



SHIRE OF EXMOUTH

# Attachments

Ordinary Council Meeting – 19 December 2019





Corporate Business Plan 2018 - 2022

# Progress Report

December 2019





# Corporate Business Plan Outcomes 2019/20

No	Outcomes	Community Priorities	Actions	Status
ECONOMIC	<i>Objective: Diversify and grow our economy in a manner that provides year-round employment opportunities</i>			
	1.1 A DIVERSE AND ENVIRONMENTALLY AWARE LOCAL ECONOMY THAT CAN ATTRACT BUSINESS INVESTMENT AND PROVIDE EMPLOYMENT OPPORTUNITIES.	Develop and encourage opportunities for business investment to develop a diverse economy.	Prepare a Shire land disposal and development plan.	Complete
			Progress the actions from the strategic land and building disposal plan.	On Track
			Develop an investor prospectus.	On Track
			Progress the actions outlined in the Small Business Friendly Council Charter.	On Track
			Create a strategic approach to economic development to attract investment and jobs in new and existing industries.	Monitor
	1.2 FACILITATE THE STRENGTHENING AND GROWTH OF OUR VISITOR EXPERIENCE	Engage with local, state, and national stakeholders to build a stronger and sustainable tourism industry.	Lobby for the technological infrastructure necessary to support business growth.	On Track
			At every opportunity Shire will engage and build relationships with key tourism stakeholder groups	On Track
			Activate a best practice model for an innovative and unique Exmouth tourist experience.	On Track
			Promote and market tourism initiatives which extend the “peak tourist season”.	On Track
			Implement collaborative approach for Shire involvement to the three key tourism development areas; o Visitor servicing, o Product development o Destination marketing	On Track
			Work collaboratively with the local tourism industry and DBCA on marketing and product development initiatives i.e. commercial tour operators for Turtle Tourism October to February annually.	On Track
			Support and attract events that draw increased visitation in shoulder and low periods.	On Track



1.3 ENABLE THE PROVISION OF ESSENTIAL INFRASTRUCTURE THAT WILL SUPPORT INVESTMENT AND DIVERSIFY OUR ECONOMY	Activate the Ningaloo Centre as a regional facility to attract high yield conference and events.	Actively develop and attract MICE business to the Exmouth destination using the Ningaloo Conference Centre as focal point.	On Track
	Support a coordinated approach for regional tourism promotion and management.	Adopt a collaborative approach to developing the effective delivery of the Ningaloo destination brand.	On Track
		Initiate the formation of a skills based Ningaloo Tourism Development Board.	On Track
		Align marketing efforts with Tourism Australia, Tourism WA and Australia's Coral Coast.	On Track
	Advocate and lobby for the provision of infrastructure that supports the local economy.	Continue to lobby government with a business case for essential infrastructure upgrades to water, power, Minilya Exmouth Rd and waste water treatment to enable economic growth and improve livability.	On Track
	Identify opportunities to create multiuse infrastructure and facilities that encourage and diversify the local economy.	Lobby government agencies and support private enterprise in the development of a multi-purpose deep water port.	On Track
		Ensure Exmouth benefits economically from the Ningaloo Coastal Reserves Draft Management Plan.	On Track
	Update and improve coastal access and facilities.	Present business case to DOT for the Tantabiddi Boat Launching facility to become a state responsibility.	Complete
		Develop a joint management plan and budget with DBCA for the jointly managed coastal areas from Bundegi to Tantabiddi and identify any commercial opportunities.	On Track
	Maintain an efficient, safe and good quality local road network.	Increase annual expenditure on local road network and lobby government to take ownership of Yardie Creek Rd.	On Track



*Objective: To protect and value our unique natural and built environment as we grow our economy*

2.1	A STRONG FOCUS ON ENVIRONMENTAL CONSERVATION AND SUSTAINABLE MANAGEMENT OF OUR NATURAL ENVIRONMENT	To be innovative and proactive in addressing economic and lifestyle issues that are environmentally sensitive	Prepare the business case to resource the Exmouth Regional Innovation and digital incubator.	Monitor
			Council’s local planning policy framework reviewed annually as required.	On Track
		Consult with relevant authorities to manage the natural environment for the benefit and enjoyment of current and future generations.	Develop a comprehensive stakeholder list including community organisations whom have an interest in the environment.	Complete
2.2	STRIVE TO ACHIEVE A BALANCE BETWEEN THE PRESERVATION OF OUR UNIQUE ENVIRONMENT AND THE DELIVERY OF SUSTAINABLE ECONOMIC GROWTH	Develop and promote partnerships with key stakeholders to maintain and improve access and engage the community in championing our natural environment	Develop partnerships with DBCA and identify joint management opportunities to improve access and visitor experience whilst protecting the natural environment.	On Track
			Implementation of key strategic plans including the Ningaloo Trails Masterplan.	On Track
		Promote and celebrate the World Heritage Values of the region and investigate opportunities to leverage economic growth that improve visitor and community experiences.	Work closely with the Ningaloo Coast World Heritage Committee to promote the world heritage values and develop environmentally sensitive land use activities.	On Track
			Advocate to government for increased marketing activity and tourism infrastructure in the region.	On Track
			Work with DBCA and other agencies develop a trails network as identified in the trails masterplan.	Monitor
			Develop entry statement plans and infrastructure funding initiatives.	Monitor
			Investigate the development of coastal camping nodes.	On Track
			Lobby government agencies for the provision of better quality water and affordable renewable energy.	Develop a business case for government and continually advocate and lobby for solutions to water supply, water quality and greater use of renewables.
2.3	ADVOCATE AND PROMOTE OPPORTUNITIES FOR THE DEVELOPMENT OF ENVIRONMENTALLY			



*Objective: To be a vibrant, passionate and safe community valuing our natural environment and unique heritage*

3.1	EXPLORE OPPORTUNITIES TO DELIVER SERVICES AND FACILITIES THAT ATTRACT AND RETAIN PEOPLE LIVING IN THE SHIRE	Advocate, promote and incentivise Exmouth as a preferred place to live and work in the long term.	Lobby government for the release of the LandCorp Nimitz Street subdivision at below cost recovery to attract resource companies to move workers and families to Exmouth.	Monitor
			Meet directly with oil and gas and resource companies and encourage them to consider Exmouth as a base for permanent workers and for them to incentivize the relocation.	Intervene
			Continue to request a greater defence presence and sell the advantages of this destination as a strategic defence location.	On Track
		Advocate for the provision of expanded educational and vocational opportunities and community services.	Continue to advocate for TAFE to provide industry specific training to meet needs of the tourism and hospitality sector and construction and mining industry.	Monitor
			Identify opportunities with the Marine research facility with aquaculture training and development opportunities.	On Track
3.2	PROMOTE FACILITIES/SERVICES THAT ENHANCE PUBLIC HEALTH AND SAFETY	Advocate for health and medical support services and affordable housing for aged persons and people with disabilities that meet the needs of the local community	Continue to make the case to government and the grants commission that Exmouth is disadvantaged by the impacts of seasonal tourism and that a new funding model for the allocation of resources is justified.	Complete
			Continue to lead the Local Drug and Alcohol Group to meet the objectives of the LDA Plan.	Intervene
		Actively engage with key stakeholders to find an innovative approach to minimising substance abuse within our community	Undertake regular offseason waste water drug testing so that a base line can be determined and impact of actions can be measured	Intervene



3.3	CHAMPION SELF-SUPPORTING COMMUNITY CLUBS AND ASSOCIATIONS	Develop policy and support services that enable clubs and community groups to be self-sustaining.	Implement a user pay philosophy and provide officer support to clubs and community groups to assist with governance and administration.	Complete
			Recognise and reward volunteers with an annual recognition event.	Complete
		Develop, implement and regularly review our recreational, cultural facilities and public open space to ensure they meet the principles of colocation, multi-use and sustainability.	Develop a recreation facilities plan.	Monitor
		Support cultural and community programs and events that encourage interaction and promote a sense of community and celebrate lifestyle.	Support the development and delivery of events and community development activities where external funding is available.	On Track

LEADERSHIP

Objective: To provide open transparent, accountable leadership working in collaboration with our community				
4.1	Nil			
4.2	A LOCAL GOVERNMENT THAT IS RESPECTED AND ACCOUNTABLE	Constantly strive to be engaged and relevant to our community and make informed decisions.	Maintain relevance to community by being responsive across all communication mediums responding in a timely and professional manner.	On Track
		Promote and support elected members and staff participation in professional development.	Develop the workforce plan and allocate funding to support the development and training of our staff and elected members	On Track
		Meet all statutory reporting requirements	Strive for excellence in all compliance matters and embrace external audits as an opportunity to develop as a high performing and respected LGA.	On Track
			Develop and implement anticorruption Strategy.	Intervene
4.3	TO BE A CHAMPION FOR OUR COMMUNITY	Engaging government agencies and key stakeholders to achieve Strategic Community Plan outcomes.	At every opportunity Council will engage and build relationships with key stakeholders to further the Shire of Exmouth objectives.	On Track
		Facilitate resource sharing and actively participate in partnerships on a regional basis.	At the quarterly Gascoyne zone meetings raise resource sharing and partnerships as a standard agenda item.	On Track



## CORPORATE SERVICES

### 2.1 – Asset Capitalisation

Adoption		
Date	Meeting	Council Decision
20/09/12	OCM	04-0912-10.1.2
Review Details		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

#### PURPOSE

The purpose of this policy is to set out the asset capitalisation threshold values.

#### POLICY

An asset must appear in Council's financial statements at fair value. The criteria for recognising an asset as outlined in AASB116 – Property, Plant and Equipment Accounting standard is:

*The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:*

- (a) it is probable that future economic benefits associated with the item will flow to the entity;*
- and*
- (b) the cost of the item can be measured reliably*

All noncurrent assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or in respect to constructed assets, from the time the asset is completed and ready for use. Depreciation rates, residual values and impairments are to be assessed on an annual basis.

#### CAPITALISATION

An asset shall be capitalised when the expenditure is in excess of the following thresholds:

Buildings	\$5,000
Plant & Equipment	\$5,000
Furniture & equipment	\$5,000
Roads	\$5000
Other Infrastructure	\$5,000
Land	All land will be capitalised



## 2.2 – Interest Free Loans to Clubs & Organisations

Adoption		
Date	Meeting	Council Decision
27/08/15	OCM	05-0815-11.1.3
Review Details		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

### PURPOSE

The purpose of this policy is:

1. To provide long-term benefits to the Shire of Exmouth by financially assisting clubs and organisations within the Shire of Exmouth.
2. To provide guidelines as to the administration of the Shire of Exmouth's Community Development Reserve Fund.

### POLICY

Community Development Reserve Fund:

Council has set aside funding in a Community Development Reserve Fund for the provision of interest free loans to Exmouth clubs and organisations to assist in the provision of facilities and equipment for the betterment of the club or organisation and its members.

Organisations are defined as incorporated, not-for-profit, sporting clubs and community organisations, excluding any private businesses, on-going government financial assisted groups, religious bodies and political groups.

It is the Council's policy that:

An application in the prescribed form for an interest free loan must be completed in full.

#### 1. Eligibility

The following Eligibility Criteria will be applied when receiving applications for interest free loans.

Eligibility Criteria (general):

To be eligible for funding, the applicant must:

- Use funding for a Capital Purchase i.e. equipment etc.
- Be an Exmouth based community group or sporting club.
- Offer a specific activity (project, program or event) within the Shire of Exmouth local government boundaries;
- Provide a direct benefit to the wider Exmouth community;
- Have completed any project for which any Shire of Exmouth funding was previously received, with no outstanding debts to the Shire;
- Satisfy the Loan Eligibility Criteria set out in the below.

Ineligibility Criteria (general):

The Shire of Exmouth does not provide interest free loans for:



- Retrospective costs;
- Commercial activities;
- Core organisational operating costs, for example a permanent position within and organisation for ongoing work;
- Activities with a political or religious purpose only;
- Activities where the nature of the event can exert political influence;
- Periodical activities, like recurring weekly/monthly meetings.

## 2. Loan Assessment Criteria

The Executive Manager Commercial and Community and the Executive Manager Corporate Services should undertake assessment of the application with a recommendation to the Council for final approval or otherwise of the loan. Assessment should as a minimum be based on:

- Perceived ability for the loan to be repaid in full and for repayments to be made on time;
- Ensuring that there is an apparent benefit not only to the club/organisation but also to the wider community from the loan being given;
- Clubs/organisations must have been in existence for 2 years and clearly demonstrated a stabilised or increased membership;
- Prior to an application being lodged, an applicant has used their best endeavours to source grant funding to assist with their purchase.
- Clubs/organisations must provide council with an end of year financial statement for each year of the loan.
- Clubs/organisations must produce at Council's request a current profit and loss statement within three weeks of a request being made (NB this in addition to the provision of the annual financial statement mentioned above).

No club/organisation can have more than one interest free loan at one time unless the Council is clearly satisfied that the club/organisation has the financial ability to service the additional loan. Total loan funds should not exceed \$100,000 however in exceptional circumstances an application can be made for Council consideration.

'An application fee of 5% will be charged on any new application and can be paid over the term of the loan'.

## 3. Default of Loan

- Any club or organisation, which defaults on a loan, is not permitted to receive any further interest free loans from council until the outstanding loan is repaid in full. In exceptional circumstances Council may review the timeframe for the repayment of a defaulted loan.
- Any default of a loan re-payment will incur a penalty to the club/ organisation of 10% per annum of the outstanding amount calculated monthly, unless arrangements have been made with council, prior to the repayment being defaulted.

In the event that a club/organisation is wound up, any assets that have been accumulated by the use of funds from the Community Development Reserve Fund will revert to the Council.



## 2.6 – Investment Policy

Adoption		
Date	Meeting	Council Decision
20/09/12	OCM	04-0912-10.1.2
Review		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

### PURPOSE

The purpose of this policy is to:

1. To undertake authorised investment of surplus funds after assessing credit risk and diversification limits.
2. To maximise earnings from authorised investments and ensure the security of Council funds.

### POLICY

#### Authority for Investment

All investments are to be made in accordance with:

- Local Government Act 1995 - Section 6.14.
- The Trustees Amendment Act 1997 - point 6, re: Part III -Investments.
- Local Government (Financial Management) Regulations 1996 – Regulation 19

#### Authorised Investments

Authorised investments would include but not necessarily be limited to:

- Bank accepted/endorsed bank bills;
- Bank negotiable Certificates of Deposit;
- Bank interest bearing deposits;
- State/Commonwealth Government bonds;
- Funds managed by fund managers having a credit rating of A2 or higher (Standard & Poor's, (S&P) Australian Ratings).

#### Guidelines

##### (a) Council's Direct Investments -

##### (i) Quotations on Investments

Not less than two (2) quotations shall be obtained from authorised institutions whenever an investment is proposed. The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to the limits set above. Staff are to record such details and to which institution it was lodged.

##### (ii) Term to Maturity

The term to maturity of any Council's direct investments may range from "at Call" to 365 days.



(b) General Policy Guidelines

(i) Diversification/Credit Risk

The amount invested with any one financial institution or managed fund should not exceed the following percentages of average annual funds invested. When placing investments, consideration should be given to the relationship between credit rating and interest rate.

Rating Order (as defined S&P)

Short Term Rating	Maximum % Total Investments	Counterparty % Individual Invest.
A1+	100%	50%
A1	75%	50%
A2	50%	20%

(ii) Credit Ratings

If any of the funds/securities held are downgraded such that they no longer fall within Council's investment policy guidelines, they will be divested within 30 days or as soon as practicable. Ratings are as defined by Standard & Poor's Australian Ratings

Short Term Rating Order 0-365 days is:

A1+	Extremely strong degree of safety regarding timely payment
A1	A strong degree of safety for timely payment
A2	A satisfactory capacity for timely payment

(c) Reporting

- (i) A monthly information report should be provided to Council detailing the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio. The report should also detail investment income earned versus budget year to date.
- (ii) For audit purposes, certificates must be obtained from the banks/fund managers confirming the amounts of investment held on Council's behalf at 30 June each year.

(d) Variation to Policy

The Chief Executive Officer or his delegated representative be authorised to approve variations to this policy if the investment is to Council's advantage and/or due to revised legislation.



## 2.7 – Procurement Policy

Adoption		
Date	Meeting	Council Decision
10/10/17	OCM	06-1017-12.1
Review		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

### 1. Procurement

The Shire of Exmouth (the **Shire**) is committed to delivering the objectives, principles and practices outlined in this Policy, when purchasing goods, services or works to achieve the Shire's strategic and operational objectives.

This policy complies with the Local Government (Functions and General) Regulations 1996 (The Regulations).

#### 1.1 OBJECTIVES

The Shire's purchasing activities will achieve:

- The attainment of best value for money;
- Sustainable benefits, such as environmental, social and local economic factors are considered in the overall value for money assessment;
- Consistent, efficient and accountable processes and decision-making;
- Fair and equitable competitive processes that engage potential suppliers impartially, honestly and consistently;
- Probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest;
- Compliance with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, as well as any relevant legislation, Codes of Practice, Standards and the Shire's Policies and procedures;
- Efficiencies (time and resources) for the Shire of Exmouth
- Risks identified and managed within the Shire's Risk Management framework;
- Records created and maintained to evidence purchasing activities in accordance with the State Records Act and the Shire's Record Keeping Plan;
- Confidentiality protocols that protect commercial-in-confidence information and only release information where appropriately approved.

#### 1.2 ETHICS & INTEGRITY

The Shire's Code of Conduct applies when undertaking purchasing activities and decision making. Elected Members and employees must observe the highest standards of ethics and integrity and act in an honest and professional manner at all times.

#### 1.3 VALUE FOR MONEY

Value for Money is achieved through the critical assessment of price, risk, timeliness, and environmental, social, economic and qualitative factors to determine the most



advantageous supply outcome that contributes to the Shire achieving its strategic and operational objectives.

The Shire will apply value for money principles when assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

### **1.3.1 Assessing Value for Money**

Assessment of value for money will consider:

- All relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, training, maintenance and disposal;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality. This includes but is not limited to an assessment of compliances, tenderers resources available, capacity and capability, value-adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc.
- Financial viability and capacity to supply without the risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- A strong element of competition by obtaining a sufficient number of competitive quotations wherever practicable and consistent with this Policy;
- The safety requirements and standards associated with both the product design and the specification offered by suppliers and the evaluation of risk arising from the supply, operation and maintenance;
- The environmental, economic and social benefits arising from the goods, services or works required, including consideration of these benefits in regard to the supplier's operations, in accordance with this Policy and any other relevant Shire Policy; and
- Providing opportunities for businesses within the Shire's boundaries to quote wherever possible.

## **1.4 PURCHASING THRESHOLDS AND PRACTICES**

The Shire must comply with all requirements, including purchasing thresholds and processes, as prescribed within the Regulations, this Policy and associated purchasing procedures in effect at the Shire.

### **1.4.1. Policy Purchasing Value Definition**

Purchasing value for a specified category of goods, services or works is to be determined upon the following considerations:

- Inclusive of Goods and Services Tax (GST); and
- Where a contract is in place, the actual or expected value of expenditure over the full contract period, including all options to extend specific to a particular category of goods, services or works. OR

The calculated estimated Purchasing Value will be used to determine the applicable threshold and purchasing practice to be undertaken.



#### 1.4.2. Purchasing from Existing Contracts

The Shire will ensure that any goods, services or works required that are within the scope of an existing contract will be purchased under that contract.

Price variations are prohibited to existing contracts awarded by tender other than those provided within the original contract.

