal and apply to have Council's decision overturned.
Risk Rating (Prior to Treatment or Control)	Medium (6)
Principal Risk Theme	Reputational
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

## Voting Requirements

Absolute Majority

## Recommendation

That Council approves the application from the Southern Aboriginal Corporation for an exemption from rates for the properties listed below:

- Lot 457, HN 23 Paragon Street, Pingelly A3387
- Lot 101, HN 28 Pasture Street, Pingelly A4542
- Lot 435, HN 43 Park Street, Pingelly A6695
- Lot 352, HN 37 Somerset Street, Pingelly A7261
- Lot 185, HN 56 Pitt Street, Pingelly A6784

effective from 1 July 2020.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



## **15.7 Policy - Misconduct, Fraud and Corruption**

<b>File Reference:</b>	<b>ADM0487</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Director Corporate &amp; Community Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Draft Misconduct, Fraud and Corruption Policy</b>
<b>Previous Reference:</b>	<b>Nil</b>

### **Summary**

Council is requested to consider adopting a new draft misconduct, fraud and corruption policy in order to address a matter raised in the Regulation 17 Review.

### **Background**

In December 2017 AMD Chartered Accountants conducted the Regulation 17 Review for the Shire of Pingelly. Item 2.2.9 of the Reg 17 Review, Risk Management Policies and Procedures, raised a 'Minor' risk rating note that 'the Shire does not currently have a fraud/misconduct policy in place'. The adoption of the abovementioned policy is trying to address the risk of Misconduct, Fraud and Corruption at the Shire of Pingelly.

### **Comment**

A draft misconduct, fraud and corruption policy has been prepared for Council consideration to address this matter raised in the Reg 17 Review.

### **Consultation**

AMD Chartered Accountants

### **Statutory Environment**

*Local Government Act 1995 and associated regulations.*

### **Policy Implications**

New draft misconduct, fraud and corruption policy for consideration of adoption and inclusion in the Shire of Pingelly Policy Manual. Amendments to the Shire's policy Manual must be determined by an absolute majority of Council.

### **Financial Implications**

Nil

### **Strategic Implications**

Goal	Innovation, Leadership and Governance
Outcome	Nil
Strategy	Nil

### **Risk Implications**

Risk	It is likely that if Council does not adopt a Misconduct, Fraud policy, the matter may be raised again in the next Reg 17 Review that the Shire has not addressed the risk of fraud.
Risk Rating (Prior to Treatment or Control)	Low (4)
Principal Risk Theme	Operational controls, Reputational
Risk Action Plan (Controls or Treatment Proposed)	Nil

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

### Voting Requirements

Absolute Majority

### Recommendation

That Council adopts the draft Misconduct, Fraud and Corruption Policy as included in the attachment.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

# Council Policy



Council Policy Name: Misconduct, Fraud and Corruption

Responsible Directorate: Corporate Services

## 1. PURPOSE

- 1.1. The purpose of this Policy is to communicate the Shire's commitment to a zero-tolerance approach to misconduct, fraud and corruption.
- 1.2. This Policy acknowledges the Shire's commitment to maintaining high standards of professional and ethical conduct by supporting strategies that prevent, detect and respond to misconduct, fraud and corruption.

## 2. SCOPE

- 2.1. This Policy is applicable to the Shire of Pingelly and its Elected Members and employees.

## 3. DEFINITIONS

Term	Meaning
Corruption	Dishonest activity that is contrary to the interests of the entity and abuses a person's position/s of trust in order to achieve some personal gain or advantage for themselves or for another person or entity.
Fraud	Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property and where deception is used immediately before or immediately following the activity.
Misconduct	Behaviour which is improper and which adversely affects the honest and impartial performance of the functions of an Elected Member or employee, and which may also constitute a form of misconduct as defined within applicable legislation, including (but not limited to) the <i>Local Government Act 1995</i> , the <i>Local Government (Rules of Conduct) Regulations 2007</i> and the <i>Corruption and Crime Commission Amendment (Misconduct) Act 2014</i> .
Policy	This Shire of Pingelly Council policy entitled "Misconduct, Fraud and Corruption".

## 4. POLICY STATEMENT

- 4.1. The Shire is committed to providing and promoting ethical and accountable leadership and decision making.
- 4.2. The Shire is committed to providing all Elected Members and employees with education and training in misconduct prevention policies and strategies as they are developed, to ensure that responsibilities and obligations are understood.
- 4.3. This Policy, the Shire's Codes of Conduct, organisational values, and risk management framework, all work together to prevent, detect and respond to potential or actual misconduct, fraud and corruption.
- 4.4. In dealing with allegations of suspected misconduct, fraudulent and/or corrupt activities the Shire is obliged to report and deal with such allegations through the appropriate channels.