#### 1.4.3. Table of Purchasing Thresholds and Practices

This table prescribes Purchasing Value Thresholds and the applicable purchasing practices which apply to the Shire's purchasing activities.

The following list provides the Order of Process that should be utilised to undertake the procurement:

- Shire's Prequalified Supplier Panel
- Preferred Supplier Arrangement
- Common Use Arrangement
- RFQ to selected group as per this policy or RFT through public advertisement

If there is a Preferred Supplier Arrangement (PSA) in place that meets the requirements of the Shire, then the Shire requires that the PSA be considered in the first instance, irrespective of threshold.

If the Shire's Officer does not consider the PSA to be appropriate, then approval for an alternative approach needs to be given by the Shire's CEO or delegated authority.

Reasons for consideration of not using the PSA may include:

- Local supplier availability (who are not suppliers within the PSA);
- Social procurement – preference to use Aboriginal business or Disability Enterprise;

Purchase Value Threshold (inc GST)	Purchasing Practice Required
Up to \$5,000 (inc GST)	<p>Purchase directly from a supplier using a Purchasing or Corporate Credit Card issued by the Shire, or</p> <p>At least one (1) verbal or written quotation from a suitable supplier. Confirmed via Purchase Order.</p> <p>The rationale for the procurement decision should be documented and recorded in accordance with the Shire Records Management Policy.</p>
From \$5,001 and up to \$20,000 (inc GST)	<p>At least two (2) written quotations from suitable suppliers.</p> <p>For the purchasing of WALGA Services, a minimum of one (1) written quotation is to be sought and appropriately recorded. Confirmed via Purchase Order or Contract/Agreement.</p>



Purchase Value Threshold (inc GST)	Purchasing Practice Required
	<p>The purchasing decision is to be based upon assessment of the supplier's response to:</p> <ul style="list-style-type: none"> <li>• a brief outline of the specified requirement for the goods; services or works required; and</li> <li>• Value for Money criteria, not necessarily the lowest price.</li> </ul>
<p>\$20,001 and up to \$50,000 (inc GST)</p>	<p>At least three (3) written quotations from suitable suppliers.</p> <p>For the purchasing of WALGA Services, a minimum of one (1) written quotation is to be sought and appropriately recorded. Confirmed via Purchase Order or Contract/Agreement.</p> <p>The purchasing decision is to be based upon assessment of the suppliers response to:</p> <ul style="list-style-type: none"> <li>• a brief outline of the specified requirement for the goods; services or works required; and</li> <li>• Value for Money criteria, not necessarily the lowest quote.</li> </ul>
<p>\$50,001 and up to \$150,000 (inc GST)</p>	<p>At least three (3) written quotations from suppliers by invitation under a formal Request for Quotation.</p> <p>The purchasing decision is to be based upon assessment of the suppliers response to:</p> <ul style="list-style-type: none"> <li>• a detailed written specification for the goods, services or works required and</li> <li>• pre-determined evaluation criteria that assesses all best and sustainable value considerations.</li> </ul> <p>The procurement decision is to be represented using the Evaluation Report template.</p>
<p>Over \$150,000 (inc GST)</p>	<p>Where the Shire has an established Panel of Pre-Qualified Suppliers relevant to the required purchasing category, quotations must be sought from those suppliers only in accordance with the procedures prescribed Section 3.</p> <p>The purchasing decision is to be based upon the suppliers response to:</p> <ul style="list-style-type: none"> <li>• a specification of the goods, services or works (for a tender exempt process including the WALGA Preferred Supplier Arrangement); or a detailed specification for the open tender process; and</li> <li>• pre-determined evaluation criteria that assesses all best and sustainable value considerations.</li> </ul> <p>The procurement decision is to be represented using the Evaluation Report template.</p>



Purchase Value Threshold (inc GST)	Purchasing Practice Required
Emergency Purchases (Within Budget)	Must be approved by the Mayor / President or by the Chief Executive Officer under delegation and reported to the next available Council Meeting.
Emergency Purchases (Not Included in Budget)	<p>Only applicable where, authorised in advance by the Mayor / President in accordance with s.6.8 of the <i>Local Government Act 1995</i> and reported to the next available Council Meeting.</p> <p>Where the Shire has an established Panel of Pre-Qualified Suppliers relevant to the required purchasing category, the emergency supply must be obtained from the Panel suppliers.</p> <p>If however, no member of the Panel of Pre-qualified Suppliers or a suitable supplier from WALGA Preferred Supplier Arrangement is available, then the supply may be obtained from any supplier capable of providing the emergency purchasing requirement, and to the extent that it is reasonable in context of the emergency requirements, with due consideration of best and sustainable consideration.</p>
WALGA Services (excluding Preferred Supplier Program)	For the purchasing of WALGA Services, a minimum of one (1) written quotation is to be sought and appropriately recorded. Recording is to be in accordance with the threshold levels outlined above. Confirmed via Purchase Order or Contract/Agreement.
LGIS Services	For the purchasing of LGIS insurance requirements and other LGIS Services that are outside of the mutual scheme, a minimum of one (1) written quotation is to be sought and appropriately recorded. Confirmed via Purchase Order or Contract/Agreement.

The Chief Executive Officer is authorised to approve purchase orders for the purchasing of goods and services and acquiring or disposing of any property to the value of \$150,000.

Where the minimum Purchasing requirements can not be met, a file note signed by the Chief Executive Officer needs to be completed, detailing the reasons for not meeting the requirement. This process is to occur prior to the purchase occurring.

#### 1.4.4. Exemptions

An exemption from the requirement to publicly invite tenders may apply when the purchase is:



- obtained from a pre-qualified supplier under the WALGA Preferred Supplier Arrangement or other suppliers that are accessible under another tender exempt arrangement.
- from a pre-qualified supplier under a Panel established by the Shire;
- from a Regional Local Government or another Local Government;
- acquired from an Australian Disability Enterprise and represents Value for Money;
- the purchase is authorised under action by Council under delegated authority;
- within 6 months of no tender being accepted;
- where the contract is for petrol, oil, or other liquid or gas used for internal combustion engines; or
- the purchase is covered by any of the other exclusions under Regulation 11 of the Regulations.

#### **1.4.5. Inviting Tenders Under the Tender Threshold**

The Shire may determine to invite Public Tenders, despite the estimated Purchase Value being less than the \$150,000 threshold.

This decision will be made after considering:

- Whether the purchasing requirement can be met through the WALGA Preferred Supplier Program or any other tender exemption arrangement; and
- Any value for money benefits, timeliness, risks; and
- Compliance requirements.

A decision to invite Tenders, though not required to do so, may occur where an assessment has been undertaken and it is considered that there is benefit from conducting a publicly accountable and more rigorous process. In such cases, the Shire/Town/City's tendering procedures must be followed in full.

#### **1.4.6. Other Procurement Processes**

##### **1.4.6.1 Expressions of Interest**

Expressions of Interest (EOI) are typically considered in situations where the project is of a significant value, or contains significant complexity of project delivery that may solicit responses from a considerable range of industry providers.

In these cases, the Shire may consider conducting an EOI process, preliminary to any Request for Tender process, where the purchasing requirement is:

- Unable to be sufficiently scoped or specified;
- Open to multiple options for how the purchasing requirement may be obtained, specified, created or delivered;
- Subject to a creative element; or
- To establish a procurement methodology that allows for an assessment of a significant number of tenderers leading to a shortlisting process based on non-price assessment.

All EOI processes are conducted as a public process and similar rules to a Request for Tender apply. However, the EOI should not seek price information from respondents, seeking qualitative and other non-price information only. All EOI



processes should be subsequently followed by a Request for Tender through an invited process of those shortlisted under the EOI.

#### **1.4.6.2 Request for Proposal**

As an alternative to a Request for Tender, the Shire may consider conducting a Request for Proposal where the requirements are less known, or less prescriptive and detailed. In this situation, the Request For Proposal would still be conducted under the same rules as for a Request For Tender but would seek responses from the market that are outcomes based or that outline solutions to meet the requirements of the Shire.

#### **1.4.7. Emergency Purchases**

An emergency purchase is defined as an unanticipated purchase which is required in response to an emergency situation as provided for in the Act. In such instances, quotes and tenders are not required to be obtained prior to the purchase being undertaken.

Time constraints are not a justification for an emergency purchase. Every effort must be made to anticipate purchases in advance and to allow sufficient time to obtain quotes and tenders, whichever may apply.

#### **1.4.8. Sole Source of Supply**

A sole source of supply arrangement may only be approved where the:

- purchasing value is estimated to be over \$5,000; and
- purchasing requirement has been documented in a detailed specification; and
- specification has been extensively market tested and only one potential supplier has been identified as being capable of meeting the specified purchase requirement; and
- market testing process and outcomes of supplier assessments have been documented, inclusive of a rationale for why the supply is determined as unique and cannot be sourced through more than one supplier.

A sole source of supply arrangement will only be approved for a period not exceeding three (3) years. For any continuing purchasing requirement, the approval must be re-assessed before expiry to evidence that a Sole Source of Supply still genuinely exists.

#### **1.4.9. Anti-Avoidance**

The Shire will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of "splitting" the purchase value or the contract value, avoiding a particular purchasing threshold or the need to call a Public Tender. This includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

Utilising rolling contract extensions at the end of a contract term without properly testing the market or using a Tender exempt arrangement, will not be adopted as this would place this Local Government in breach of the Regulations (Regulation 12).



The Shire will conduct regular periodic analysis of purchasing activities within supply categories and aggregating expenditure values in order to identify purchasing activities which can be more appropriately undertaken within the Purchasing Threshold practices detailed in clause 1.4.3 above.

## **2. Sustainable Procurement**

The Shire is committed to implementing sustainable procurement by providing a preference to suppliers that *demonstrate* sustainable business practices (social advancement, environmental protection and local economic benefits).

The Shire will embrace Sustainable Procurement by applying the value for money assessment to ensure that wherever possible our suppliers demonstrate outcomes which contribute to improved environmental, social and local economic outcomes. Sustainable Procurement can be demonstrated as being internally focussed (i.e. operational environmental efficiencies or employment opportunities and benefits relating to special needs), or externally focussed (i.e. initiatives such as corporate philanthropy).

Requests for Quotation and Tenders will include a request for information from Suppliers regarding their sustainable practices and/or demonstrate that their product or service offers enhanced sustainable benefits.

### **2.1. LOCAL ECONOMIC BENEFIT**

The Shire encourages the development of competitive local businesses within its boundary first, and second within its broader region. As much as practicable, the Shire will:

- where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses;
- consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support);
- ensure that procurement plans address local business capability and local content;
- explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses;
- avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid; and
- provide adequate and consistent information to local suppliers.

To this extent, a qualitative weighting will be included in the evaluation criteria for quotes and Tenders where suppliers are located within the boundaries of the Shire, or substantially demonstrate a benefit or contribution to the local economy. This criteria will relate to local economic benefits that result from Tender processes.

The Shire will also consider adopting KPIs for successful suppliers that encourage the placement of the local workforce.

The Shire has adopted a Regional Price Preference Policy, which will be applied when undertaking all purchasing activities.



## **2.2. PURCHASING FROM DISABILITY ENTERPRISES**

An Australian Disability Enterprise may be contracted directly without the need to comply with the Threshold and Purchasing Practices requirements of this Policy, where a value for money assessment demonstrates benefits for the Shire's achievement of its strategic and operational objectives.

A qualitative weighting will be used in the evaluation of quotes and Tenders to provide advantages to Australian Disability Enterprises, in instances where not directly contracted.

## **2.3. PURCHASING FROM ABORIGINAL BUSINESSES**

Pursuant to Part 4 of the Local Government (Functions and General) Regulation 1996, the Shire is not required to publicly invite tenders if the goods and services are to be supplied from a person registered on the Aboriginal Business Directory published by the Small Business Development Corporation on [www.abdwa.com.au](http://www.abdwa.com.au), where the expected consideration under contract is worth \$250,000 or less. This is contingent on the demonstration of value for money. Where possible, Aboriginal businesses are to be invited to quote for supplying goods and services under the tender threshold. A qualitative weighting may be afforded in the evaluation of quotes and tenders to provide advantages to Aboriginal owned businesses, or businesses that demonstrate a high level of aboriginal employment.

## **2.4. PURCHASING FROM ENVIRONMENTALLY SUSTAINABLE BUSINESSES**

The Shire will support the purchasing of recycled and environmentally sustainable products whenever a value for money assessment demonstrates benefits for the Shire's achievement of its strategic and operational objectives.

A qualitative weighting will be used in the evaluation of quotes and tenders to provide advantages to suppliers which:

- demonstrate policies and practices that have been implemented by the business as part of its operations;
- generate less waste material by reviewing how supplies, materials and equipment are manufactured, purchased, packaged, delivered, used, and disposed; and
- encourage waste prevention, recycling, market development and use of recycled/recyclable materials.

## **3. Panels of Pre-qualified Suppliers**

### **3.1. OBJECTIVES**

The Shire will consider creating a Panel of Pre-qualified Suppliers ("Panel") when a range of similar goods and services are required to be purchased on a continuing and regular basis.

Part of the consideration of establishing a panel includes:



- there are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of 'value for money';
- the purchasing activity under the intended Panel is assessed as being of a low to medium risk;
- the Panel will streamline and will improve procurement processes; and
- the Shire has the capability to establish a Panel, and manage the risks and achieve the benefits expected of the proposed Panel through a Contract Management Plan.

### **3.2. ESTABLISHING AND MANAGING A PANEL**

If the Shire/Town/City decides that a Panel is to be created, it will establish the panel in accordance with the Regulations.

Panels will be established for one supply requirement, or a number of similar supply requirements under defined categories. This will be undertaken through an invitation procurement process advertised via a state-wide notice.

Panels may be established for a maximum of three (3) years. The length of time of a Local Panel is decided with the approval of the CEO/ Executive Director.

Evaluation criteria will be determined and communicated in the application process by which applications will be assessed and accepted.

In each invitation to apply to become a pre-qualified supplier, the Shire will state the expected number of suppliers it intends to put on the panel.

If a Panel member leaves the Panel, the Shire will consider replacing that organisation with the next ranked supplier that meets/exceeds the requirements in the value for money assessment – subject to that supplier agreeing. The Shire will disclose this approach in the detailed information when establishing the Panel.

A Panel contract arrangement needs to be managed to ensure that the performance of the Panel Contract and the Panel members under the contract are monitored and managed. This will ensure that risks are managed and expected benefits are achieved. A Contract Management Plan should be established that outlines the requirements for the Panel Contract and how it will be managed.

### **3.3. DISTRIBUTING WORK AMONGST PANEL MEMBERS**

To satisfy Regulation 24AD(5) of the Regulations, when establishing a Panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the Panel will prescribe one of the following as to whether the Shire intends to:

- obtain quotations from each pre-qualified supplier on the Panel with respect to all discreet purchases; or
- purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- develop a ranking system for selection to the Panel, with work awarded in accordance with the Regulations.

In considering the distribution of work among Panel members, the detailed information will also prescribe whether:



- each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; or
- work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under Regulation 24AD(5)(f) when establishing the Panel. The Shire/Town/City will invite the highest ranked Panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken. Should the offer be declined, an invitation to the next ranked Panel member is to be made and so forth until a Panel member accepts a Contract. Should the list of Panel members invited be exhausted with no Panel member accepting the offer to provide goods/services under the Panel, the Shire/Town/City may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in section 5.5 of this Policy. When a ranking system is established, the Panel will not operate for a period exceeding 12 months.

In every instance, a contract must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend the contract.

### **3.4. PURCHASING FROM THE PANEL**

The invitation to apply to be considered to join a panel of pre-qualified suppliers must state whether quotations are either to be invited to every Panel member (within each category, if applicable) of the Panel for each purchasing requirement, whether a ranking system is to be established, or otherwise.

Each quotation process, including the invitation to quote, communications with Panel members, quotations received, evaluation of quotes and notification of award communications must all be made through eQuotes (or other nominated electronic quotation facility).

## **4. Purchasing Policy Non-Compliance**

Purchasing Activities are subject to financial and performance audits, which review compliance with legislative requirements and also compliance with the Shire/Town/City's policies and procedures.

A failure to comply with the requirements of this policy will be subject to investigation, with findings to be considered in context of the responsible person's training, experience, seniority and reasonable expectations for performance of their role.

Where a breach is substantiated it may be treated as:

- an opportunity for additional training to be provided;
- a disciplinary matter, which may or may not be subject to reporting requirements under the Public Sector Management Act 1994;
- misconduct in accordance with the Corruption, Crime and Misconduct Act 2003.



## **5. Record Keeping**

All purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the State Records Act 2000 and the Shire's Record Keeping Plan. This includes those with organisations involved in a tender or quotation process, including suppliers.



## 2.11 – Use of Corporate Credit Card

Adoption		
Date	Meeting	Council Decision
10/10/17	OCM	06-1017 – 12.1
Review Details		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.		

### PURPOSE

To regulate the use of Shire of Exmouth Corporate Credit Cards held by Council employees.

### POLICY

This policy applies to all officers issued with a corporate credit card. It documents the responsibilities attached to the issue and acceptable use of these cards.

#### General

Credit Cards assist in achieving efficiencies in the purchasing and payment process as:

- They reduce the steps required to process and pay for a purchase.
- Credit Cards are a more flexible payment tool in order to enhance daily purchasing processes and reduce administrative costs.

These advantages result in prompt payment of suppliers, reduction in paperwork, improved cash management and greater convenience.

#### Authorised Use and Limits

Shire of Exmouth Corporate Credit Cards are to be used only in pursuit of official Council business. Corporate Credit Cards may be issued to the Chief Executive Officer, Executive Manager Development Services, Executive Manager Corporate Services and the Executive Manager Commercial and Community.

The following credit card limits apply:

- |  |          |
|--|----------|
| - Chief Executive Officer                    | \$10,000 |
| - Executive Manager Development Services     | \$5,000  |
| - Executive Manager Corporate Service's      | \$5,000  |
| - Executive Manager Commercial and Community | \$5,000  |

Council must approve the use of a credit card to the Chief Executive Officer, Executive Manager Development Services, Executive Manager Corporate Services and the Executive Manager Commercial and Community and any changes to their credit card limit.

The *Local Government Act 1995* does not allow for the issue of Corporate Credit Cards to Elected Members. There are no provisions within the Act which allow an Elected Member to incur a debt, as would occur with the use of a credit card.



## Financial Institution

The Shire's Corporate Credit Cards are to be issued by its financial institution.

## Purchasing and use of corporate credit cards

Corporate Credit Cards are only be used for purchasing goods and services on behalf of the Shire which is authorised in the current budget. Cardholders must follow the Shire of Exmouth Purchasing Policy. Personal expenditure is prohibited.

Under no circumstances are Corporate Credit Cards to be used for cash withdrawals.

Where the purchase has been made via facsimile, telephone, or over the internet an invoice or receipt is required in all circumstances and must contain details of the purchase.

For Fringe Benefits Tax purposes, any expenditure for entertainment must include the number of people who were in attendance and the full names of any Shire staff.

## Payments

The Financial Provider of the credit card will supply the Shire with a statement of account each month. The statement will be provided by the Accounts Officer to the respective cardholder for certification and the supply of receipts and tax invoices in support of the transactions. All paperwork must be returned to Accounts Officer within 7 days of receiving the statement.

Once the cardholder has returned the statement, it must be signed by the Chief Executive Officer's. An Executive Manager will be required to authorise and sign the Chief Executive Officer's statement.

A credit card transaction slip is not acceptable to support the claim.

All invoices/receipts must include the suppliers ABN, amount and whether GST applies, and a brief description of goods and services purchased.

## Stolen or lost credit card

In the event that the cardholder loses or misplaces their credit card they will need to report this to the issuing financial institution by telephone. Written notification must also be forwarded to the Finance Manager.

## Misuse of Corporate Credit Cards

All holders of corporate credit cards are in a position of trust in regard to the use of public funds and improper use of that trust may render the cardholder liable to disciplinary/ legal action / criminal prosecution. Improper use includes misuse and/or fraudulent use.

## Reward/Bonus Points

Where the corporate credit cards carry rewards or bonus points, under no circumstances are rewards or bonus points to be redeemed for an employee's private benefit. These rewards or points will be accumulated in the name of the Shire of Exmouth. The Chief Executive Officer will decide how these points are to be utilised.

## LEGISLATION

The use of Corporate Credit Cards is not specifically mentioned in the *Local Government Act 1995*.



However the impacts of the use and control of corporate credit cards are related to the following sections of the *Local Government Act 1995* –

1. Section 6.5(a) requires the CEO to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government.
2. *Local Government (Financial Management) Regulations 1996* regulation 11(1)(a) requires local governments to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained.





## 2.13 – Risk Management Policy

Adoption		
Date	Meeting	Council Decision
18/09/2014	OCM	07-0914-11.1.4
Review		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

### PURPOSE

This policy provides documented evidence of Council's commitment to appropriate and effective risk management, internal controls and legislative compliance and their importance to the organisation.

The Shire of Exmouth's ('Shire') intention is to identify potential risks before they occur so that impacts can be minimised or opportunities realised; ensuring that the Shire achieves its strategic and corporate objectives efficiently, effectively and within good corporate governance principles.

The policy will assist the organisation in addressing the risk of material misstatement of financial information, fraud and corruption, misappropriation of funds and loss of physical assets and ensure that Council meets its obligation under the Local Government Act 1995, associated Regulations and other legislation.

The Shire is committed to ensuring integrity and ethics are of great importance for all elected members and staff whilst fulfilling their obligations to ensure compliance with all legislation applying to local government.

### POLICY STATEMENT

It is the Shire's Policy to achieve best practice (aligned with AS/NZS ISO 31000:2018 Risk management), in the management of all risks that may affect the Shire in meeting its objectives.

Risk management, internal control and legislative compliance will form part of the Strategic, Operational, and Project responsibilities and be incorporated within the Shire's Integrated Planning Framework.

This Policy applies to Council and Elected Members, Committees and Committee Members, Executive Management, all employees and contractors involved in any Shire operations.



The Council is responsible for mandating that a strong risk management framework be implemented to ensure Council objectives are achieved efficiently and effectively and that good governance is present in the organisation. The Chief Executive Officer is responsible for developing and maintaining a risk management framework and will report regularly to the Audit Committee and Council on the review and improvement to Council's risk management framework.

All employees are accountable for documenting and implementing systems, controls, processes and procedures in their own area of responsibility and will play a part in internal control in differing degrees.

A monitoring and reporting process/system will be implemented which will provide reports to management, the Audit Committee and Council on the status of Risk Management, Internal Controls and Legislative Compliance within the Shire and which will identify the need for specific areas for review.

The Shire will ensure that when legislation changes, steps are taken to ensure that future actions comply with the amended legislation.

## **POLICY DETAILS**

The following points provide detail on the objective specifics:

1. Aligns with and assist the implementation of all Shire policies.
2. Optimises the achievement of the Shire's vision, mission, strategies, goals and objectives.
3. Provides transparent and formal oversight of the risk and control environment enabling effective decision making.
4. Enhances risk versus return within the Shire's risk appetite.
5. Embeds appropriate and effective controls to mitigate risk.
6. Achieves effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
7. Enhances organisational resilience.
8. Identifies and provides for the continuity of critical operations.
9. To implement a risk-based approach to addressing and reducing the risk of loss caused by fraud, error or misstatement.
10. To protect the Shire's assets – people, property, reputation, financial sustainability and information.
11. Continually audit, identify system gaps and improve internal controls maintained.
12. To ensure propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives.



13. Develop and maintain a system for identifying the legislation that applies to the Shire's activities.
14. Assign responsibilities for ensuring that legislation and regulatory obligations are fully addressed.
15. Provide training for relevant staff, Councillors, volunteers and other relevant people regarding the legislative requirements that affect them.
16. Provide people with the resources to identify and remain up-to-date with new legislation.
17. Ensure audits are conducted to guarantee compliance.
18. Establish mechanisms for reporting non-compliance.
19. Review accidents, incidents and other situations where there may have been non-compliance.
20. Review audit reports, incident reports, complaints and other information to assess how the systems of compliance can be improved.

### **Identifying Current Legislation**

- a. Electronic Versions of legislation

The Shire accesses up to date electronic versions of legislation through the Western Australian State Law Publisher website at [www.slp.wa.gov.au](http://www.slp.wa.gov.au)

Direct access to this site is provided from the Shire's networked computers.

- b. Hard copy versions of legislation

All Councillors, Executive Management are provided with a hard copy version of the Local Government Act 1995 and associated legislation.

Hard copy versions all include a statement similar to the following:

"Current legislation including the Local Government Act and Regulations is available from the State Law Publisher website. To ensure that you are referencing the most recent versions of the Act and Regulations, it is essential that you access the State Law Publisher website using the following link:

<http://www.slp.wa.gov.au/legislation/statutes.nsf/default.html>"

### **Identifying New Or Amended Legislation**

- a. Western Australian Government Gazette



The Shire provides website access for staff to the Government Gazette via the State Law Publisher website.

b. Department of Local Government and Communities

The Shire receives regular circulars from the Department of Local Government and Communities on any new or amended legislation. Such advice is received and processed through the Shire's Records Department and is distributed to the relevant staff.

c. Department of Planning

The Shire receives Planning Bulletins from the Department of Planning regarding any new or amended legislation. Such advice is received and processed through the Shire's Records Department and is distributed by the Records staff to the relevant Council officers for implementation.

d. Australian Local Governments Association (ALGA)

The Shire receives regular issues of the ALGA News. Such information is received and processed through the Shire's Records Department and distributed by Records staff to the relevant Council officers for information.

e. Western Australian Local Government Association (WALGA)

The Shire receives regular issues of the Local Government News from WALGA. Such information is received and processed through the Shire's Records Department and distributed by Records staff to the relevant Council officers for information.

### **Obtaining Advice on Legislative Provisions**

The Shire will obtain advice on matters of legislation and compliance where necessary. Contact can be made with the DLGSC, WALGA or the relevant initiating government department for advice.

### **Informing Council of Legislative Changes**

If appropriate, the Chief Executive Officer will, on receipt of advice of legislative amendments, advise the Council on new or amended legislation.

The Shire's format for all reports to Council meetings provides that all reports have headings "Statutory Environment" and "Policy Implications" which shall detail the current sections of any Act, Regulation or other legislation and any current Policy that is relevant to the report before Council.

### **Review of Incidents and Complaints of non-compliance**

The Shire shall review all incidents and complaints of non-compliance in accordance with Council Complaints Handling procedures, the Shire Code of Conduct and where applicable the Shire Public Interest Disclosure Procedure.



Such reviews will assess compliance with legislation, standards, policies and procedures that are applicable.

### **Reporting of Non-compliance**

All instances of non-compliance shall be reported immediately to the relevant Supervisor/Manager/Executive Manager. The Supervisor/Manager/Executive Manager shall determine the appropriate response and, if necessary, report the matter to the Chief Executive Officer

The Chief Executive Officer may investigate any reports of significant non-compliance and if necessary report the non-compliance to the Council and/or the Department of Local Government and Communities.

The Chief Executive Officer will then take the necessary steps to improve compliance systems.

### **KEY POLICY DEFINITION**

**Risk:** Effect of uncertainty on objectives.

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product or process).

**Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.

**Risk Management Process:** Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

### **RISK ACCEPTANCE (APPENDIX A)**

The Shire quantified its risk acceptance criteria through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria is included within the Risk Management Framework and is subject to ongoing review in conjunction with this policy.

All organisational risks to be reported at a corporate level are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisation's risk acceptance criteria and are to be noted within the individual risk assessment.

### **ROLES & RESPONSIBILITIES**

The CEO is responsible for the:

- Implementation of this Policy.



- Measurement and reporting on the performance of risk management.
- Review and improvement of this Policy and the Shire's Risk Management Framework at least annually or in response to a material event or change in circumstances.

The Shire's Risk Management Framework outlines in detail all roles and responsibilities associated with managing risks within the Shire.

#### Councillors and Committee Members

- Councillors and Committee Members have a responsibility to be aware of and abide by legislation applicable to their role.

#### Senior Management

- Senior Management should ensure that directions relating to compliance are clear and unequivocal and that legal requirements which apply to each activity for which they are responsible are identified. Senior Management should have systems in place to ensure that all staff are given the opportunity to be kept fully informed, briefed and/or undertake training about key legal requirements relative to their work within the Shire's financial capacity to do so.

#### Employees

- Employees have a duty to seek information regarding legislative requirements applicable to their area of work and to comply with legislation.
- Employees shall report through their supervisors to Senior Management any areas of non-compliance that they become aware of.

### **WORKPLACE INFORMATION**

AS/NZS 31000:2018 Risk management

Department of Local Government, Sport and Cultural Industries Risk Management Resources  
Shire Risk Management Framework



## Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
<b>Insignificant (1)</b>	Nil or negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact / profile. No or few complaints.	Inconsequential or no damage.	Contained, reversible impact managed by on site response
<b>Minor (2)</b>	First aid injuries. No lost work time.	\$1,000 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact / news item. Few Complaints.	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
<b>Moderate (3)</b>	Medical type injuries. Lost Time Injury < 1 week.	\$10,001 - \$100,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact. Widespread local complaints.	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
<b>Major (4)</b>	Medical type injuries. Lost Time Injury > 1 week.	\$100,001 - \$1,000,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, & third party actions. Regional media coverage.	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
<b>Catastrophic (5)</b>	Fatality, permanent disability	More than \$1,000,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, & third party actions. State &/or National media coverage.	Extensive damage requiring prolonged period of restitution  Complete loss of plant, equipment & building	Uncontained, irreversible impact



Measures of Likelihood			
Rating	Level	Description	Frequency
<b>Almost Certain</b>	<b>5</b>	The event is expected to occur in most circumstances.	More than once per year
<b>Likely</b>	<b>4</b>	The event will probably occur in most circumstances.	At least once per year.
<b>Possible</b>	<b>3</b>	The event should occur at some time.	At least once in 3 years.
<b>Unlikely</b>	<b>2</b>	The event could occur at some time.	At least once in 10 years
<b>Rare</b>	<b>1</b>	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 (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)



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 Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Exec Managers/ CEO
EXTREME	Unacceptable	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings			
Rating	Foreseeable	Description	
Effective	There is <u>little</u> scope for improvement.	<b>Documentation</b>	Processes (Controls) operating as intended and aligned to Policies / Procedures.
		<b>Operating Effectiveness</b>	Subject to ongoing monitoring.
		<b>Design Effectiveness</b>	Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	<b>Documentation</b>	Processes (Controls) generally operating as intended, however inadequacies exist.
		<b>Operating Effectiveness</b>	Nil or limited monitoring.
		<b>Design Effectiveness</b>	Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	<b>Documentation</b>	Processes (Controls) not operating as intended.
		<b>Operating Effectiveness</b>	Processes (Controls) do not exist, or are not being complied with.
		<b>Design Effectiveness</b>	Have not been reviewed or tested for some time



## 2.15 – Information Management – IT Systems Security

Adoption		
Date	Meeting	Council Decision
18/09/14	OCM	07-0914-11.1.4
Review		
Date	Meeting	Council Decision
22/11/18	OCM	04-1118
Delegation		
No.	Title	

### PURPOSE

This policy provides guidelines for the protection and use of information technology assets and resources within the Shire to ensure integrity, confidentiality and availability of data and assets.

### POLICY

This policy applies to all staff, elected members, contractors and others that are granted system access.

#### Physical Security

For all servers, mainframes and other network assets, the area must be secured with adequate ventilation and appropriate access through secure locked door with approved access.

It will be the responsibility of Executive Manager Corporate Services to ensure that this requirement is followed at all times. Any employee becoming aware of a breach to this security requirement is obliged to notify Executive Manager Corporate Services immediately.

All security and safety of all portable technology, such as laptop, notepads, iPad etc. will be the responsibility of the employee who has been issued with a laptop, notepads, iPads, mobile phones. Each employee is required to use locks or passwords, and to ensure the asset is kept safely at all times to protect the security of the asset issued to them.

In the event of loss or damage, Executive Manager Corporate Services will assess the security measures undertaken to determine if the employee will be required to reimburse the business for the loss or damage.

All portable digital assets, such as laptop, notepads, iPads when kept at the office desk is to be secured by relevant security measure, such as keypad, lock provided by relevant staff member.

#### Information Security

All significant records of the Shire that has administrative, fiscal, legal evidential historic or legal value and includes records that relate to Shire business is to be backed-up.

It is the responsibility of Executive Manager Corporate Services to ensure that data back-ups are conducted daily for Server back up and weekly tape back-ups and the backed-up data is as follows:



#### Daily server backups

- On a NAS located with the servers at Ningaloo
- On a NAS located in Depot Office
- IT Provider off site

#### Weekly and monthly tape backups

- At Ningaloo Centre Communications Room.
- Monthly tapes offsite at Old Admin Building

#### Email Archives

- On 2 drives located with Senior ICT Officer

#### Technology Access

Employees and contractors are required to adhere to the Shire of Exmouth's conditions outlined in the Conditions of Computer Use Agreement provided by the Senior ICT Officer and Human Resources.

The Shire Of Exmouth provides ongoing information security awareness to all employees and contractors to ensure responsibility and understanding of this policy.

All technology that has internet access must have anti-virus software installed. It is the responsibility of Executive Manager Corporate Services to ensure anti-virus software is installed up to date on all technology used by the business.

All information used within the business is to adhere to the privacy laws and the business's confidentiality requirements.

Senior ICT Officer is responsible for the issuing of initial password for all employees. Every employee will be issued with a temporary password to access the business technology and will be required to set a password for access which would need to be set at first login.

Where an employee forgets the password or is 'locked out' after three attempts, then contact Senior ICT Officer or IT Support Service Provider to initiate new password.

#### Password Set-Up

Maximum password age = **90** days (System will force password change after 90 days)

Password history = **12** remembered (people cannot use the last 4 passwords)

A password must meet the following conditions. These cannot be changed.

- Not contain the user's account name or parts of the user's full name that exceed two consecutive characters
- Be at least seven characters in length
- Contain characters from three of the following four categories:
  1. English uppercase characters (A through Z)
  2. English lowercase characters (a through z)
  3. Base 10 digits (0 through 9)
  4. Non-alphabetic characters (for example, !, \$, #, %)
- Complexity requirements are enforced when passwords are changed or created.



Staff are not to allow the use of their password to other staff members or external parties to ensure privacy of data is maintained.

Remote access to Shire corporate systems is approved for Executive & Managers approval at other levels is to be supported by relevant Executive Manager and approved by Chief Executive Officer.

All Councillors and Staff who have access to Council data, must have a password to secure the data at all times.



## SHIRE OF EXMOUTH



## BUSH FIRE BRIGADES LOCAL LAW 2020

## BUSH FIRES ACT 1954



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"PROXY



**SHIRE OF EXMOUTH**  
**BUSH FIRE BRIGADES LOCAL LAW**  
**BUSH FIRES ACT 1954**

Under the powers conferred by the *Bush Fires Act 1954* and under all other powers enabling it, the Council of the Shire of Exmouth resolved on 19 December 2019 to make the following local law.

**PART 1 - PRELIMINARY**

**1.1 Citation**

This local law may be cited as the *Shire of Exmouth Bush Fire Brigades Local Law 2020*.

**1.2 Definitions**

(1) In this local law unless the context otherwise requires -

**"Act"** means the *Bush Fires Act 1954*;

**"brigade area"** is defined in clause 2.2(1)(b);

**"brigade member"** means any member as defined in Section Part 4 - Brigade Membership, clause 4.1.;

**"brigade officer"** means a person holding a position referred to in clause 2.2 (l)(c), whether or not he or she was appointed by the local government or elected at an annual general meeting of a bush fire brigade or otherwise appointed to the position;

**"Bush Fire Advisory Committee"** means the persons appointed to a bush fire advisory committee under and in accordance with section 67 of the Act,

**"Bush Fire Brigade"** means a "bush fire brigade" as defined in section 7 of the Act;

**"Bush Fire Control Officer"** means a Bush Fire Control Officer appointed under the Act;

**"Bush Fire Operating Procedures"** means the Bush Fire Operating Procedures adopted by the local government as amended from time to time;

**"CEO"** means the Chief Executive Officer of the local government;

**"Chief Bush Fire Control Officer"** means the Chief Bush Fire Control Officer appointed under the Act;

**"Council"** means the Council of the local government;

**"Department"** means the department of the Public Service principally assisting in the administration of the *Fire and Emergency Services Act 1998*;

**"district"** means the area within the boundary of the Shire of Exmouth;

**"Firefighting member"** means a registered member of a brigade and is defined in clause 4.2;



**"local government"** means the Shire of Exmouth;

**"Regulations"** means Regulations made under the Act; and

**"Rules"** means the Rules Governing the Operation of Bush Fire Brigades set out in the First Schedule to this local law.

(2) In this local law, unless the context otherwise requires, a reference to-

- (a) a Captain;
- (b) a First Lieutenant;
- (c) a Second Lieutenant;
- (d) any additional Lieutenants;
- (e) a Training Officer;
- (f) an Equipment Officer;
- (g) a Secretary;
- (h) a Treasurer;

means a person holding that position in a bush fire brigade.

### **1.3 Repeal**

The *Bush Fire Brigades Local Law 2018* adopted by the Shire of Exmouth and published in the *Government Gazette* on 14 January 2019 is repealed.

### **1.4 Application**

This local law applies throughout the district.



## PART 2 - ESTABLISHMENT AND CANCELLATION OF BUSH FIRE BRIGADES

### ***Division 1 - Establishment of a bush fire brigade***

#### **2.1 Establishment of a bush firebrigade**

- (1) The local government may establish a bush fire brigade for the purpose of carrying out normal brigade activities.
- (2) A bush fire brigade is established on the date of the local government's decision under subclause (1).

#### **2.2 Name and officers of a bush firebrigade**

- (1) On establishing a bush fire brigade under clause 2.1(1) the local government is to-
  - (a) give a name to the bush fire brigade;
  - (b) specify the area in which the bush fire brigade is primarily responsible for carrying out the normal brigade activities (the "**brigade area**"); and
  - (c) appoint-
    - (i) a Captain;
    - (ii) a First Lieutenant;
    - (iii) a Second Lieutenant;
    - (iv) additional Lieutenants if the local government considers it necessary;
    - (v) an Equipment Officer;
    - (vi) a Secretary;
    - (vii) a Treasurer; and
    - (ix) any other position(s) deemed necessary for the effective management of brigade activities (e.g. Training Officer).
- (2) When considering the appointment of persons to the positions in subclause (1)(c), the local government is to have regard to the qualifications and experience which may be required to fill each position.
- (3) A person appointed to a position in subclause (1)(c) is to be taken to be a brigade member.
- (4) The appointments referred to in subclause (1)(c) expire at the completion of the first annual general meeting of the bush fire brigade.
- (5) If a position referred to in subclause (1)(c) becomes vacant prior to the completion of the first annual general meeting, then the local government is to appoint a person to fill the vacancy in accordance with subclause (2).