## Council Policy



Council Policy Name: Misconduct, Fraud and Corruption

Responsible Directorate: Corporate Services

- 4.5. The Shire may seek to recover any losses incurred from misconduct, fraud or corruption activities, after considering all relevant issues.

### **Public Interest Disclosure**

- 4.6. The Shire is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*.
- 4.7. The Shire will maintain high standards of professional and ethical conduct by receiving disclosures of public interest information in accordance with the requirements and provisions of the *Public Interest Disclosure Act 2003*.

### **5. RELATED DOCUMENTATION / LEGISLATION**

- 5.1. *Local Government Act 1995*  
5.2. *Local Government (Rules of Conduct) Regulations 2007*  
5.3. *Public Interest Disclosure Act 2003*  
5.4. *Corruption and Crime Commission Amendment (Misconduct) Act 2014*  
5.5. Standards Australia – AS8001 - 2008

### **6. REVIEW DETAILS**

Review Frequency	3 yearly		
Council Adoption Date	<insert date>	Resolution #	<insert resolution#>



## **16. DIRECTORATE OF TECHNICAL SERVICES**

### **16.1 Proposed Lot Subdivision Boundary Realignment**

**File Reference:** A22909 & A22913  
**Location:** Lots 4387 & 5715 391 Belt Road East Pingelly  
**Applicant:** Brook and Marsh Pty Ltd  
**Author:** Administration Officer Technical  
**Disclosure of Interest:** Nil  
**Attachments:** Nil  
**Previous Reference:** Nil

#### **Summary**

Council to consider and support this application for a proposed lot subdivision boundary realignment received from the Western Australian Planning Commission on behalf of Brook and Marsh Pty Ltd representing the owners.

#### **Background**

The Western Australian Planning Commission has sought comment on an application for the proposed lot subdivision boundary realignment of Lots 4387 & 5715 391 Belt Road East Pingelly.

#### **Comment**

The Shire of Pingelly have received an application from the Western Australian Planning Commission seeking comment on the proposed lot subdivision boundary realignment of Lots 4387 & 5175 - 391 Belt Road East Pingelly.

Under the Shire of Pingelly's Local Planning Scheme No.3 the lots are in the General Agriculture Zone.

The subject land has a total area of 214.2191 hectares split between Lot 5715 which is 173.7256 hectares and Lot 4387 which is 40.4935 hectares. Lot 5715 currently contains two portions which are separated by an unconstructed road reserve. Lot 4387 has a 20m frontage to the unconstructed road reserve that bisects Lot 5715.

Both lots back onto the Hotham River Northern Branch and the Shire of Cuballing boundary.

The subject land is predominantly cleared and used for broad acre grazing and cropping. There are several small areas of remnant vegetation, approximately 3 hectares in size on Lot 5715 and multiple isolated groupings of trees. These areas of bushland are designated as being bushfire prone.

There are existing sheds and a dwelling located on Lot 5715.

Access to the property is along Belt Road which comes into the western boundary of the lots. Access to Belt road is off Thompson Road which connects to the Great Southern Highway to the west and Yenellin Road to the north.