### ***Division 2 - Command at a fire***

#### **2.3 Ranks within the bush firebrigade**

- (1) Where under the Act and Bush Fire Operating Procedures members of a bush fire brigade have command of a fire, unless a bush fire control officer is in attendance at the fire, the Captain has full control over all other persons fighting the fire, and is to issue instructions as to the methods and tactics to be adopted by the fire fighters. In the absence of the Captain, the first Lieutenant, and in the absence of the first, the second Lieutenant and so on, in the order of seniority determined, is to exercise all the powers and duties of the Captain.



- (2) Where a bush fire control officer is in attendance at a fire which the members of a bush fire brigade have command of, under the Act and the Bush Fire Operating Procedures, the most senior bush fire control officer has full control over all other persons fighting the fire and is to issue instructions as to the methods and tactics to be adopted by the firefighters.

### ***Division 3 -Application of Rules to a brigade***

#### **2.4 Rules**

- (1) The Rules govern the operation of a bush fire brigade.
- (2) A bush fire brigade and each brigade member is to comply with the Rules.

### ***Division 4 - Transitional***

#### **2.5 Existing bush fire brigades**

- (1) Where a local government has established a bush fire brigade prior to the commencement date of this local law, then on and from the commencement date -
  - (a) the bush fire brigade is to be taken to be a bush fire brigade established under and in accordance with this local law: and
  - (b) the provisions of this local law apply to the bush fire brigade save for clause 2.2; and
  - (c) any rules governing the operation of the bush fire brigade are to be taken to have been repealed and substituted with the Rules on the commencement day.
- (2) In this clause *commencement day* means the day on which this local law comes into operation.

### ***Division 5 - Cancellation of a bushfire brigade***

#### **2.6 Cancellation of a bush fire brigaderegistration**

In accordance with section 41(3) of the Act, the local government may cancel the registration of a bush fire brigade if it is of the opinion that the bush fire brigade is not complying with the Act, this local law, the Bush Fire Operating Procedures or the Rules.

#### **2.7 New arrangement after cancellation of registration**

If a local government cancels the registration of a bush fire brigade, alternative fire control arrangements are to be made by the local government in respect of the brigade area.



## **PART 3 - ORGANISATION AND MAINTENANCE OF BUSH FIRE BRIGADES**

### ***Division 1 - Local government responsibility***

#### **3.1 Local government responsible for structure**

The local government is to ensure that there is an appropriate structure through which the organisation of bush fire brigades is maintained.

#### **3.2 Bush fire brigade to be supplied with Act**

The local government is to supply each Bush Fire Control Officer and each bush fire brigade with a copy of the Act, the Regulations, the Bush Fire Operating Procedures, this local law and any other written laws which may be relevant to the performance of the brigade officers' functions, and any amendments which are made thereto from time to time.

### ***Division 2 - Chief Bush Fire Control Officer***

#### **3.3 Managerial role of Chief Bush Fire Control Officer**

Subject to any directions of the CEO, the Chief Bush Fire Control Officer has primary managerial responsibility for the organisation and maintenance of bush fire brigades.

#### **3.4 Chief Bush Fire Control Officer may attend meetings**

The Chief Bush Fire Control Officer or his/her nominated representative may attend as a non-voting representative of the local government and/or the Department, at any meeting of a bush fire brigade.

#### **3.5 Duties of Chief Bush Fire Control Officer**

The duties of the Chief Bush Fire Control Officer include-

- a) provide leadership to bush fire brigades;
- b) monitor bush fire brigades' resourcing, equipment, protective clothing and training levels;
- c) liaise with the local government concerning fire prevention/ suppression matters generally and directions to be issued by the local government to bush fire control officers (including those who issue permits to burn), bush fire brigades or brigade officers; and
- d) ensure that bush fire brigades are registered with the local government and the Department, and that lists of brigade members are maintained.

### ***Division 3 - Bush Fire Advisory Committee***

#### **3.6 Functions of Advisory Committee**

If a Bush Fire Advisory Committee has been appointed, it is to have the functions set out in section 67 of the Act and is to include such number of nominees of the bush fire brigades as may be appointed by the local government from time to time.

#### **3.7 Advisory Committee to consider brigade motions**

The Bush Fire Advisory Committee shall consider any motion received from a bush fire brigade and may make a recommendation to the local government in relation to any motion supported by the Bush Fire Advisory Committee.



#### ***Division 4 - Appointment of Bush Fire Control Officers***

##### **3.8 Local Government to have regard to nominees for Bush Fire Control Officers**

When considering persons for the position of a bush fire control officer, the local government is to have regard to those persons nominated by any bush fire brigade pursuant to clause 3.11 but is not bound to appoint the persons so nominated.

##### **3.9 Local government to advise Bush Fire Advisory Committee of appointments**

Within one month of the local government being advised of persons nominated by bush fire brigades pursuant to clause 3.11 to serve as bush fire control officers, the local government is to advise the Bush Fire Advisory Committee of the persons appointed by the local government as bush fire control officers.

#### ***Division 5 -Annual general meetings of bush fire brigades***

##### **3.10 Holding of annual general meeting**

A bush fire brigade is to hold its annual general meeting during the month of June each year.

##### **3.11 Nomination of Bush Fire Control Officer to Bush Fire Advisory Committee**

Subject to clause 3.6, at the annual general meeting of a bush fire brigade, one brigade member is to be nominated to the Bush Fire Advisory Committee to serve as the Bush Fire Control Officer for the brigade area until the next annual general meeting.

If the local government has not established a Bush Fire Advisory Committee, then at the annual general meeting of a bush fire brigade, the bush fire brigade is to nominate one brigade member to the local government to serve as the Bush Fire Control Officer for the brigade area until the next annual general meeting.

##### **3.12 Notification of elected office bearers**

The Secretary is to forward a list of elected office bearers and contact details from the annual general meeting of a bush fire brigade to the Chief Bush Fire Control Officer within one month of the annual general meeting.



## **PART 4 - BRIGADE MEMBERSHIP**

### **4.1. Membership of a bush fire brigade**

The membership of a bush fire brigade consists of the following -

- (a) Firefighting members;
- (b) trainee members;
- (c) associate members;
- (d) cadet members;
- (e) honorary life members; and
- (f) other membership categories that individual brigades may implement.

### **4.2 Firefighting members**

Firefighting members are those persons being at least 16 years of age who undertake all normal brigade activities.

### **4.3 Trainee members**

Non-qualified members joining a bush fire brigade shall be classified as trainee members until assessed as competent in bush firefighting.

### **4.4 Cadet members**

Cadet members are -

- (a) to be aged 11 to 15 years;
- (b) to be admitted to membership only with the consent of their parent or guardian;
- (c) admitted for the purpose of training and are not to attend or be in attendance at an uncontrolled fire or other emergency incident;
- (d) to be supervised by a fire fighting member, who complies with the Department's Child Protection policy when undertaking normal brigade activities as defined by paragraphs (c), (d), (e), (f) and (g) of section 35A of the Act;
- (e) ineligible to vote at brigade meetings;
- (f) not to be assigned ranks under the Department's rank structure;
- (g) to be administered in accordance with the Bush Fire Operating Procedures.

### **4.5 Associate members**

Associate members are nonoperational members of a brigade who are not otherwise classified as a fire fighting member, trainee member or cadet member.

### **4.6 Honorary lifemember**

The brigade may by a simple majority resolution appoint a person as an honorary life member in recognition of services by that person to the bush fire brigade.

### **4.7 Notification of membership**

- (1) All completed applications for membership forms are to be submitted to the Chief Bush Fire Control Officer within one week of the application being made in accordance with clause 2.2(b) of the Rules.
- (2) As soon as practicable after the bush fire brigade annual general meeting, the Chief Bush Fire Control Officer will supply all bush fire brigades with a list of current membership. The bush fire brigades shall review those details and report any anomalies back to the Chief Bush Fire Control Officer within one month.



## **PART 5 - APPOINTMENT DISMISSAL AND MANAGEMENT OF MEMBERS**

### **5.1 Rules to govern**

The appointment, dismissal and management of brigade members by the bush fire brigade are governed by the Rules.

## **PART 6 - EQUIPMENT OF BRIGADES**

### **6.1 Policies of local government**

The local government may make policies under which it -

- (a) provides funding to bush fire brigades for the purchase of protective clothing, equipment and training; and
- (b) keeps bush fire brigades informed of opportunities for funding from other bodies.

### **6.2 Equipment in bush fire brigade area**

Not later than 31 January in each year, the bush fire brigade is to report to the local government the quantity and quality of all protective clothing, equipment and appliances of the brigade.

### **6.3 Funding from Local Government**

A request to the local government from the bush fire brigade for funding of protective clothing, equipment or appliance needs is to be received by the local government by 31 January in each year in order to be considered in the next following local government grant scheme.

### **6.4 Consideration in the local government budget**

The local government -

- 6.4.1 may approve or refuse an application for funding depending upon its assessment of budget priorities for the year in question; and
- 6.4.2 shall advise bush fire brigades of the final outcome pertaining to their individual requests for funding.



## SCHEDULE 1- RULES GOVERNING THE OPERATION OF BRIGADES

(Clauses 2.4, 5.1)

### PART 1 - PRELIMINARY

#### 1.1 Interpretation

- (1) Unless the context otherwise requires, where a term is used in these Rules and is defined in the local law, the Act or the Regulations, then the term is to be taken to have the meaning assigned to it in this local law, the Act or the Regulations, as the case may be.
- (2) In these Rules, unless the context otherwise requires-  
    **"simple majority"** means a majority of more than 50% of members of:
  - (a) brigade members of a bush fire brigade, present in person or by proxy; if the majority is required at a meeting of the bush fire brigade; or
  - (b) brigade officers of the bush fire brigade, present in person or by proxy, if the majority is required at a meeting of the committee.  
    **"absolute majority"** means a majority of more than 50% of the number of:
  - (a) brigade members of a bush fire brigade, whether in attendance at the meeting or not; if the majority is required at a meeting of the bush fire brigade; or
  - (b) brigade officers of the bush fire brigade, whether in attendance at the meeting or not, if the majority is required at a meeting of the committee.  
    **"Committee"** means the Committee of the bush fire brigade;  
    **"local law"** means the Shire of Exmouth Bush Fire Brigades Local Law; and  
    **"normal brigade activities"** is defined by section 35A of the Act.

### PART 2 - OBJECTIVES AND MEMBERSHIP OF A BUSH FIRE BRIGADE

#### 2.1 Objectives of a brigade

The objectives of the bush fire brigade are to carry out -

- (a) normal brigade activities; and
- (b) the functions of the bush fire brigade as specified in the Act, the Regulations and this local law.

#### 2.2 Applications for membership

Applications for membership of a bush fire brigade shall:

- (a) be made in the form as determined by the local government from time to time;
- (b) be submitted to the Secretary of the relevant bush fire brigade, who shall forward a copy of the application to the Chief Bush Fire Control Officer within one week of the application being submitted; and
- (c) shall be determined by the Committee of the bush fire brigade, having regard to any advice received from the Chief Bush Fire Control Officer in relation to the application.

#### 2.3 Conditions of membership

- (1) Members of a bush fire brigade shall comply with the Bush Fire Operating Procedures, the local government's Code of Conduct and the Department's Code of Conduct in carrying out normal brigade activities;
- (2) In relation to any type of membership, as described in Part 4 of the local law, the bush fire brigade may establish policies pertaining to-
  - (a) the qualifications required;
  - (b) a requirement to serve a probationary period;



- (c) procedures to be employed by the Committee, in assessing an application for membership, and the Committee is to determine applications for membership in accordance with any such policy.

## **2.4 Decision on application for membership**

- (1) Subject to clause 2.2, the Committee may -
  - (a) approve an application for membership unconditionally or subject to any conditions; or
  - (b) refuse to approve an application for membership.
- (2) If the Committee refuses to approve an application for membership, it is to give written notice of the refusal, as soon as practicable after the decision is made, to the applicant and advise the applicant that he or she has the right to object to the local government.

## **2.5 Department to be notified of registrations**

If any application for membership to a bush fire brigade is approved, the local government is to supply details of the approved application to the Department within 14 days of a person being admitted to membership in the form required by the Department from time to time.

## **2.6 Suspension of membership**

- (1) Membership of the bush fire brigade may be suspended at any time if, in the opinion of the CEO, the Committee, or the Chief Bush Fire Control Officer, circumstances warrant suspending the member.
- (2) Without limiting the generality of sub-clause (1), a member of a bush fire brigade may be suspended in the event the member:
  - (a) Contravenes the Act, the Regulations, the Bush Fire Operating Procedures, this local law or the bush fire brigade policies;
  - (b) displaying conduct detrimental to the interests of the bush fire brigade and or local government;
  - (c) has performed an unsafe act that jeopardizes the safety of the member or others;
  - (d) has been charged by the Police for a criminal offence and is awaiting court proceedings; or
  - (e) has acted in such a manner as to cause harm or distress to other brigade members.
- (3) The suspended member may be excluded immediately from all normal brigade activities or any specified bush fire brigade duties and activities.
- (4) The Brigade Captain or Chief Bush Fire Control Officer must notify the member in writing, advising of the suspension period and reasons for suspension.
- (5) The period of suspension shall be up to a maximum of three (3) consecutive months and shall be determined by the Committee or the Chief Bush Fire Control Officer
- (6) Upon the expiry of the period of suspension the Committee or the Chief Bush Fire Control Officer may:
  - (a) extend the period of suspension;
  - (b) terminate the membership; or
  - (c) reinstate the membership.

## **2.7 Termination of membership**

- (1) Membership of the brigade terminates if the member-
  - (a) dies;
  - (b) gives written notice of resignation to the Secretary;
  - (c) is dismissed by the Committee or Chief Bush Fire Control Officer, by reason of:
    - (i) failing to comply with the aims and objectives of the bush fire brigade;
    - (ii) failing to comply with the Act, the Regulations, the Bush Fire Operating Procedures,



- the local law or the bush fire brigade policies whilst;
  - (iii) displaying conduct detrimental to the interests of the bush fire brigade, the local government and or the Department;
  - (iv) being convicted of a criminal offence that in the opinion of the Chief Bush Fire Control Officer would ordinarily exclude the member from joining a brigade; or
  - (v) acting in such a manner as to cause harm or distress to other brigade members by their activities;
- (d) ceases to be a member or is taken to have resigned under subclause (2).
- (2) A brigade member who, in the opinion of the Committee or the Chief Bush Fire Control Officer, has not adequately fulfilled his or her role within the bush fire brigade, and has not responded to any written correspondence requesting that he or she state their intentions, within twenty- one (21) days, shall be deemed to have resigned from the bush fire brigade.
- (3) Where a membership is terminated, all property owned by the bush fire brigade; the local government or the Department that is held by or in the possession of the person whose membership has been terminated, shall be returned to the bush fire brigade or Local Government Administration Centre.

## **2.8 Member has right of defence**

A bush fire brigade member is not to be dismissed under clause 2.7(1)(c), or have his or her membership terminated under clauses 2.G(G)(b), without being given the opportunity to meet with the Committee or Chief Bush Fire Control Officer and respond to any allegations which might give grounds for dismissal or termination of membership.

## **2.9 Existing liabilities to continue**

The resignation, or dismissal of a member under clause 2.7 or the suspension or termination of a member under clause 2.6, does not affect any liability of the bush fire brigade member arising prior to the date of resignation, dismissal, suspension or termination as the case may be.

## **2.10 Objection Rights**

- (1) A person whose -
  - (a) application for membership is refused under clause 2.4(1)(b);
  - (b) membership is terminated under clauses 2.7(1)(c)(iv) or clause 2.6(6)(b); or
  - (c) membership is suspended under clause 2.6(1) or clause 2.6(2); has a right of objection to the local government Chief Executive Officer.
- (2) Where a person lodges an objection to the local government Chief Executive Officer pursuant to subclause (1), the local government Chief Executive Officer may dispose of the objection by -
  - (a) dismissing the objection;
  - (b) varying the decision objected to; or
  - (c) revoking the decision objected to, with or without-
    - (i) substituting for it another decision; or
    - (ii) referring the matter, with or without directions, for another decision by the Committee or Chief Bush Fire Control Officer.
- (3) No further right of review is available under this local law in respect of a decision made by a local government Chief Executive Officer pursuant to subclause(2).



## **PART 3 - FUNCTIONS OF BRIGADE OFFICERS**

### **3.1 Chain of command during firefighting activities**

Subject to the Act and the local law, the command procedures to apply during firefighting activities are as detailed in the local government's Bush Fire Operating Procedures.

### **3.2 Captain**

- (1) The Captain is the most senior operational member of the brigade.
- (2) Subject to subclause (3) below, the Captain is to preside at all meetings.
- (3) In the absence of the Captain, the meeting is to be presided by the next senior operational person.
- (4) The Captain is responsible for the efficient administration of the brigade.

### **3.4 Secretary**

The Secretary is to-

- (a) be in attendance at all meetings and keep a correct minute and account of the proceedings of the brigade which shall be open for inspection by brigade members at any reasonable time;
- (b) answer all correspondence or direct it appropriately, and keep a record of the same;
- (c) prepare and send out all necessary notices of meetings;
- (d) receive donations and monies on behalf of the brigade, and remit them to the Treasurer upon receipt; and
- (e) maintain a register of all current brigade members which includes each brigade member's contact details and type of membership.

### **3.5 Treasurer**

The Treasurer is to -

- (a) receive donations and monies from the Secretary, and deposit all monies to the credit of the brigade's bank account;
- (b) pay accounts as authorised by the brigade;
- (c) keep a record of all monies received and payments made, maintain the accounts and prepare the balance sheet for each financial year;
- (d) be the custodian of all monies of the brigade; and
- (e) report on the financial position at meetings of the brigade and or Committee.

### **3.6 Equipment Officer**

The Equipment Officer is responsible for the inspection and maintenance of all equipment and appliances as directed by the brigade Captain.

### **3.7 Storage of equipment**

The Equipment Officer may store part or all of the equipment of the brigade at a place approved by the Chief Bush Fire Control Officer.



## **PART 4 - COMMITTEE**

### **4.1 Management of a bush fire brigade**

- (1) Subject to the provisions of these Rules, the administration and management of the affairs of a bush fire brigade are vested in the Committee.
- (2) Without limiting the generality of subclause (1), the Committee is to have the following functions
  - (a) to recommend to the local government amendments to these Rules;
  - (b) to approve the annual budget for the brigade and present it at the annual general meeting of the bush fire brigade;
  - (c) to propose a motion for consideration at any meeting of the bush fire brigade;
  - (d) to recommend to the local government equipment which needs to be supplied by the local government to the bush fire brigade;
  - (e) to invest or place on deposit any of the funds of the bush fire brigade not immediately required to perform the normal brigade activities;
  - (f) to delegate to a person, as from time to time thought fit, any functions (being less than the total functions of the Committee) on any conditions it thinks fit;
  - (g) to do all things necessary or convenient in order to perform any of its functions and to secure the performance of the normal brigade activities by the bush fire brigade; and
  - (h) deal with membership applications, grievances, disputes and disciplinary matters.

### **4.2 Membership of Committee**

- (1) The Committee of the bush fire brigade is to consist of the Captain, First Lieutenant, Secretary, Treasurer, 2 other brigade members and any other brigade members as may be determined by the Committee from time to time.
- (2) The Committee members are to -
  - (a) be elected at the annual general meeting of the bush fire brigade;
  - (b) hold office until the next annual general meeting; and
  - (c) be eligible for re-election at the next annual general meeting.