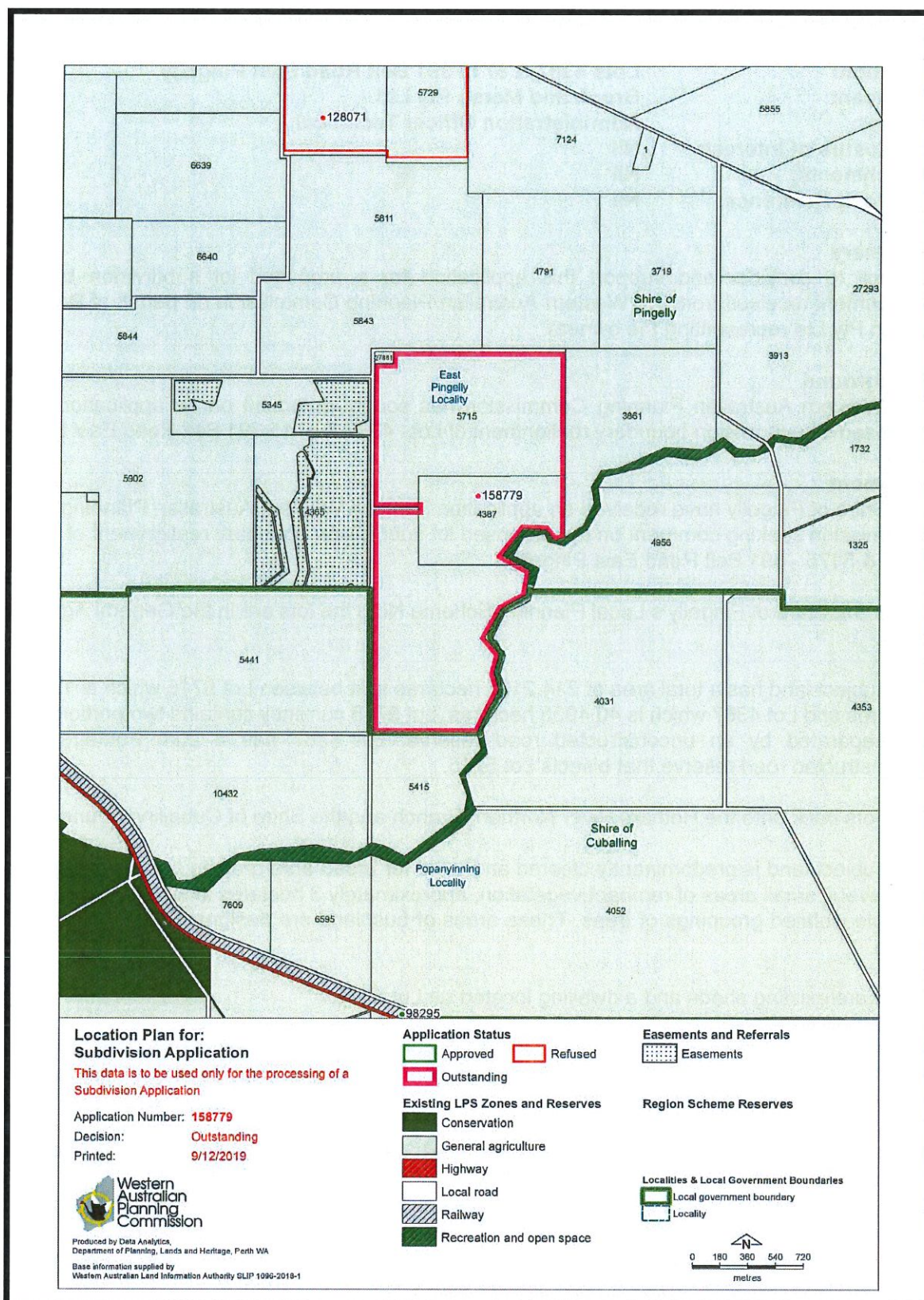
It is proposed to re-subdivide the property as shown on the plan adjusting the existing boundary with:

- Proposed Lot 1 being 101.2858 hectares in the northern portion of the property with a frontage of 716m to the road reserve on the western boundary.
- Proposed Lot 2 being 112.9333 hectares in the southern portion of the property with a frontage of 1,454m to the road reserve on the western boundary.

This will eliminate the use of a single road reserve frontage to Lot 4387 and also consolidate the property into more manageable farming units.