### **4.3 Termination of Committee membership**

- (1) Any Committee member may be removed from office by an absolute majority decision of the brigade members present in person or by proxy at a special general meeting called for such a purpose.
- (2) If a position becomes vacant prior to the commencement of the annual general meeting, then the bush fire brigade is to elect a person to fill the vacancy at a special general meeting within 4 weeks of the vacancy occurring.
- (3) The local government is to be advised of the removal of a committee member from office pursuant to subclause (1), or the election of a person to fill a vacancy pursuant to subclause (2) within seven (7) days.



## **PART 5 - MEETINGS OF THE BRIGADE**

### **5.1 General meetings**

- (1) General meetings may be called at any time by the Secretary by giving at least 7 days' notice to all brigade members and the Chief Bush Fire Control Officer.

### **5.2 Special General meetings**

- (1) The Secretary is to call a special general meeting when 5 or more brigade members request one in writing or where this local law requires such a meeting.
- (2) At least 14 days' notice of a special general meeting is to be given by the Secretary to all brigade members and the Chief Bush Fire Control Officer.
- (3) In a notice given under subclause (2), the Secretary is to specify the business which is to be conducted at the meeting.
- (4) No business is to be conducted at a special general meeting beyond that specified in the notice given under subclause (3) in relation to that meeting.

### **5.3 Annual General meeting**

- (1) At least 14 days' notice of the annual general meeting is to be given by the Secretary to all brigade members and the Chief Bush Fire Control Officer.
- (2) At the annual general meeting the bush fire brigade is to-
  - (a) elect the brigade officers from among the brigade members;
  - (b) consider the Captain's report on the year's activities;
  - (c) adopt the annual financial statements;
  - (d) deal with any general business arising from the previous annual general meeting; and
  - (e) deal with any business approved by the Captain.

### **5.4 Notice of a meeting**

- (1) Notices of meetings of the bush fire brigade are to be in writing and may be:
  - (a) sent by ordinary post to the registered address of each brigade member;
  - (b) given in person to each brigade member;
  - (c) by email; and or
  - (d) by notice published in a newspaper circulating in the area of the bush fire brigade.
- (2) The notice of a meeting shall:
  - (a) Set out the date, time and place of the meeting;
  - (b) Set out particulars of motions of which notice has been given; and in the case of special meetings, set out particulars of the business to be transacted.
- (3) Notices of meetings of the Committee may be given in writing in accordance with subclause (1) or by such other means as the Committee may decide (by an absolute majority) at a meeting of the Committee.
- (4) Any accidental omission to give notice of a meeting to, or non-receipt by a person entitled to receive such notice, is not to invalidate the meeting, the subject of notice or any resolutions passed at the meeting.



## **5.5 Quorum**

- (1) Except for meetings of the Committee, the quorum for a meeting of a bush fire brigade is-
  - (a) Where membership is 3 or less-100% of members;
  - (b) Where membership is 4 or more, but less than 8-3 members;
  - (c) Where membership is 8 or more, but less than 12-4members;
  - (d) Where membership is 12 or more, but less than 20-5 members; or
  - (e) Where membership is 20 or more- 25% of members.
- (2) No business is to be transacted at a meeting of the bush fire brigade unless a quorum of brigade members is present in person.
- (3) Should a quorum not be present, all matters requiring urgent decision are to be referred to the CBFCO for decision.
- (4) If a meeting ceases to have a quorum at any time, the presiding member is too immediately-
  - (a) Close the meeting; or
  - (b) Adjourn the meeting for not more than 30 minutes after which the meeting is to be closed if a quorum is not achieved within that time.

## **5.6 Voting**

- (1) Each brigade member is to have one vote, however in the event of an equality of votes, the Captain (or person presiding) may exercise a casting vote.
- (2) Subject to these Rules, where a decision is to be made by the bush fire brigade, then the decision may be made by a resolution passed by a simple majority of the brigade members.

# **PART 6 - MEETINGS OF COMMITTEE**

## **6.1 Meetings of Committee**

- (1) The Committee is to meet for the despatch of business, adjourn and otherwise regulate its meeting as it thinks fit.
- (2) The Captain or the Secretary, may convene a meeting of the Committee at any time.
- (3) Where a Committee member cannot be contacted, a notice of meeting of the Committee is to be in writing and may be:
  - (a) sent by ordinary post to the registered address of the Committee member; or
  - (b) sent by email;7 days prior to the meeting.
- (4) Where the business is of an urgent nature and subclause (3) is not reasonable, upon request from the Captain or Secretary, the Chief Bush Fire Control Officer will determine if the meeting of the Committee is to be held or not.

## **6.2 Quorum**

- (1) The quorum for a Committee meeting is five members of the Committee present in person.
- (2) No business is to be transacted at a meeting of the Committee without a quorum of Committee members.



- (3) Subject to these Rules, where a decision is to be made by the Committee, then the decision may be made by a resolution passed by a simple majority of Committee members who are present in person or by proxy at the meeting.

### **6.3 Voting**

Each committee member is to have one vote, however in the case of an equality of votes, the Captain (or person presiding) may exercise an additional casting vote.

## **PART 7 - GENERAL ADMINISTRATION MATTERS**

### **7.1 Funds**

The funds of a bush fire brigade are to be used solely for the purpose of promoting the objectives of the bush fire brigade.

### **7.2 Financial year**

The financial year of a bush fire brigade is to commence on 1 May and is to end on 30 April of the following year.

### **7.3 Banking**

- (1) The funds of a bush fire brigade are to be placed in the bush fire brigade's bank account and are to be drawn on only by:
  - (a) cheques signed jointly by any 2, of the Captain, Secretary or Treasurer; or
  - (b) authorised use of electronic banking by the Secretary or Treasurer in accordance with sub-clause (2).
- (2) For the purposes of subclause (1)(b), any 2 of the Captain, Secretary or Treasurer may authorise in writing the use of electronic banking to draw on the funds of a bush fire brigade.

### **7.4 Disclosure of interests**

- (1) A brigade member shall disclose to the bush fire brigade or the Committee any financial interest (whether direct or indirect) he or she may have in any matter being considered by the bush fire brigade or the Committee, as appropriate.
- (2) If a financial interest has been disclosed under subclause (1), then the member shall not vote on that matter.

### **7.5 Dispute Resolution**

- (1) Any dispute between brigade members shall be referred to either the Captain or to the Committee for resolution.
- (2) Where a dispute referred under subclause (1) is considered by the Captain or the Committee to concern the general interests of the bush fire brigade, then the Captain or the Committee, as the case may be, is to refer the dispute to a general meeting, a special general meeting or to an annual general meeting of the bush fire brigade.
- (3) Where a dispute referred under subclause (2) is not resolved, the Captain or the Committee shall refer the dispute to the Chief Bush Fire Control Officer for resolution.



- (4) Where a dispute referred under subclause (3) is not resolved, the Chief Bush Fire Control Officer shall refer the dispute to the CEO and the Department. The CEO is the final authority on matters affecting the bush fire brigade, and may resolve any dispute which is not resolved under subclause (1), (2) or (3). A determination of a dispute by the CEO is final.

## **7.6 Auditing**

- (1) The bush fire brigade shall supply to the local government the full financial records of the bush fire brigade for the financial year not more than 7 days after the end of that financial year.
- (2) The local government appointed auditor is to audit the financial records of the bush fire brigade and is to certify to their correctness or otherwise and provide a report to the Committee.

# **PART 8 - NOTICES AND PROXIES**

## **8.1 Notices**

- (1) Where any notice other than a notice of meeting is to be given under these Rules, the notice is to be given by -
- (a) Personal delivery; or
  - (b) Post; or
  - (c) Email.

## **8.2 Proxies**

- (1) Where under these Rules a brigade member may vote by proxy, in order for the proxy to so vote, the brigade member or the proxy shall give a notice, in the form of that appearing in this clause, to the person presiding at the meeting before the start of the meeting at which the proxy is to be used.
- (2) A proxy is to be valid for the meeting for which it is given and for any adjournments of that meeting.
- (3) A proxy shall be valid for the number of votes to which the brigade member is entitled.
- (4) If the non-attending member of the proxy does not give any indication of the manner in which the proxy is to vote, the proxy shall be entitled to vote or not vote as he or she thinks fit.
- (5) A proxy shall be entitled to speak on behalf of the non-attending member of the proxy.
- (6) All forms appointing proxies deposited under subclause (1) are to be retained by the Secretary for not less than 28 days after the conclusion of the meeting to which they relate, but if there is any objection to the validity of any vote at the meeting, they are to be retained until the determination of that objection.
- (7) The form appointing a proxy shall be in writing and signed by the brigade member appointing the proxy and shall be in or substantially in the form set out below-



**"PROXY**

**[INSERT NAME] BUSH FIRE BRIGADE**

**[ANNUAL] [EXTRAORDINARY] [SPECIAL] GENERAL MEETING  
TO BE HELD ON [DATE]**

I, \_\_\_\_\_,

Being a brigade member appoint \_\_\_\_\_ to be  
my proxy and vote on my behalf at the meeting of the bush fire  
brigade to be held on [insert date] and at any adjournment of it.  
The proxy shall vote as follows:

MOTION        FOR        AGAINST        ABSTAIN

1. ....
2. ....

If there is no instruction to the proxy as to the way to vote, the  
proxy shall exercise her or his discretion as to how to vote or  
whether to vote at all. In respect of any vote taken at the  
meeting on a matter which does not appear on the agenda, the  
proxy shall exercise her or his discretion as to the way he or she  
casts the vote or whether it is cast at all.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

NOTE: To be valid this proxy must be completed and returned  
to the Secretary of the bush fire brigade (or the presiding  
member) prior to the commencement of the meeting for which  
the proxy is valid.



# Shire of Exmouth PUBLIC NOTICE

## *Bush Fire Brigades Local Law 2020*

Notice is hereby given that the Shire of Exmouth has prepared the abovementioned local law for application.

The purpose of the proposed Shire of Exmouth Bush Fire Brigades Local Law is to make provisions about the running and control of Bushfire Brigades in the Shire of Exmouth reflective of the Memorandum of Understanding with the Department of Fire and Emergency Services

The effect of the proposed Local Law is The Department of Fire and Emergency Services will be better able to command the running of Bush Fire Brigades in the Shire of Exmouth in accordance with the Memorandum of Understanding with the Shire of Exmouth.

The proposed local law is available for inspection at the Shire of Exmouth Administration Centre, 2 Truscott Crescent Exmouth during office hours. The proposed local law is also available on the Shire's website [www.exmouth.wa.gov.au](http://www.exmouth.wa.gov.au)  
*Your Council – Local Laws – Bush Fire Brigades.*

Submissions may be lodged via email: [records@exmouth.wa.gov.au](mailto:records@exmouth.wa.gov.au)  
(Subject line to read: Bush Fire Brigades Local Law 2020) or in writing and mailed to Shire of Exmouth P.O. Box 21 Exmouth 6707. Submissions must be lodged by 4:00pm Monday 9<sup>th</sup> December 2019.

Enquiries on the proposed local law should be directed to Colin Walker on telephone (08) 9949 3082 or email: [cesc@exmouth.wa.gov.au](mailto:cesc@exmouth.wa.gov.au)

Cameron Woods,  
Chief Executive Officer







---

## Minister for Emergency Services; Corrective Services

Our Ref: 65-10900

Mr Keith Woodward  
Deputy Chief Executive Officer  
Shire of Exmouth  
PO Box 21  
EXMOUTH WA 6707

Dear Mr Woodward

Thank you for your correspondence dated 10 October 2019 regarding the proposed Shire of Exmouth *Bush Fire Brigades Local Law 2019*.

Your correspondence was forwarded to the Department of Fire and Emergency Services for comment on the content of the proposed local law. The Department has advised it has no feedback regarding the proposed amendments.

I thank you for writing to me on this matter and trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Francis Logan'.

**HON FRANCIS LOGAN MLA**  
**MINISTER FOR EMERGENCY SERVICES; CORRECTIVE SERVICES**

27 NOV 2019



**Subject:** FW: Department of Local Government - Comments on proposed bush fire brigades local law

**Subject:** Department of Local Government - Comments on proposed bush fire brigades local law  
Dear Mr Woodward

This email is in response to your letter dated 10 October 2019 addressed to the Minister for Local Government regarding the Shire's proposed local law.

The Department's comments are noted below. Please contact me if you have any queries regarding the comments.

### Shire of Exmouth Bush Fire Brigades Local Law 2019

#### 1. Minister of Emergency Services

Bush fire brigades local laws are made under the *Local Government Act 1995* and the *Bush Fires Act 1954*. Accordingly, the local government must ensure that it provides a copy of the proposed local law to the Minister for Emergency Services, if it has not done so already.

#### 2. Heads of power

In addition to being made under the *Bush Fires Act 1954*, bush fire brigades local laws are also made using power conferred by the *Local Government Act 1995*. It is suggested that a reference to the Local Government Act be included in the enacting clause and the title block.

The standard formatting has been drafted as an example for the Shire's consideration:

---  
LOCAL GOVERNMENT ACT 1995  
BUSH FIRES ACT 1954  
*Shire of Exmouth*  
BUSH FIRE BRIGADES LOCAL LAW 2019

Under the powers conferred by the *Local Government Act 1995*, *Bush Fires Act 1954*, and all other powers enabling it, the Council of the Shire of Exmouth resolved on (date) to make the following local law.

---

#### 3. Minor edits

The following minor edits are suggested:

- Defined terms should be in bold, italics and without quote marks. It is suggested that the Shire reformat clause 1.2 and 1.1(2) of Schedule 1 to reflect this.
- Clauses, subclauses and paragraphs should be formatted as a single sentence. If it is impossible for the clause to be contained in one sentence, it should be broken up into subclauses or paragraphs where appropriate. It is suggested that clauses 2.3(1), 3.11 and 4.7(2) be reformatted to reflect this.
- **Clause 1.2:**
  - In the definition of *brigade member*, delete the full stop between "4.1" and the semicolon.



- In the definition of **Department**, replace "Public Service" with "public service".
- In subclause (2)(g) insert the word "or" after the semicolon.
- In subclause (2)(h) replace the semicolon with a comma.
- **Clause 1.3:** replace "*Bush Fire Brigades Local Law 2012* adopted by the Shire of Exmouth" with "*Shire of Exmouth Bush Fire Brigades Local Law 2012*".
- **Clause 2.5:** In subclause (2), bold the words "*commencement day*".
- **Clause 3.5:** Put closed brackets around each paragraph designator.
- **Clause 6.4:** redesignate paragraphs "6.4.1" and "6.4.2" as "(a)" and "(b)" respectively.
- **Schedule 1:**
  - **Clause 2.3(2)(a):** Insert a space between "qualifications" and "required".
  - **Clause 2.3(2)(b):** insert the word "and" after the semicolon.
  - **Clause 2.6(2):** replace "sub-clause" with "subclause".
  - **Clause 2.6(5):** insert a full stop at the end of the subclause.
  - **Clause 2.6(6):** on the second line change the
  - **Clause 2.7(1)(c)(v):** insert the word "or" after the semicolon.
  - **Clause 2.8:** it is suggested that the Shire review the clause reference to "2.G(G)(b)" to ensure that the correct reference is used. It is likely that the reference should read "2.6(6)(b)", but the Shire should confirm.
  - **Clause 4.1(2):** in the first line, insert a dash after the word "functions".
  - **Clause 5.4(1)(c):** delete the word "and" or "or" depending on how the Shire wants the clause to function.
  - **Clause 6.1(3)(b):** replace the semicolon with a comma.
  - **Clause 7.5(4):** it is suggested that this subclause be split into separate paragraphs.
  - **Clause 8.1:**
    - remove the designation "(1)" as there are no other subclauses.
    - In paragraph (a), delete the word "or".
    - The capital letters at the beginning of each paragraph can be changed to lower case.
  - **Clause 8.2:** it is suggested that the proxy form in subclause (7) be placed in a separate Schedule and the words "in the form set out below" be replaced with a reference to that Schedule.
- **End of local law:** Insert a section for the signatures and common seal.

The Shire should also ensure that all references, cross references and citations are accurate.

#### **Minister's Directions – pursuant to s 3.12(7) of the Local Government Act 1995**

Please note: once the Shire has published a local law in the *Government Gazette*, the Shire must comply with the requirements of the Minister's *Local Laws Explanatory Memoranda Directions 2010*. The Shire must, within 10 working days of the Gazettal publication date, forward the signed Explanatory Memoranda material to the Committee at the current address:



Committee Clerk  
Joint Standing Committee on Delegated Legislation  
Legislative Council Committee Office  
GPO Box A11  
PERTH WA 6837  
Email: [delleg@parliament.wa.gov.au](mailto:delleg@parliament.wa.gov.au)  
Tel: 9222 7404  
Fax: 9222 7805

A copy of the Minister's Directions and Explanatory Memoranda forms can be downloaded from the Department of Local Government and Communities website at [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au). Failure to comply with the Directions may render the local law inoperable.

Please note that my comments:

- have been provided to assist the Shire with drafting matters in relation to the local law;
- do not constitute legal advice;
- have been provided in good faith for the Shire's consideration; and
- should not be taken as an approval of content.

The Shire should ensure that a detailed editorial analysis of the proposed local law has been undertaken and that the content of the local law is in accordance with the Shire's policies and objectives.

Regards

**Steven Elliott**

Senior Legislation Officer

Department of Local Government, Sport and Cultural Industries

140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844

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Web [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au)

*The Department acknowledges the Aboriginal peoples of Western Australia as the traditional custodians of this land, and we pay our respects to their Elders past and present.*







# Monthly Financial Report

For the period ended

## November 2019

PO Box 21  
2 Truscott Crescent  
Exmouth  
Western Australia 6707

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ABN: 32 865 822 043



**SHIRE OF EXMOUTH**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the Period Ended 30 November 2019**

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

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# MONTHLY FINANCIAL REPORT

## FOR THE PERIOD ENDED 30 NOVEMBER 2019

# INFORMATION

### PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 30 Nov 2019

Prepared by: Manager of Finance

Reviewed by: Executive Manager Corporate Services

### BASIS OF PREPARATION

#### REPORT PURPOSE

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

#### BASIS OF ACCOUNTING

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

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 14.

### SIGNIFICANT ACCOUNTING POLICIES

#### GOODS AND SERVICES TAX

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

#### CRITICAL ACCOUNTING ESTIMATES

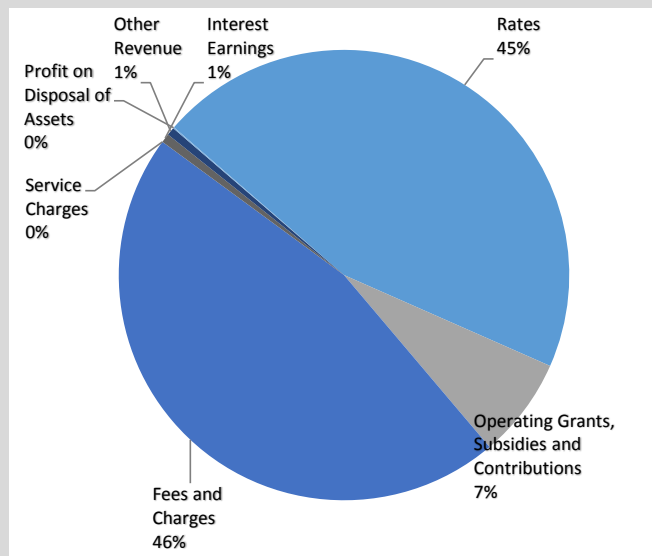
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### ROUNDING OFF FIGURES

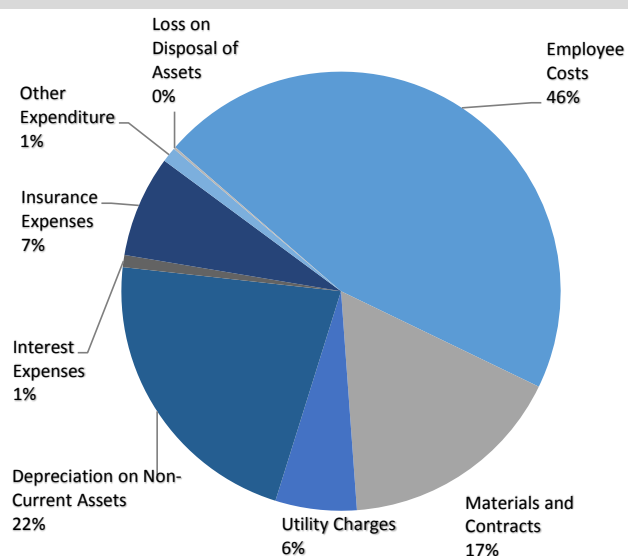
All figures shown in this statement are rounded to the nearest dollar.