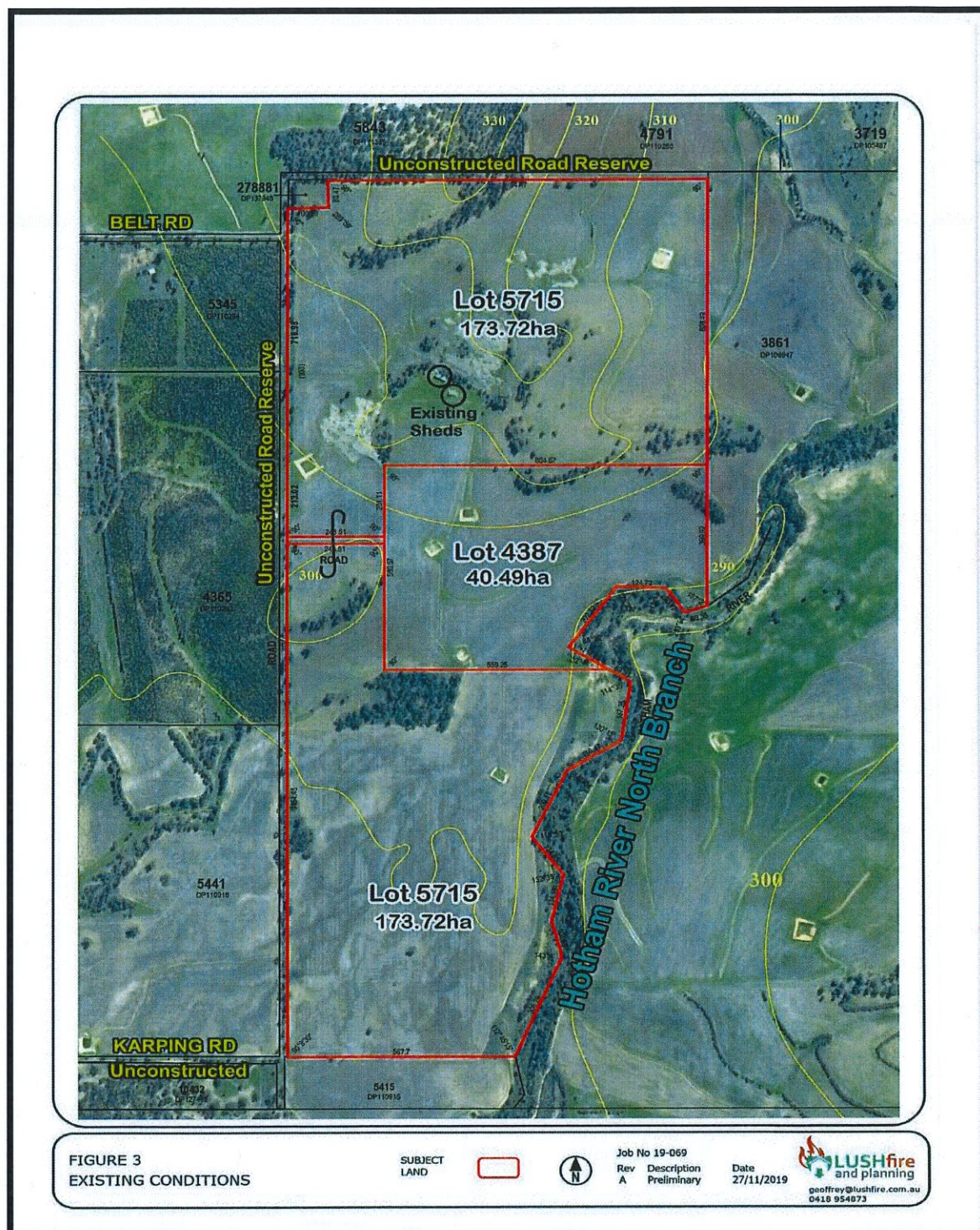
No additional lots will be created and the land use will continue to be for farming purposes.

Below is the location plan for the lots.

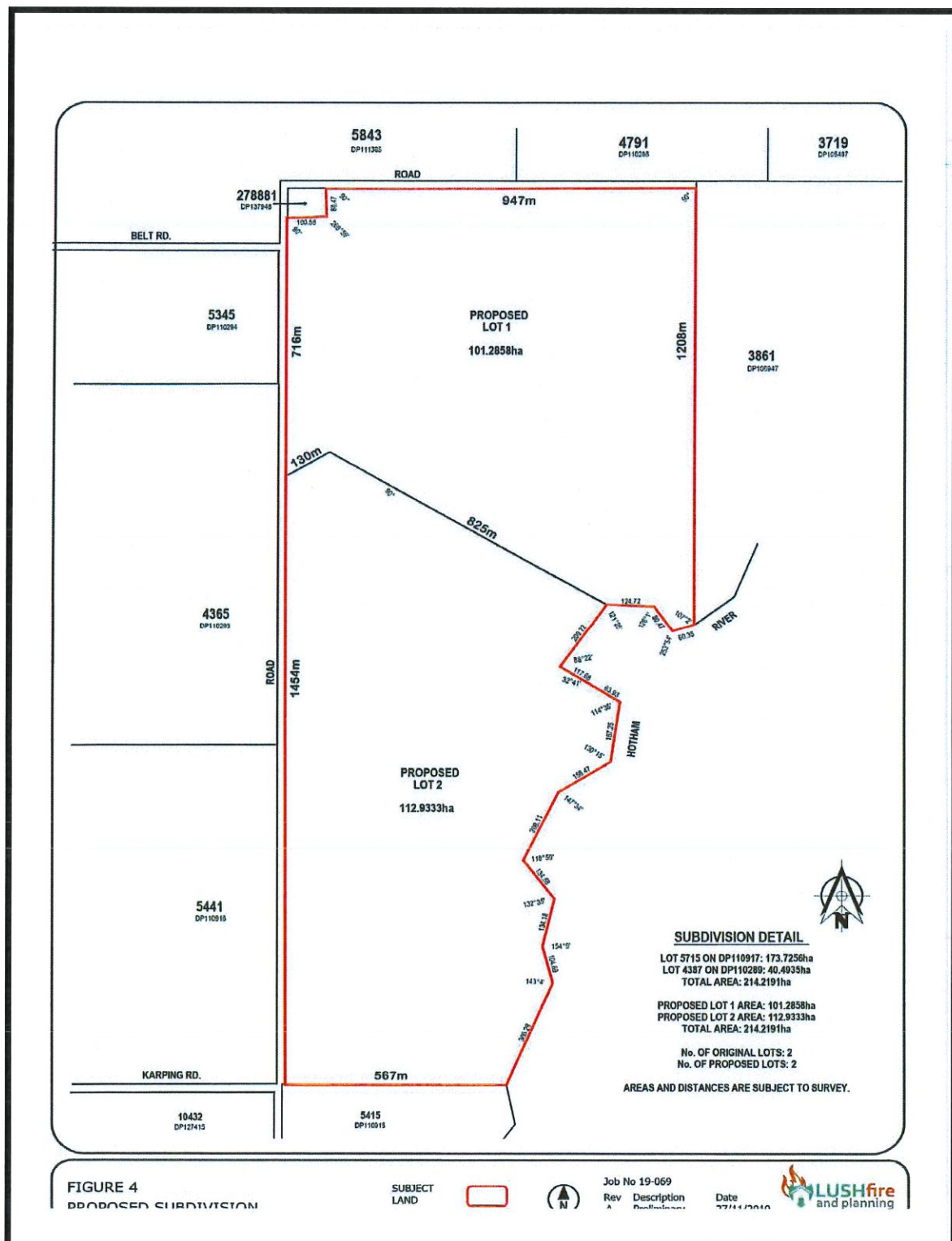




Plan of the existing lots at 391 Belt Road.



Plan of proposed new Lots 1 & 2 Belt Road.



The following extract is from the report submitted by Brooks & Marsh Pty Ltd to the Western Australian Planning Commission.



## 1.0 Proposal Details

### 1.1 Introduction

A bushfire management plan has been done as an assessment report for the proposed boundary realignment of Lots 5715 & 4387 Belt Road, East Pingelly.

Bushfire prone vegetation is generally more than 1 hectare in size and there is a 100m buffer to this vegetation for the purpose of construction of buildings.

This designation triggers the consideration of State Planning Policy SPP3.7 Planning in Bushfire Prone Areas in relation to any subdivision application. The objectives of the policy are (in summary) to:

- 5.1 Avoid any increase in the threat of bushfire to people, property and infrastructure.
- 5.2 Reduce vulnerability to bushfire through the consideration of bushfire risks in decision-making at all stages of the planning and development process.
- 5.3 Ensure that planning proposals, subdivision and development applications take into account bushfire protection requirements and measures.
- 5.4 Achieve an appropriate balance between bushfire risk management measures and, biodiversity conservation values, environmental protection etc.

Clause 6.4 sets out the information to accompany subdivision applications as follows:

- a) a BAL Contour Map to determine the indicative acceptable BAL ratings across the subject site, in accordance with the Guidelines. BAL Contour Maps should be prepared by an accredited Bushfire Planning Practitioner;
- b) the identification of any bushfire hazard issues arising from the BAL Contour Map; and
- c) an assessment against the bushfire protection criteria requirements contained within the Guidelines demonstrating compliance within the boundary of the subdivision site.

Planning Bulletin 111 - 2016 was released in October 2016 to provide improved guidance for the administration of SPP3.7. It states that:

- State Planning Policy 3.7 is the overarching policy for land use planning within bushfire prone areas and applies to applications for subdivision. This is qualified to refer to subdivisions **other than amalgamations or boundary realignments** that do not result in the intensification of development or result in an increased bushfire risk; and
- The overarching policy intent for Planning in Bushfire Prone Areas is that strategic planning documents or proposals, subdivision and development applications within a bushfire prone area, should demonstrate a Bushfire Attack Level (BAL) of 29 or below.

It is submitted that as this application is a boundary re-alignment where no additional lots or house entitlements are being created; then in accordance with Planning Bulletin 111 - 2016; the provisions of SPP3.7 Planning in Bushfire Prone Areas do not apply to the application.

## 1.2 Existing Conditions

The existing conditions are shown in Figure 3 noting that:

- Lot 5715 contains two portions which are separated by an unconstructed road reserve. In addition, there is another unconstructed road reserve along the western and northern boundaries. These are a continuation of Belt Road.
- Lot 4387 has a 20m frontage to the unconstructed road reserve that bisects Lot 5715.
- Both lots back onto the Hotham River Northern Branch.
- The subject land is predominantly cleared and used for broad acre grazing and cropping. There are several small areas of remnant vegetation, approximately 3 hectares in size on Lot 5715 and multiple isolated groupings of trees. These areas of bushland are designated as being bushfire prone as shown in the plan following this report.
- There are also existing farm sheds on Lot 5715.
- Access to the property is from Belt Road on the western boundary. As shown in Figure 1 this extends westward to the Great Northern Highway. It also connects to Thompson Road which extends north to Yenellin Road.
- 
- The subject land has a low undulating topography with slopes of less than 5 degrees.
- Lots 5345 and 4365 to the west of the site have been developed as a plantation. Lot 5843 to the north of the site has a moderately large area of remnant vegetation. There is further linear vegetation along the Hotham River foreshore.