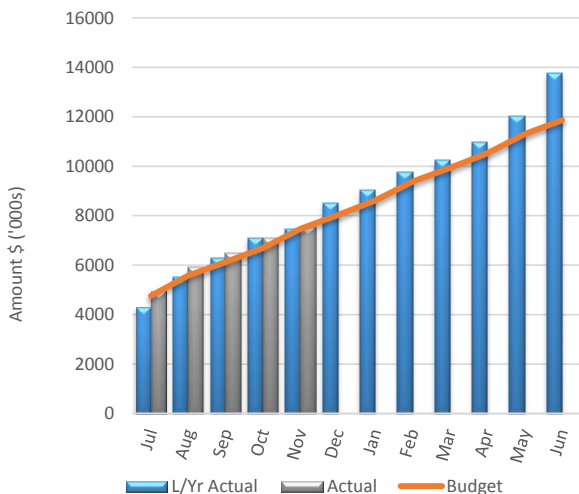
**OPERATING REVENUE**



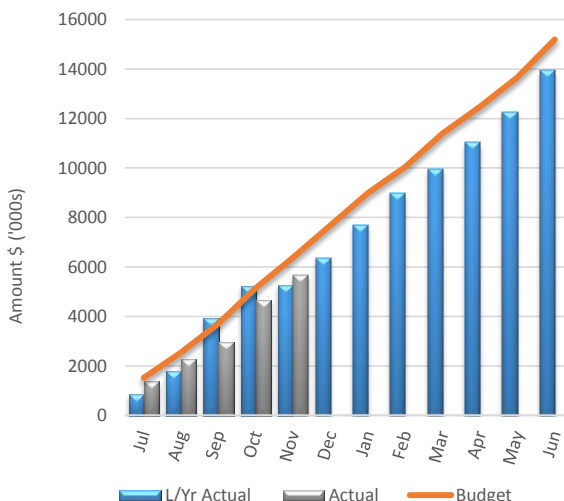
**OPERATING EXPENSES**



**Operating Revenue -v- YTD Budget**

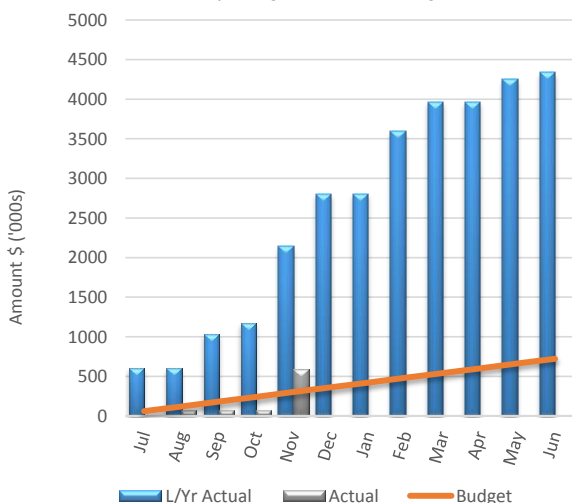


**Operating Expenses -v- YTD Budget**



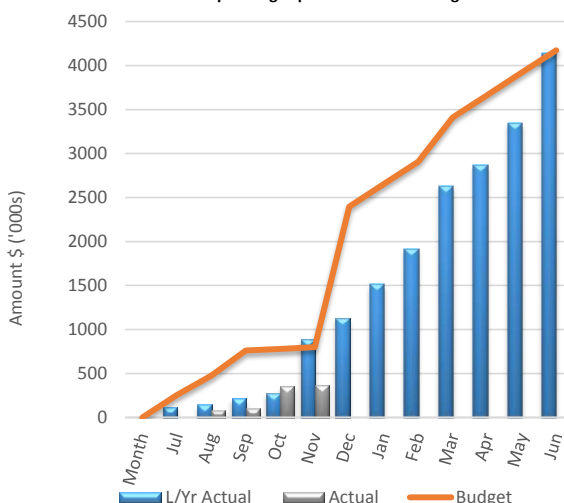
**CAPITAL REVENUE**

**Non-Operating Revenue -v- YTD Budget**



**CAPITAL EXPENSES**

**Non-Operating Expenditure -v- YTD Budget**





KEY TERMS AND DESCRIPTIONS  
FOR THE PERIOD ENDED 30 NOVEMBER 2019

STATUTORY REPORTING PROGRAMS

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

	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services	The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grant and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Maternal and infant health, preventative service and environmental health.
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of playgroup and senior citizens buildings.
<b>HOUSING</b> To provide housing to staff members.	Administration and operation of residential housing for council staff.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, centres, swimming pool, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio re-broadcasting facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.
<b>ECONOMIC SERVICES</b> The promotion of the district to increase economic activities and the provision of building control within the shire.	Tourism, area promotion and building control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overheads operation accounts.	The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs.



**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**STATUTORY REPORTING PROGRAMS**

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening Funding Surplus / (Deficit)</b>	1(c)	3,040,153	3,040,153	<b>3,716,619</b>	676,466	22.25%	
<b>Revenue from operating activities</b>							
Governance		0	0	<b>(159)</b>	(159)	0.00%	
General Purpose Funding - Rates	7	3,387,225	3,383,725	<b>3,393,765</b>	10,040	0.30%	
General Purpose Funding - Other		1,157,151	580,975	<b>510,947</b>	(70,028)	(12.05%)	▼
Law, Order and Public Safety		16,020	10,285	<b>21,101</b>	10,816	105.16%	▲
Health		46,222	24,210	<b>32,203</b>	7,993	33.02%	
Education and Welfare		1,600	665	<b>95</b>	(570)	(85.71%)	
Housing		44,200	18,395	<b>21,870</b>	3,475	18.89%	
Community Amenities		1,242,442	973,352	<b>1,067,267</b>	93,915	9.65%	
Recreation and Culture		709,450	325,741	<b>413,278</b>	87,537	26.87%	▲
Transport		4,624,579	1,932,135	<b>1,930,963</b>	(1,172)	(0.06%)	
Economic Services		613,577	211,254	<b>131,720</b>	(79,534)	(37.65%)	▼
Other Property and Services		16,900	7,040	<b>29,410</b>	22,370	317.76%	▲
		<b>11,859,366</b>	<b>7,467,777</b>	<b>7,552,460</b>	84,683		
<b>Expenditure from operating activities</b>							
Governance		(780,925)	(298,472)	<b>(306,288)</b>	(7,816)	(2.62%)	
General Purpose Funding		(96,330)	(40,115)	<b>(46,552)</b>	(6,437)	(16.05%)	
Law, Order and Public Safety		(335,438)	(148,849)	<b>(146,434)</b>	2,415	1.62%	
Health		(301,351)	(126,403)	<b>(104,655)</b>	21,748	17.21%	▲
Education and Welfare		(69,998)	(36,799)	<b>(37,678)</b>	(879)	(2.39%)	
Housing		(87,547)	(53,415)	<b>(59,292)</b>	(5,877)	(11.00%)	
Community Amenities		(1,893,296)	(782,908)	<b>(670,564)</b>	112,344	14.35%	▲
Recreation and Culture		(4,853,077)	(2,150,292)	<b>(1,813,811)</b>	336,481	15.65%	▲
Transport		(5,476,930)	(2,445,207)	<b>(1,980,889)</b>	464,318	18.99%	▲
Economic Services		(1,326,842)	(315,165)	<b>(226,018)</b>	89,147	28.29%	▲
Other Property and Services		25,279	(117,110)	<b>(277,889)</b>	(160,779)	(137.29%)	▼
		<b>(15,196,455)</b>	<b>(6,514,735)</b>	<b>(5,670,069)</b>	844,666		
Non-cash amounts excluded from operating activities	1(a)	3,196,907	1,341,754	<b>1,245,864</b>	(95,890)	(7.15%)	
<b>Amount attributable to operating activities</b>		<b>(140,182)</b>	<b>2,294,796</b>	<b>3,128,255</b>	833,459		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13(b)	722,332	300,965	<b>595,412</b>	294,447	97.83%	▲
Proceeds from disposal of assets	8	80,500	91,818	<b>91,818</b>	0	0.00%	
Purchase of property, plant and equipment	9	(4,223,270)	(798,740)	<b>(370,011)</b>	428,729	53.68%	▲
<b>Amount attributable to investing activities</b>		<b>(3,420,438)</b>	<b>(405,957)</b>	<b>317,219</b>	723,176		
<b>Financing Activities</b>							
Transfer from Reserves	11	1,329,300	0	<b>0</b>	0	0.00%	
Payments for community loans		0	0	<b>7,750</b>	7,750	0.00%	
Repayment of Debentures	10	(223,637)	(26,940)	<b>(26,940)</b>	0	0.00%	
Transfer to Reserves	11	(587,049)	(3,346)	<b>(3,346)</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>518,614</b>	<b>(30,286)</b>	<b>(22,536)</b>	7,750		
<b>Closing Funding Surplus / (Deficit)</b>	1(c)	<b>(1,853)</b>	<b>4,898,706</b>	<b>7,139,557</b>			

**KEY INFORMATION**

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer threshold. Refer to Note 2 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2019-20 year is \$10,000 or 10.00% whichever is the greater.

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



KEY TERMS AND DESCRIPTIONS  
FOR THE PERIOD ENDED 30 NOVEMBER 2019

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

PROFIT ON ASSET DISPOSAL

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

FEES AND CHARGES

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

SERVICE CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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



**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**BY NATURE OR TYPE**

	Ref Note	Adopted Budget \$	YTD Budget (a) \$	YTD Actual (b) \$	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
					\$	%	
<b>Opening Funding Surplus / (Deficit)</b>	1(c)	3,040,153	3,040,153	<b>3,716,619</b>	676,466	22.25%	▲
<b>Revenue from operating activities</b>							
Rates	7	3,387,225	3,383,725	<b>3,393,764</b>	10,039	0.30%	▲
Specified area rates	7	47,081	47,081	<b>47,895</b>	814	1.73%	
Operating grants, subsidies and contributions	13(a)	976,000	483,330	<b>541,073</b>	57,743	11.95%	▲
Fees and charges		7,165,610	3,426,566	<b>3,471,291</b>	44,725	1.31%	▲
Interest earnings		195,051	92,935	<b>48,568</b>	(44,367)	(47.74%)	
Other revenue		88,399	34,140	<b>43,688</b>	9,548	27.97%	
Profit on disposal of assets	8	0	0	<b>6,181</b>	6,181	0.00%	
		<b>11,859,366</b>	<b>7,467,777</b>	<b>7,552,460</b>	84,683	1.13%	▲
<b>Expenditure from operating activities</b>							
Employee costs		(6,713,128)	(2,733,321)	<b>(2,595,202)</b>	138,119	5.05%	▲
Materials and contracts		(3,664,652)	(1,429,873)	<b>(946,138)</b>	483,735	33.83%	▲
Utility charges		(799,314)	(348,637)	<b>(339,132)</b>	9,505	2.73%	
Depreciation on non-current assets		(2,905,447)	(1,210,395)	<b>(1,243,136)</b>	(32,741)	(2.70%)	
Interest expenses		(81,595)	(13,630)	<b>(50,569)</b>	(36,939)	(271.01%)	
Insurance expenses		(462,594)	(462,565)	<b>(424,499)</b>	38,066	8.23%	▲
Other expenditure		(437,779)	(53,596)	<b>(62,484)</b>	(8,888)	(16.58%)	
Loss on disposal of assets	8	(131,946)	(131,359)	<b>(8,909)</b>	122,450	93.22%	▲
		<b>(15,196,455)</b>	<b>(6,383,376)</b>	<b>(5,670,069)</b>	713,307	(11.17%)	▲
Non-cash amounts excluded from operating activities	1(a)	3,196,907	1,341,754	<b>1,245,864</b>	(95,890)	(7.15%)	
<b>Amount attributable to operating activities</b>		<b>(140,182)</b>	<b>2,426,155</b>	<b>3,128,255</b>	702,100		▲
<b>Investing activities</b>							
Non-operating grants, subsidies and contributions	13(b)	722,332	300,965	<b>595,412</b>	294,447	97.83%	▲
Proceeds from disposal of assets	8	80,500	91,818	<b>91,818</b>	0	0.00%	
Payments for property, plant and equipment	9	(4,223,270)	(798,740)	<b>(370,011)</b>	428,729	(53.68%)	▲
<b>Amount attributable to investing activities</b>		<b>(3,420,438)</b>	<b>(405,957)</b>	<b>317,219</b>	723,176		▲
<b>Financing Activities</b>							
Transfer from reserves	11	1,329,300	0	<b>0</b>	0	0.00%	
Payments for community loans		0	0	<b>7,750</b>	7,750	0.00%	
Repayment of debentures	10	(223,637)	(26,940)	<b>(26,940)</b>	0	0.00%	
Transfer to reserves	11	(587,049)	(3,346)	<b>(3,346)</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>518,614</b>	<b>(30,286)</b>	<b>(22,536)</b>	7,750		
<b>Closing Funding Surplus / (Deficit)</b>	1(c)	<b>(1,853)</b>	<b>5,030,065</b>	<b>7,139,557</b>			

**KEY INFORMATION**

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

Refer to Note 2 for an explanation of the reasons for the variance.

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



(a) Non-cash items excluded from operating activities

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

Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
<b>Non-cash items excluded from operating activities</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	0	0	(6,181)
Movement in employee benefit provisions (non-current)	160,101		
Add: Loss on asset disposals	131,359	131,359	8,909
Add: Depreciation on assets	2,905,447	1,210,395	1,243,136
<b>Total non-cash items excluded from operating activities</b>	<b>3,196,907</b>	<b>1,341,754</b>	<b>1,245,864</b>

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

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

	Last Year Closing 30 Jun 2019	This Year Opening 01 Jul 2019	This Time Last Year 30 Nov 2018	Year to Date 30 Nov 2019
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10 (9,352,157)	(9,352,157)	(6,474,174)	(9,355,503)
Less: Community loans	(23,000)	(23,000)	(59,000)	(15,250)
Less: Land Held for Resale				(206,611)
Add: Borrowings	9 223,637	223,637	258,733	196,697
Add: Provisions - employee	11 958,906	958,906	779,782	958,906
<b>Total adjustments to net current assets</b>	<b>(8,192,614)</b>	<b>(8,192,614)</b>	<b>(5,494,659)</b>	<b>(8,421,760)</b>

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

<b>Current assets</b>					
Cash and cash equivalents	2	12,165,340	12,165,340	10,000,813	15,030,269
Rates receivables	3	328,807	328,807	2,870,196	1,159,335
Receivables	3	1,453,221	1,453,221	1,067,909	777,107
Other current assets	4	96,445	96,445	32,973	43,678
<b>Less: Current liabilities</b>					
Payables	5	(952,037)	(952,037)	(449,610)	(293,467)
Borrowings	9	(223,637)	(223,637)	(258,733)	(196,697)
Provisions	11	(958,906)	(958,906)	(779,782)	(958,906)
<b>Less: Total adjustments to net current assets</b>	1(c)	(8,192,614)	(8,192,614)	(5,494,659)	(8,421,760)
<b>Closing Funding Surplus / (Deficit)</b>		<b>3,716,619</b>	<b>3,716,619</b>	<b>6,989,107</b>	<b>7,139,557</b>

CURRENT AND NON-CURRENT CLASSIFICATION

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



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**NOTE 2  
EXPLANATION OF MATERIAL VARIANCES**

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

The material variance adopted by Council for the 2019-20 year is \$10,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
General Purpose Funding - Other	(70,028)	(12.05%)	▼ Timing	Low interest rates and reduced grants commission revenue.
Law, Order and Public Safety	10,816	105.16%	▲ Timing	DFES reimbursement operating expenses
Recreation and Culture	87,537	26.87%	▲ Permanent	Increased revenue for Ningaloo Centre.
Economic Services	(79,534)	(37.65%)	▼ Timing	Ningaloo Visitors Centre revenue below budget due to timing of handover. Increased revenue from camping overflow. Decreased revenue from Community Engagement
Other Property and Services	22,370	317.76%	▲ Permanent	Reimbursement for consultant expenditure.
<b>Expenditure from operating activities</b>				
Health	21,748	17.21%	▲ Timing	Low legal fees, reduced expenditure for sentinel and mosquito management program.
Community Amenities	112,344	14.35%	▲ Timing	Reduced maintenance and employee costs for sanitation, town centre and community amenities
Recreation and Culture	336,481	15.65%	▲ Timing	Reduced maintenance and employee costs for public halls and parks & gardens. Community programmes, events and Ningaloo Centre operations.
Transport	464,318	18.99%	▲ Timing	Aviation, road and footpath maintenance under budget. Reduced loss on sale of asset
Economic Services	89,147	28.29%	▲ Timing	Ningaloo Visitors Centre expenditure below budget due to timing of handover. Reduced Tourism & Area Promotion including lighthouse maintenance.
Other Property and Services	(160,779)	(137.29%)	▼ Timing	Overhead allocations under budget.
<b>Investing Activities</b>				
Non-operating Grants, Subsidies and Contributions	294,447	97.83%	▲ Timing	Acquittals not processed at time of reporting.
Capital Acquisitions	428,729	53.68%	▲ Timing	Capital works program not commenced at time of reporting.