## 1.3 Fire Control Order

The Shire's Fire Control Order requires that on farming land other than excluded areas, the owner or occupier shall: -

- a. Clear firebreaks not less than 3m wide:
  - i. inside all external boundaries of the land,
  - ii. within 15m of the perimeter of all buildings and remove all flammable material from within the 3m of all such buildings, and
  - iii. so as to divide the land into areas not exceeding 400ha.
- b. Remove all flammable material for a continuous distance of 5m immediately surrounding every haystack, hayshed, stationary pump or engine, and
- c. Remove all flammable material for a continuous distance of 15m or to the external boundary of the land whichever is nearer, from around fuel depots.

## 1.4 Proposed Subdivision

It is proposed re-subdivide the property as shown in Figure 4 by adjusting the existing boundary with:

- Proposed Lot 1 being 101.2858 hectares in the northern portion of the property with a frontage of 716m to the road reserve on the western boundary.
- Proposed Lot 2 being 112.9333 hectares in the southern portion of the property with a frontage of 1,454m to the road reserve on the western boundary. This will eliminate the use of the single road reserve frontage to Lot 4387 and also consolidate the property into more manageable farming units. No additional lots will be created.

## 2.0 Environmental Considerations

There is no proposed clearing of remnant vegetation required for the subdivision.

## 3.0 Bushfire Assessment Results

### 3.1 Assessment Inputs - Existing Vegetation

Given the size of the proposed lots and the relatively small areas of vegetation / bushfire prone land the existing vegetation has not been assessed in detail.

The pasture/cropping areas which comprise the majority of the site are classified as Class G Grassland. The bushland areas will be classified as either Class A Forest or Class B Woodland and are typically Wandoo (White Gum) mixed with York Gums.

### 3.2 Assessment Outputs - BAL Contour Map

Given the size of the proposed lots and the relatively small areas of vegetation/bushfire prone land the existing vegetation a Bushfire Attack Level (BAL) Assessment or BAL Contour Map has not been prepared.

All the pasture cropping areas on the property will have a moderate bushfire hazard level irrespective of whether they are located on bushfire prone land or not. Locating a new dwelling in an area with a moderate bushfire hazard level, complies with Clause 6.2(b) of SPP3.7 Planning in Bushfire Prone Areas.

Preparation of a BAL Contour Plan in accordance with Clause 6.3(a)(ii) is considered unwarranted over such a large property with a multitude of potential house sites.

Where a dwelling is constructed on bushfire prone land (pink shading), a BAL-29 rating can be achieved with a setback of 27m as shown in Table 1 below. This is using Class A Forest as the most conservative classification, with the slopes on the site being less than 5 degrees.

As the Bushfire Prone Land extends for 100m from vegetation areas greater than 1 hectare, there is a huge area of land available on the two lots where dwellings can be constructed with a BAL rating of BAL-29 or less. A setback of 9m is sufficient distance where the dwelling is located on any cropping or grazing land and a 20m setback will provide a BAL-12.5 rating.

Table 1 BAL Setbacks

Vegetation Classification	Bushfire Attack Levels (BALs)				
	BAL – FZ	BAL - 40	BAL – 29	BAL – 19	BAL – 12.5
	Distance (m) of the site from the predominant vegetation class				
	All upslopes and flat land				
A Forest	< 16	16 - < 21	21 - < 31	31 - < 42	42 - < 100
B Woodland	< 10	10 - < 14	14 - < 20	20 - < 29	29 - < 100
G Grassland	< 6	6 - < 8	8 - < 12	12 - < 17	17 - < 50
	Downslope > 0 to 5 degrees				
A Forest	< 20	20 - < 27	27 - < 37	37 - < 50	50 - < 100
B Woodland	< 13	13 - < 17	17 - < 25	25 - < 35	35 - < 100
G Grassland	< 7	7 - < 9	9 - < 14	14 - < 20	20 - < 50

Planning Bulletin No 111 states that where a subdivision is proposed and the building envelope is not known, the BAL assessment should (as a minimum) demonstrate a building envelope can be located on a portion of the lot that is rated as BAL-29 or less. At the development application stage, the development should be located on the portion of the lot with the lowest BAL rating.

#### 4.0 Identification of Bushfire Hazard Issues

The context of the subject land to the surrounding locality is shown in Figure 1. This is generally open farming country with dispersed areas of vegetation. While bushfire occur regularly in the area the proposal is not increasing the level of development or the bushfire risk.

The normal operation of the bushfire regulatory framework is considered appropriate for this level of development and hazard. This includes:

- Operation of Part 10A of the Planning and Development (Local Planning Schemes) Regulations 2015 relating to Bushfire Risk Management;
- Australian Standard AS3959 Construction of Buildings in Bushfire Prone Areas where applicable; and
- Council's Fire Control Order.

The principle issue for the location is the access to and from the site and this should be provided in two different directions. Thompson Road performs this function as it provides access west to the Great Northern Highway and north to Yenellin Road. The proposed subdivision also improves the access to the existing Lot 4387.

#### 5.0 Assessment Against the Bushfire Protection Criteria

A summary of the compliance with the Bushfire Protection Criteria is documented in Table 2.  
*Table 2 Bushfire Protection Criteria*

Compliance	When	Comment
<b>A1.1 Development Location</b>		
Must have a moderate hazard level and maximum BAL – 29 rating		
Yes	When developed	The proposed lots will have large areas with a BAL – 29 or lower rating. The siting of new dwelling in both lots can achieve BAL-29 rating.
<b>A2.1 Asset Protection Zone</b>		
This functions as the low fuel zone required for the BAL – 29 rating		
Yes	When development	The proposed lots are sufficiently large enough to contain a 20m APZ.
<b>A3.1 Two Access Routes</b>		
Two different vehicular access routes are required		
Yes	Existing site	Thompson Road performs this function as it provides access west to the Great Southern Highway and north to Yenellin Road.
<b>A3.2 Public Road (subdivision roads)</b>		
N/A		Belt Road along the western boundary is not constructed to the prescribed standard. However, this is existing access which will not change as there is no intensification or additional lots being created.
<b>A3.3 Cul-de-sac (including dead end road)</b>		
N/A		Not applicable
<b>A3.4 Battle - axe</b>		
N/A		Not applicable
<b>A3.5 Private Driveways</b>		
Where longer than 50m they must comply with the specifications		
Yes	Development	A proposed dwelling may potentially be located more than 50m distance from the road frontage. It then required to a 4m surface and a 17.5m diameter turning area adjacent to the dwelling.
<b>A3.6 Emergency Access Way (EAW)</b>		
N/A		Not applicable