**KEY INFORMATION**

- ▲ increase in surplus
- ▼ decrease in surplus



Description	Classification	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
<b>Cash on hand</b>								
Petty Cash and Floats	Cash and cash equivalents	5,048			5,048			
Municipal Fund	Cash and cash equivalents	3,669,718			3,669,718	Westpac		At Call
Reserve Fund	Cash and cash equivalents	0	355,503		355,503	Westpac		At Call
Trust Fund	Cash and cash equivalents	0		101,833	101,833	Westpac		At Call
		0						
Municipal Investment - Term Deposit	Cash and cash equivalents	2,000,000			2,000,000	NAB	1.53%	11-Feb-20
Reserve Investment - Term Deposit	Cash and cash equivalents	0	3,000,000		3,000,000	Westpac	1.63%	25-Feb-20
Reserve Investment - Term Deposit	Cash and cash equivalents	0	4,000,000		4,000,000	Macquarie	1.70%	08-Jan-19
Reserve Investment - Term Deposit	Cash and cash equivalents	0	2,000,000		2,000,000	NAB	1.65%	08-Jan-19
Trust Investment - Term Deposit	Cash and cash equivalents	0		378,887	378,887	CBA	1.41%	10-Feb-20
<b>Total</b>		<b>5,674,766</b>	<b>9,355,503</b>	<b>480,720</b>	<b>15,510,989</b>			
<b>Comprising</b>								
Cash and cash equivalents		5,674,766	9,355,503	480,720	15,510,989			
Financial assets at amortised cost		0	0	0	0			
		<b>5,674,766</b>	<b>9,355,503</b>	<b>480,720</b>	<b>15,510,989</b>			

#### KEY INFORMATION

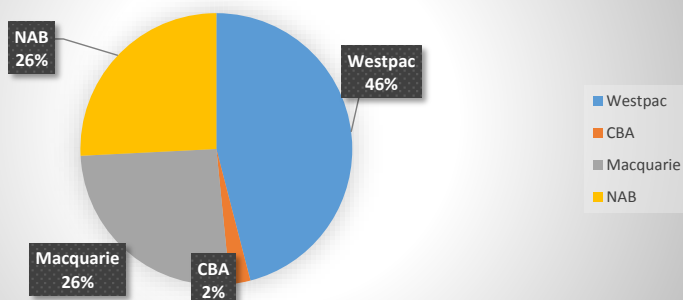
Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to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

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

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

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

#### Investment Diversification



Total Cash	Unrestricted
<b>\$15.51 M</b>	<b>\$5.67 M</b>



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019

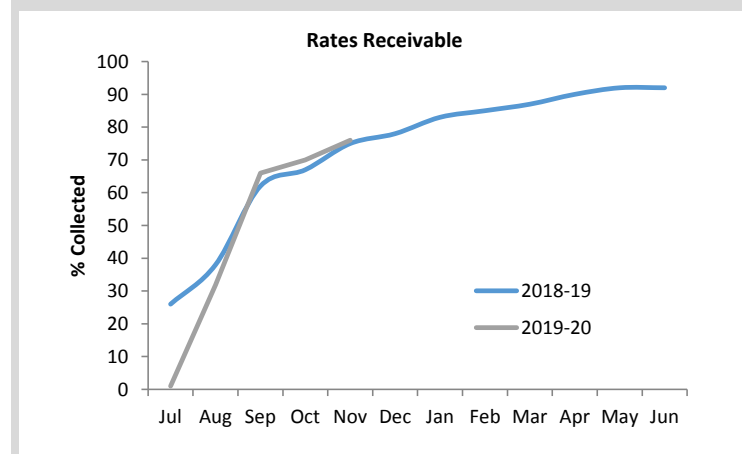
OPERATING ACTIVITIES  
NOTE 4  
RECEIVABLES

Rates Receivable	30 Jun 2019	30 Nov 19
	\$	\$
Opening Arrears Previous Years	302,096	328,807
Levied this year	4,401,647	4,542,982
Plus Interim Rates	(9,150)	(4,012)
Plus Back Rates	10,701	1,687
Less - Collections to date	(4,332,954)	(3,710,128)
<b>Equals Current Outstanding</b>	<b>370,789</b>	<b>1,159,335</b>
Less - Deferred Pensioners	(41,981)	(41,981)
Less - Credit Balances		(24,370)
<b>Net Rates Collectable</b>	<b>328,807</b>	<b>1,092,984</b>
% Collected	92.1%	76.2%

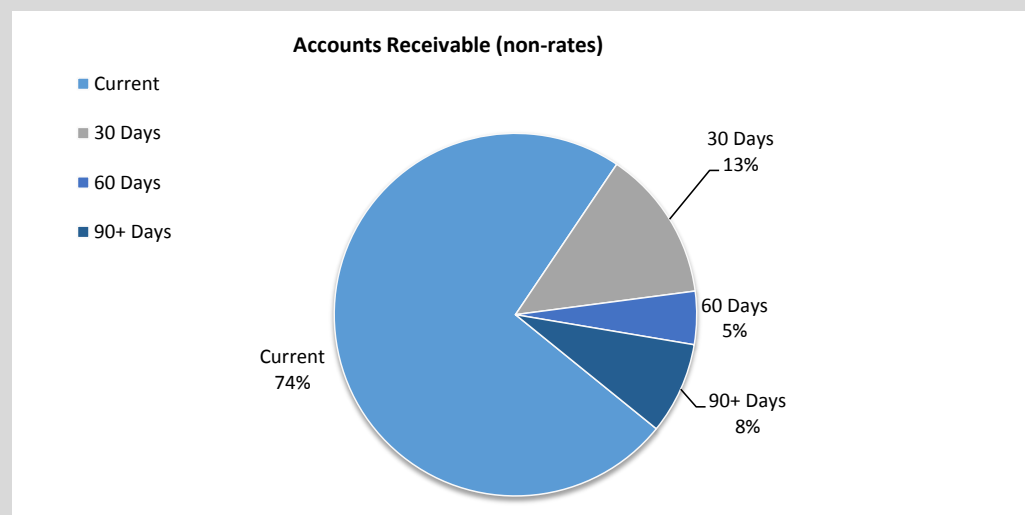
Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - General	(4,948)	545,940	100,028	35,124	60,659	736,803
Percentage	-0.7%	74.1%	13.6%	4.8%	8.2%	
<b>Balance per Trial Balance</b>						
Sundry receivable						736,903
GST receivable						24,954
Allowance for impairment of receivables						0
Community Loans						15,250
Other receivables [describe]						0
<b>Total Receivables General Outstanding</b>						<b>777,107</b>
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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



Collected	Rates Due
<b>76.2%</b>	<b>\$1,092,984</b>



<b>Debtors Due</b>
<b>\$777,107</b>
<b>Over 30 Days</b>
<b>27%</b>
<b>Over 90 Days</b>
<b>8.2%</b>



	Opening Balance 1 July 2019	Asset Increase	Asset Reduction	Closing Balance 30 Nov 2019
<b>Other Current Assets</b>	\$	\$	\$	\$
<b>Inventory</b>				
Inventories - Stock on Hand	55,830	0	(14,087)	43,678
<b>Total Other Current assets</b>				<b>43,678</b>
<b>Amounts shown above include GST (where applicable)</b>				

#### KEY INFORMATION

##### Other financial assets at amortised cost

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

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

##### Inventory

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

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

##### Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

##### CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.



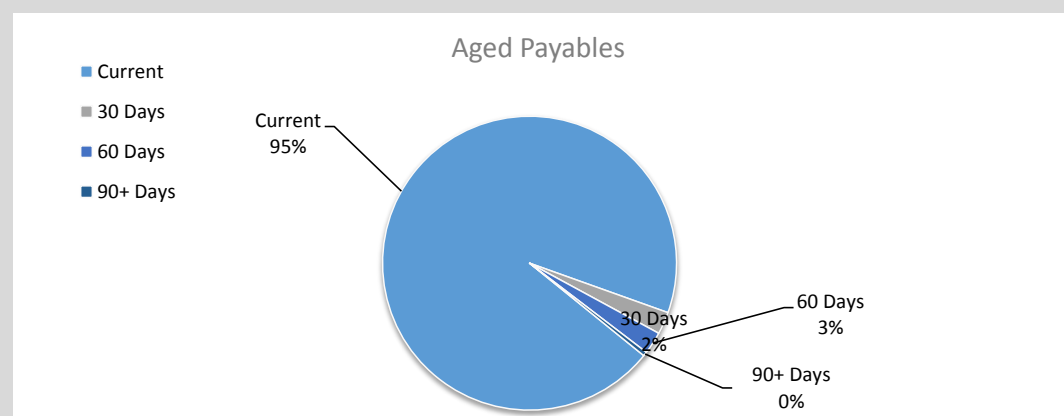
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**OPERATING ACTIVITIES  
NOTE 6  
Payables**

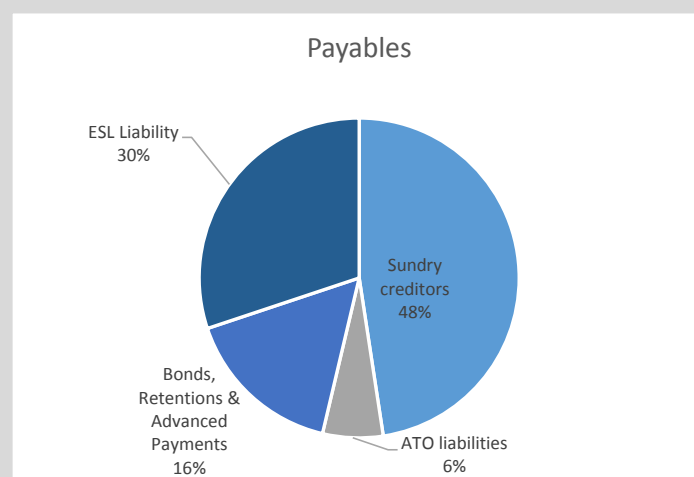
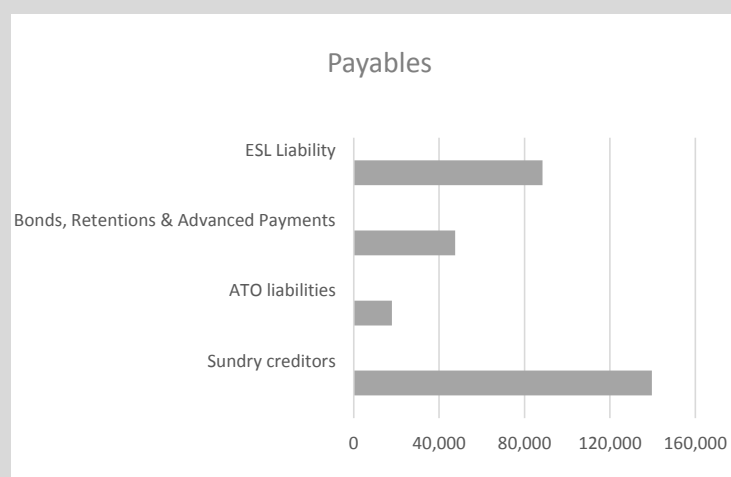
Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	0	132,163	3,427	3,435	634	139,659
Percentage	0%	94.6%	2.5%	2.5%	0.5%	
<b>Balance per Trial Balance</b>						
Sundry creditors						139,659
ATO liabilities						17,895
Bonds, Retentions & Advanced Payments						47,533
ESL Liability						88,379
<b>Total Payables General Outstanding</b>						<b>293,467</b>
<b>Amounts shown above include GST (where applicable)</b>						

**KEY INFORMATION**

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



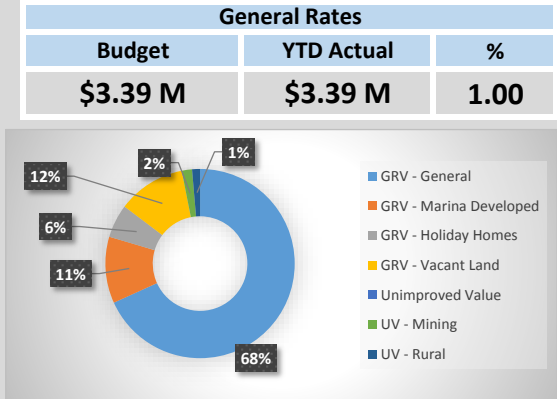
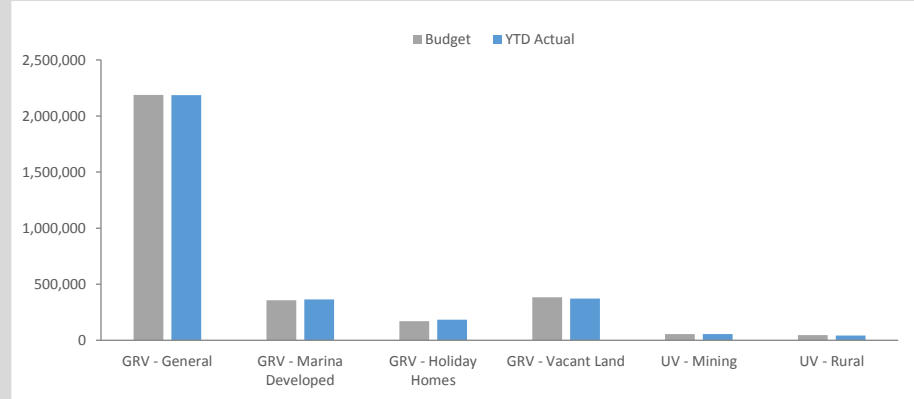
<b>Creditors Due</b>
<b>\$293,467</b>
<b>Over 30 Days</b>
<b>6%</b>
<b>Over 90 Days</b>
<b>0.5%</b>





General Rate Revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross Rental Value											
GRV - General	0.075100	1,182	29,077,947	2,183,754	5,000	0	2,188,754	2,194,496	(6,008)	(2,679)	2,185,809
GRV - Marina Developed	0.101300	98	3,515,907	356,161	0	0	356,161	355,825	6,882	1,105	363,812
GRV - Holiday Homes	0.104100	62	1,643,460	171,084	0	0	171,084	182,293	916	0	183,209
GRV - Vacant Land	0.150100	245	2,557,848	383,933	0	0	383,933	369,552	2,453	(113)	371,892
Unimproved Value											
UV - Mining	0.159900	15	334,135	53,908	1,000	0	54,908	56,498	(230)	0	56,268
UV - Rural	0.080000	8	568,380	45,470	0	0	45,470	43,070	0	0	43,070
Sub-Total		1,610	37,697,677	3,194,310	6,000	0	3,200,310	3,201,734	4,012	(1,687)	3,204,060
Minimum Payment											
Gross Rental Value	Minimum \$										
GRV - General	930	84	842,002	78,120	0	0	78,120	78,120	0	0	78,120
GRV - Marina Developed	930	1	0	930	0	0	930	930	0	0	930
GRV - Holiday Homes	930	0	0	0	0	0	0	0	0	0	0
GRV - Vacant Land	735	142	476,176	104,370	0	0	104,370	107,160	0	0	107,160
Unimproved Value											
UV - Mining	230	12	8,925	2,760	0	0	2,760	2,760	0	0	2,760
UV - Rural	735	1	5,800	735	0	0	735	736	0	0	736
Sub-Total		240	1,332,903	186,915	0	0	186,915	189,706	0	0	189,706
Amount from General Rates							3,387,225				3,393,766
Total General Rates							3,387,225				3,393,766
Specified Area Rates	Rate in \$ (cents)										
GRV Marina	0.013100		3,609,199	46,471	0	0	46,471	47,359	535	0	47,894
Total Specified Area Rates			3,609,199	46,471	0	0	46,471	47,359	535	0	47,894
Total							3,433,696				3,441,660

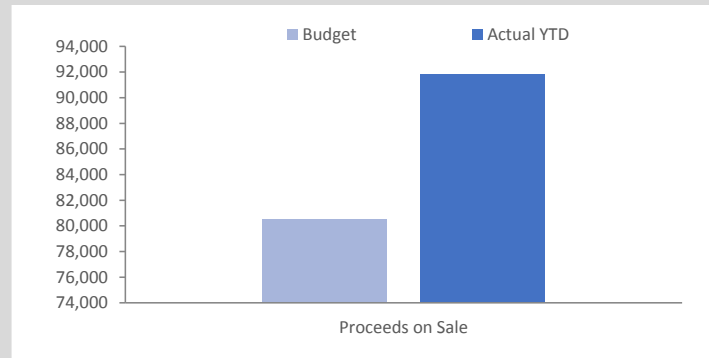
**KEY INFORMATION**  
Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon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





Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book		Proceeds	Profit	Net Book		Profit	(Loss)
		Value	(Loss)			Value	(Loss)		
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and equipment</b>									
<b>Transport</b>									
	Kubota Mower (P045)	3,050	2,800	0	(250)		0	0	0
	Fuso Canter (P054)	25,000	6,400	0	(18,600)			0	0
	Mitsubishi Fuso (P076)	35,993	6,000	0	(29,993)			0	0
	Ford Ranger Crew Cab (P005)	6,545	5,780	0	(765)	6,546	8,182	1,636	0
	Toyota Hiace Bus (P064)	21,194	6,800	0	(14,394)			0	0
	Toyota Hilux Dual Cab (P065)	15,000	4,590	0	(10,410)	15,000	14,091	0	(909)
	Toyota Hilux Dual Cab (P069)	15,405	4,590	0	(10,815)	15,000	17,045	2,045	0
	Toyota Hilux Dual Cab (P070)	15,405	6,800	0	(8,605)	15,000	16,818	1,818	0
	Toyota Hilux (P073)	15,405	5,780	0	(9,625)	15,000	15,682	682	0
	Holden Colorado (P096)	29,263	15,480	0	(13,783)	28,000	20,000	0	(8,000)
	Holden Colorado (P097)	29,599	15,480	0	(14,119)			0	0
		211,859	80,500	0	(131,359)	94,546	91,818	6,181	(8,909)

KEY INFORMATION



Proceeds on Sale		
Annual Budget	YTD Actual	%
\$80,500	\$91,818	114%



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

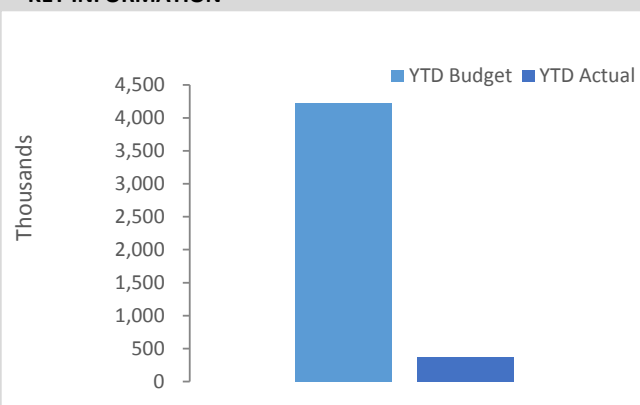
**INVESTING ACTIVITIES  
NOTE 9  
CAPITAL ACQUISITIONS**

Capital Acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings - non-specialised - level 2	87,000	36,250	22,976	(13,275)
Buildings - specialised - level 3	1,076,100	75,750	12,576	(63,174)
Plant and equipment	995,000	399,080	232,948	(166,132)
Infrastructure - Roads	958,782	185,010	78,656	(106,354)
Infrastructure - Other	1,106,388	102,650	22,855	(79,795)
<b>Capital Expenditure Totals</b>	<b>4,223,270</b>	<b>798,740</b>	<b>370,011</b>	<b>(428,729)</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	722,332	300,965	595,412	294,447
Other (Disposals & C/Fwd)	80,500	91,818	91,818	0
Cash Backed Reserves				
Building Infrastructure Reserve	30,000		0	0
Community Development Reserve	50,000		0	0
Community Interest Free Loans Reserve	30,000		0	0
Plant Reserve	807,000		0	0
Waste Management Reserve	270,000		0	0
Unspent Grants & contributions Reserve	142,300		0	0
Contribution - operations	2,091,138	405,957	(317,219)	(723,176)
<b>Capital Funding Total</b>	<b>4,223,270</b>	<b>798,740</b>	<b>370,011</b>	<b>(428,729)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

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

**KEY INFORMATION**



Acquisitions	Annual Budget	YTD Actual	% Spent
	<b>\$4.22 M</b>	<b>\$0.37 M</b>	<b>9%</b>
Capital Grant	Annual Budget	YTD Actual	% Received
	<b>\$0.72 M</b>	<b>\$0.6 M</b>	<b>82%</b>