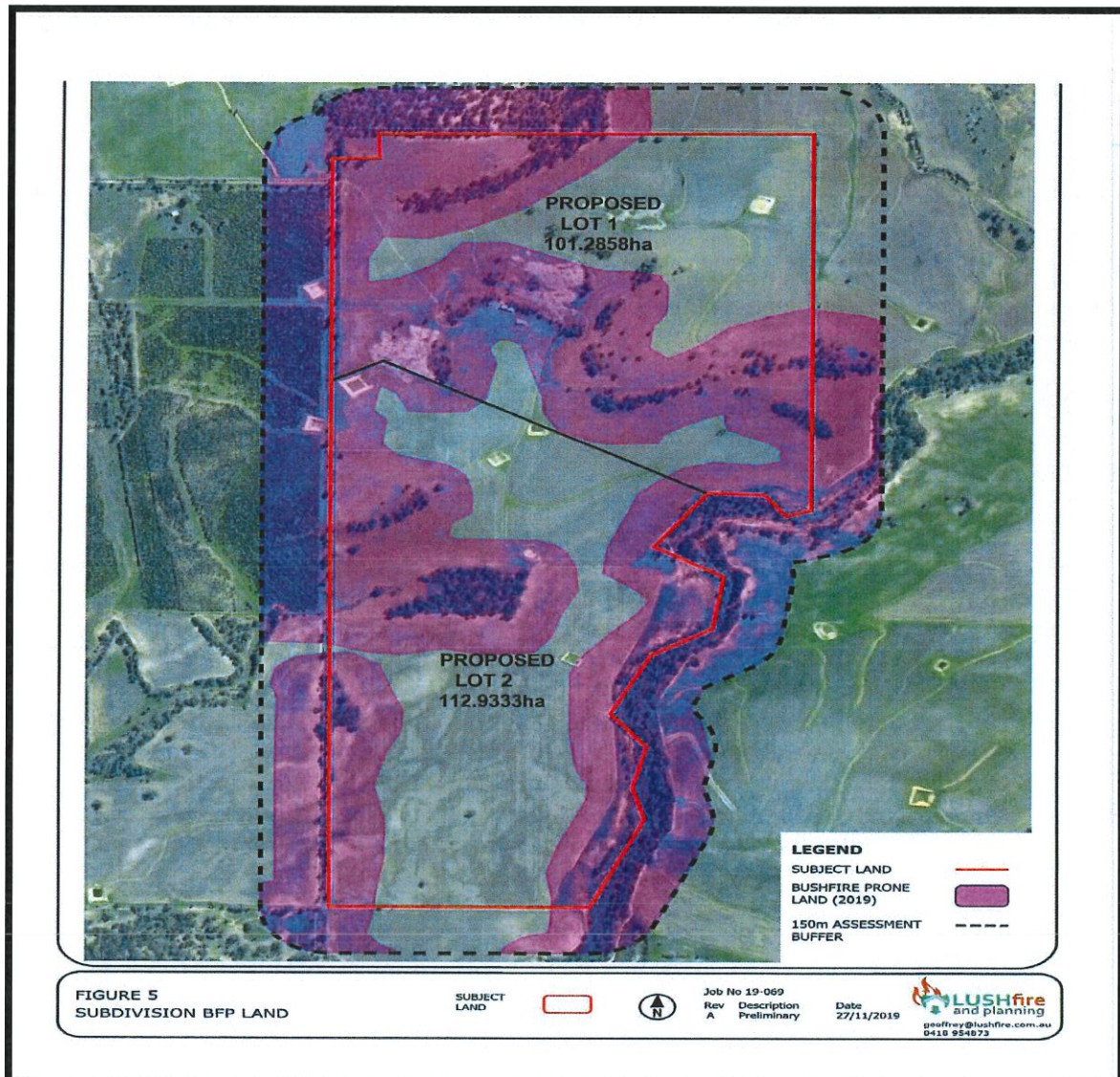
Compliance	When	Comment
<b>A3.7 Fire Service Access Route (FSAR) A3.8 Firebreaks</b> 3.0m wide firebreak or to the level provided in the Council fire break notice		
Yes	Annually before the fire season	Both proposed lots are greater than 0.5m and are to provide with a 3m wide boundary firebreak or as provided for in Council's Fire Control Order
<b>A4.1 Water Supply Reticulated Areas</b>		
N/A		There is no reticulated water supply
<b>A4.2 Water Supply non-reticulated Areas</b> Provide 50,000L water tank per 25 lots when more than 2 lots are being created		
N/A		Not applicable as there are no additional lots being created.
<b>A4.3 One additional lot in non-reticulated area</b> To be provided with a dedicated static water supply of 10,000L		
Yes	Development	Any new dwelling is to have a 10,000L water supply tank dedicated for fire fighting. This can form part of the domestic water supply.

## 6.0 Conclusion

It is submitted that no further bushfire assessment is required because:

- 1) The application is a boundary realignment and as stated in Planning Bulletin 111, SPP3.7 Planning in Bushfire Prone Areas does not apply; and
- 2) In the event that SPP3.7 Planning in Bushfire Prone Areas would apply the re-subdivision application complies with the Policy objectives as:
  - a. There is no intensification of the bushfire risk;
  - b. The vast majority of the proposed lots have a moderate bushfire hazard rating and a dwelling can be located with a BAL rating of BAL-29 or less.
  - c. Any new dwelling on the proposed lots will be subject to the normal bushfire management requirements which already apply on the site. These provisions already ensure that the dwelling can only be constructed to a maximum BAL-29 rating.

Plan below showing the Bushfire Prone Areas on the property which relate to building in Bushfire Prone Areas.



The bushfire prone areas will not come into effect unless there is an application to add further buildings to either one of the lots. Any proposed buildings that were to be located in the pink zone of the above plan would be required to have a Bushfire Attack Level rating assessment carried out. This assessment requires the buildings to be built from specially fire rated materials.

This proposed lot boundary realignment is not for the purposes of a change of land use, but is creating two lots that will work better for the current owners who farm as separate entities and no further lots are to be created.

### Consultation

Marsh & Brooks Pty Ltd application report.  
Chief Executive Officer

### Statutory Environment

Shire of Pingelly Planning Scheme No.3

### Policy Implications

There are no known policy implications.

### Financial Implications

There are no known financial implications.

### Strategic Implications

There are no known strategic implications.

### Risk Implications:

Risk	There is no risk with this application for a boundary realignment as the existing use of the lots remains general agriculture.
Risk Rating (Prior to Treatment or Control)	Low (1)
Principal Risk Theme	Reputational
Risk Action Plan (Controls or Treatment Proposed)	No further action required.

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

### Voting Requirements:

Simple Majority

### Recommendation:

**That Council supports the proposed lot subdivision boundary realignment of Lots 4387 & 5715 Belt Road, East Pingelly, with no further conditions being imposed.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**17. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**18. NEW BUSINESS OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING**

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

**19. CLOSURE OF MEETING**

The Chairman to declare the meeting closed.