Account Description	Account Number	Adopted			YTD Variance (Under)/Over
		Budget	YTD Budget	YTD Actual	
<b>Buildings - Non Specialised</b>		<b>87,000</b>	<b>36,250</b>	<b>22,976</b>	
Staff Housing Buildings - Painting/Flooring/Window Treatments	A125001	87,000	36,250	22,976	(13,275)
<b>Buildings - Specialised</b>		<b>1,076,100</b>	<b>75,750</b>	<b>12,576</b>	
Municipal Buildings - Old Admin, Library and Hall	A125006	75,000	17,000	10,896	(6,104)
Ningaloo Centre (18/19)	A119003	0	0	(4,725)	(4,725)
Ningaloo Centre - Solar Power and Aquarium Exhibits	A119004	761,500	0	1,065	1,065
Recreation Hall - Paving and replace staircase	A125009	50,000	0	270	270
Learmonth Building - Upgrade arrivals and lighting	A126800	141,000	58,750	5,070	(53,680)
Depot - Relocate server and crib room	A125051	48,600	0	0	0
<b>Plant &amp; Equipment</b>		<b>995,000</b>	<b>399,080</b>	<b>232,948</b>	
Waste Site Recycling Equipment	A101005	53,000	22,080	0	(22,080)
Plant & Equipment	A123200	674,000	109,000	36,829	(72,171)
Vehicle Replacement	A123201	268,000	268,000	196,118	(71,882)
Swimming Pool Equipment (18/19)	A113001	0	0	0	0
Water Truck (18/19)	A125105	0	0	0	0
<b>Infrastructure - Roads</b>		<b>958,782</b>	<b>185,010</b>	<b>78,656</b>	
Beach Access Carpark Upgrades	A115150	10,000	4,165	0	(4,165)
Yardie Creek Road - Road shoulder and seal edge works	A125203	147,300	0	0	0
Murat Road - includes drainage works	A125209	304,050	126,680	19,708	(106,972)
Road Sealing	A125213	267,432	0	0	0
Street Lights	A124001	30,000	12,500	0	(12,500)
Footpaths/Kerbing - upgrade	A125321	100,000	41,665	45,082	3,417
Footpaths - new	A121002	100,000	0	604	604
Mortiss Street & Neale Cove Road upgrade (DOT)	A125210	0	0	13,261	13,261
<b>Infrastructure - Other</b>		<b>1,106,388</b>	<b>102,650</b>	<b>22,855</b>	
Dog Pound - Relocation to Depot	A052002	15,000	6,250	0	(6,250)
Irrigation Sewerage Ponds - Upgrade Chorination Plant	A101012	0	0	0	0
Waste Water Treatment Ponds - Rehabilitation of old ponds	A101012	45,388	48,070	77,168	29,098
Waste Site Weighbridge	A125304	250,000	0	2,818	2,818
Waste Site Recycling Shed	A125021	15,000	0	0	0
Ningaloo Centre - Disabled ramp and gardens	A119006	69,000	0	700	700
Multi purpose bike facility	A112001	200,000	0	0	0
Federation Park - Facility upgrade	A114101	60,000	0	0	0
Town Mall - Digital signage	A117003	40,000	0	0	0
Mildura Wreck - Interpretive	A125319	10,000	4,165	0	(4,165)
Town Beach - Gazebo lighting	A115152	15,000	6,250	7,170	920
Tantabiddi Boat Ramp - Solar lighting	A125315	10,000	4,165	0	(4,165)
Bundegi Boat Ramp - Solar lighter and Toilet upgrade	A115107	45,000	18,750	0	(18,750)
Learmonth Airport - Reseal carpark (18/19)	A126009	210,000	0	0	0
Learmonth Airport - Landside remodelling and remedial work	A126009	50,000	0	0	0
Learmonth Airport - Apron fuel mitigation treatment	A126009	0	0	(80,000)	(80,000)
Exmouth Aerodrome - Entrance gate, remedial work and fencing	A125331	30,000	0	0	0
Water dispensing unit	A134201	20,000	0	0	0
NBN changeover - Shire properties	A125149	22,000	15,000	15,000	0
<b>Grand Total</b>		<b>4,223,270</b>	<b>798,740</b>	<b>370,011</b>	<b>(428,729)</b>

428,729



Repayments - Borrowings

Information on Borrowings		New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	1 July 2019	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>									
Loan 80 - Staff Dwellings	614,540	0	0	26,940	65,557	587,600	548,983	1,900	27,659
<b>Community amenities</b>									
Loan 81 - Rubbish Truck	251,868	0	0	0	81,953	251,868	169,915	0	5,579
<b>Recreation and culture</b>									
Loan 81 - Ningaloo Centre	893,498	0	0	0	55,948	893,498	837,550	0	29,292
<b>Other property and services</b>									
Loan 76 - 1 Bennett Street	239,053	0	0	0	20,179	239,053	218,874	0	11,797
	1,998,959	0	0	26,940	223,637	1,972,019	1,775,322	1,900	74,327
<b>Community Loans</b>									
<b>Recreation and culture</b>									
Squash Club 2010	5,000	0	0	0	2,500	5,000	2,500	0	0
EGFC 2013	21,000	0	0	0	10,500	21,000	10,500	0	0
Golf Club 2016	28,000	0	0	0	4,000	28,000	24,000	0	0
Truscott Club 2018	54,000	0	0	0	6,000	54,000	48,000	0	0
	108,000	0	0	0	23,000	108,000	85,000	0	0
<b>Total</b>	2,106,959	0	0	26,940	246,637	2,080,019	1,860,322	1,900	74,327
Current borrowings	246,637					196,697			
Non-current borrowings	1,860,322					1,883,322			
	2,106,959					2,080,019			

All debenture repayments were financed by general purpose revenue.

Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 30-06-2019	Borrowed During Year	Expended During Year	Unspent Balance 30/11/2019
		\$	\$	\$	\$
Loan 81 - Rubbish Truck	20/06/2017	410,000			410,000
		410,000	0	0	410,000

KEY INFORMATION

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

Community loans are funded by the Community Interest Free Reserve Fund for the provision of interest free loans to Exmouth clubs and organisations to assist in the provision of facilities and equipment for the betterment of the club or organisation and its members. Applications are subject to the eligibility and criteria outlined in Council Policy 2.2 - Interest Free Loans to Clubs & organisations.

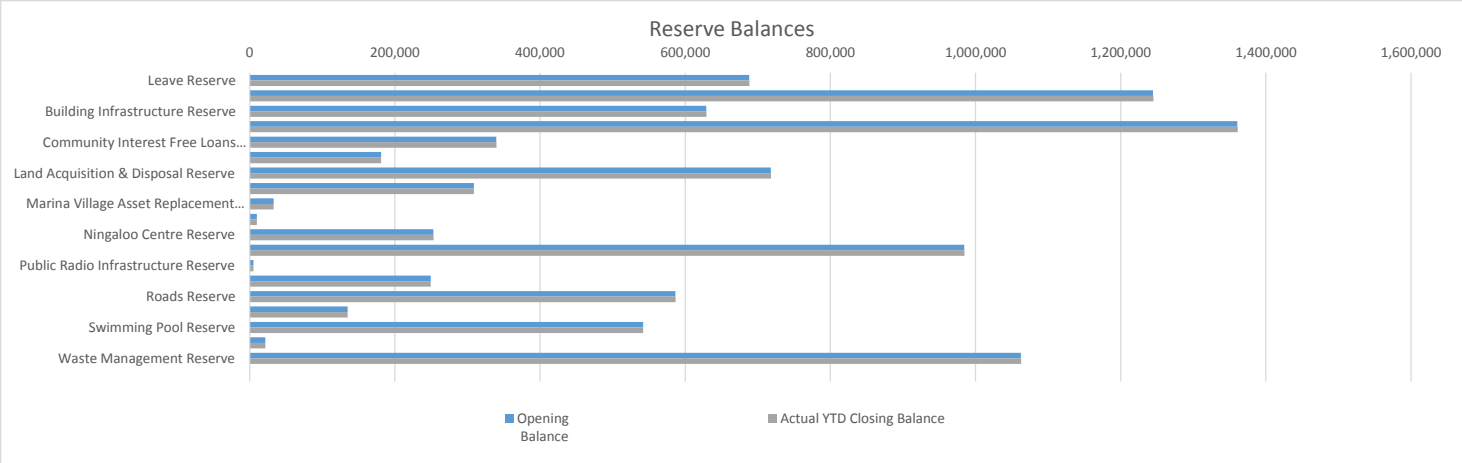




Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	688,110	9,462	246	0	0	0	0	697,572	688,356
Aviation Reserve	1,244,600	17,988	445	0	0	0	0	1,262,588	1,245,045
Building Infrastructure Reserve	628,949	6,307	225	0	0	(30,000)	0	605,256	629,174
Community Development Reserve	1,360,721	27,281	487	0	0	(50,000)	0	1,338,002	1,361,208
Community Interest Free Loans Reserve	339,770	5,585	122	0	0	(30,000)	0	315,355	339,892
Insurance/Natural Disaster Reserve	181,056	3,013	65	0	0	0	0	184,069	181,121
Land Acquisition & Disposal Reserve	717,892	0	257	0	0	0	0	717,892	718,149
Marina Canal Reserve	308,782	5,139	110	0	0	0	0	313,921	308,892
Marina Village Asset Replacement Reserve	32,912	548	12	0	0	0	0	33,460	32,924
Mosquito Management Reserve	10,000	0	4	0	0	0	0	10,000	10,004
Ningaloo Centre Reserve	253,095	2,548	91	80,000	0	0	0	335,643	253,186
Plant Reserve	984,318	12,106	352	390,000	0	(807,000)	0	579,424	984,670
Public Radio Infrastructure Reserve	5,103	85	2	0	0	0	0	5,188	5,105
Rehabilitation Reserve	249,415	3,485	89	0	0	0	0	252,900	249,504
Roads Reserve	586,492	4,614	210	0	0	0	0	591,106	586,702
Shire Staff Housing Reserve	134,917	562	48	0	0	0	0	135,479	134,965
Swimming Pool Reserve	541,961	7,118	194	0	0	0	0	549,079	542,155
Town Planning Scheme Reserve	21,621	348	8	0	0	0	0	21,969	21,629
Waste Management Reserve	1,062,443	10,860	380	0	0	(270,000)	0	803,303	1,062,823
Unspent Grants & contributions Reserve	0	0		0	0	(142,300)	0	(142,300)	0
	9,352,157	117,049	3,346	470,000	0	(1,329,300)	0	8,609,906	9,355,503

KEY INFORMATION





Other Current Liabilities	Note	Opening Balance 1 July 2019	Liability Increase	Liability Reduction	Closing Balance 30 Nov 2019
		\$	\$	\$	\$
<b>Provisions</b>					
Annual leave		496,084			496,084
<b>Contract Liabilities</b>					
Lease liability		0			0
<b>Amounts shown above include GST (where applicable)</b>					

A breakdown of contract liabilities and associated movements is provided on the followign pages at 11(a) and 11(b)

#### KEY INFORMATION

##### PROVISIONS

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

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

##### EMPLOYEE BENEFITS

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**NOTE 13(a)**

**OPERATING GRANTS AND CONTRIBUTIONS**

Provider	Unspent Operating Grant, Subsidies and Contributions Liability					Unspent Operating Grants, Subsidies and Contributions Revenue					
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating Grants and Subsidies</b>											
<b>General purpose funding</b>											
Grants Commission - <i>General Purpose / Untied Road Grant</i>							460,000	920,000		920,000	427,498
<b>Health</b>											
Exmouth CLAG										0	5,011
<b>Recreation and culture</b>											
DSCI - Regional Every Club	8,320			8,320						0	
BHP - Sport & Rec Community Program	225,000			225,000						0	
State Library of WA										0	887
Meerilinga Young Childrens - Messy Play Day										0	1,000
<b>Transport</b>											
Main Roads WA - Direct Grant										0	101,772
<b>Economic services</b>											
DPIRD - Tourism Program	30,000			30,000						0	
<b>Other property and services</b>											
ATO - Diesel Fuel Subsidy							6,665	16,000		16,000	4,904
	<b>263,320</b>	<b>0</b>	<b>0</b>	<b>263,320</b>	<b>0</b>	<b>0</b>	<b>466,665</b>	<b>936,000</b>	<b>0</b>	<b>936,000</b>	<b>541,072</b>
<b>TOTALS</b>	<b>263,320</b>	<b>0</b>	<b>0</b>	<b>263,320</b>	<b>0</b>	<b>0</b>	<b>466,665</b>	<b>936,000</b>	<b>0</b>	<b>936,000</b>	<b>541,072</b>



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019

NOTE 13(b)

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent Non Operating Grants, Subsidies and Contributions Liability					Non Operating Grants, Subsidies and Contributions Revenue					
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Operating Grants and Subsidies</b>											
<b>Community amenities</b>											
DWER - Recycling Program	67,300			67,300						0	
<b>Recreation and culture</b>											
R4R - Ningaloo Centre							120,830	290,000		290,000	0
<b>Transport</b>											
MRWA - Murat Road SIF	240,000			240,000			0	0		0	0
MRWA - Murat Road							27,790	66,700		66,700	26,680
MRWA - Yardie Creek Road							40,915	98,200		98,200	46,300
RTR - Roads to Recovery Program							111,430	267,432		267,432	267,432
Regional Airport Security Screening Fund										0	255,000
	<b>307,300</b>	<b>0</b>	<b>0</b>	<b>307,300</b>	<b>0</b>	<b>0</b>	<b>300,965</b>	<b>722,332</b>	<b>0</b>	<b>722,332</b>	<b>595,412</b>
<b>Total Non-operating grants, subsidies and contributions</b>	<b>307,300</b>	<b>0</b>	<b>0</b>	<b>307,300</b>	<b>0</b>	<b>0</b>	<b>300,965</b>	<b>722,332</b>	<b>0</b>	<b>722,332</b>	<b>595,412</b>



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**NOTE 14  
TRUST FUND**

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

Description	Opening Balance 1 July 2019	Amount Received	Amount Paid	Reclassified to Restricted Cash	Closing Balance 30 Nov 2019
	\$	\$	\$		\$
BCITF	1,589	6,279	(4,216)		3,652
BSL Levy	2,400	9,304	(9,805)		1,899
Cash in Lieu POS	378,887	924	0		379,811
Key Bonds	1,150	200	(150)		1,200
Hire Facility Bonds	8,350	5,950	(4,750)		9,550
Councillor Nomination Fees	0	480	(480)		0
Bond Deed Exmouth Marina Holdings	18,186	0	0		18,186
Donations for other Organisations	135	0	0		135
Exmouth Volunteer Fire & Rescue	50,828	0	0		50,828
Sundries	700	0	0		700
Unclaimed Monies	6,916	0	0		6,916
Lease, Licence & Contract Bonds	0	4,114	0		4,114
	<b>469,143</b>	<b>27,251</b>	<b>(19,401)</b>	<b>0</b>	<b>476,992</b>



MONTHLY LIST OF PAYMENTS - NOVEMBER 2019

The following schedule of accounts have been paid under delegation by the CEO since the previous Council meeting. Checks have been carried out to verify prices, computations and costing.

Municipal Account:	Cheque numbers 13655 - 13659, 13661	\$	44,517.49
	Direct Debits and EFT Payments EFT116019,EFT16026-EFT16031, EFT16033-EFT16034, EFT16045-EFT16077, EFT16079-EFT16093, EFT16095-EFT16103, EFT16105-EFT16115	\$	2,392,960.11
	Credit Card Purchases	\$	5,933.49
	<b>Total Municipal Account</b>	<b>\$</b>	<b>2,443,411.09</b>
Trust Account:	Cheque number 13660	\$	500.00
	EFT Payments EFT16020-EFT16025, EFT16032, EFT16044, EFT16078, EFT16094, EFT16104	\$	3,087.55
	<b>Total Trust Account</b>	<b>\$</b>	<b>3,587.55</b>
<b>TOTAL PAYMENTS - OCTOBER 2019</b>		<b>\$</b>	<b>2,446,998.64</b>

Reference	Date	Name	Description	Municipal Account	Trust Account
13655	01/11/2019	WATER CORPORATION	UTILITIES	\$ 1,804.51	
13656	14/11/2019	TELSTRA CORPORATION	UTILITIES	\$ 9,807.33	
13657	14/11/2019	WATER CORPORATION	UTILITIES	\$ 31,180.40	
13658	26/11/2019	DEPARTMENT OF TRANSPORT - EXMOUTH	SHIRE SPECIAL SERIES PLATE	\$ 200.00	
13659	26/11/2019	PIVOTEL SATELLITE PTY LTD	TRAK SPOT SATELLITE	\$ 31.00	
13660	26/11/2019	RAC WA	REFUND BOND FOR HIRE MANDU MANDU WEST FACILITY		\$ 500.00
13661	26/11/2019	SHIRE OF EXMOUTH	FLOATS FOR NINGALOO VISITORS CENTRE	\$ 1,494.25	
			<b>TOTAL CHEQUES</b>	<b>\$ 44,517.49</b>	<b>\$ 500.00</b>
DD5348.1	04/11/2019	WESTNET PTY LTD	UTILITIES	\$ 404.78	
DD5348.2	08/11/2019	HP FINANCIAL SERVICES	EQUIPMENT LEASE	\$ 4,367.00	
DD5348.3	08/11/2019	WESTPAC BANKING CORPORATION	MONTHLY BANK FEES, MERCHANT SERVICES	\$ 905.54	
DD5356.1	04/11/2019	WESTPAC BANKING CORPORATION	EFTPOS ROLLS FOR ADMIN, POOL & NVC	\$ 129.60	
DD5358.1	06/11/2019	SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	\$ 33,948.18	
DD5378.1	20/11/2019	SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	\$ 34,288.99	
			<b>TOTAL DIRECT DEBIT PAYMENTS</b>	<b>\$ 74,044.09</b>	<b>\$ -</b>
EFT16019	04/11/2019	NATURE PLAY SOLUTIONS PTY LTD	COMMUNITY EVENTS	\$ 1,045.00	
EFT16020	04/11/2019	CSIRO	REFUND BOND FOR NINGALOO OUTLOOK MIN-SYMPOSIUM 21/10/19		\$ 500.00
EFT16021	04/11/2019	ETHAN HUTTON	REFUND BOND - HIRE RECREATION CENTRE		\$ 550.00
EFT16022	04/11/2019	FUGRO AUSTRALIA MARINE	REFUND BOND 20TH SEPTEMBER HIRE OF MANDU MANDU ROOM		\$ 500.00
EFT16023	04/11/2019	COUNCILLOR	REFUND NOMINATION BOND		\$ 80.00
EFT16024	04/11/2019	COUNCILLOR	REFUND NOMINATION BOND		\$ 80.00
EFT16025	04/11/2019	EXMOUTH MASONIC LODGE	REFUND BOND - EXMOUTH MASONIC LODGE - TANTABIDDI TRAVELLING GALLERY		\$ 1,000.00
EFT16026	11/11/2019	NATIONAL AUSTRALIA BANK	TERM DEPOSIT 3 MONTHS @ 1.53%PA	\$ 2,000,000.00	
EFT16027	15/11/2019	ACIL ALLEN CONSULTING PTY LTD	TENDER DOCUMENTATION	\$ 4,285.00	
EFT16028	15/11/2019	ADDICTED2FISH	AQUARIUM FOOD	\$ 4,684.12	
EFT16029	15/11/2019	AERODROME MANAGEMENT SERVICES PTY LTD (AMS)	ANNUAL AERODROME TECH INSPECTION	\$ 6,174.03	
EFT16030	15/11/2019	ALCOLIZER PTY LTD	SIX MONTHLY SERVICE CONTRACT	\$ 308.00	
EFT16031	15/11/2019	AMPAC DEBT RECOVERY	RATES DEBT COLLECTION COSTS	\$ 704.00	
EFT16032	15/11/2019	COUNCILLOR	REFUND NOMINATION BOND		\$ 80.00
EFT16033	15/11/2019	AQUADEPOT IMPORTS	WATER TESTING AND MISC EQUIPMENT	\$ 528.96	
EFT16034	15/11/2019	ARCHITECTURAL CEILING SYSTEMS PTY LTD	VERMICULITE	\$ 760.32	
EFT16035	15/11/2019	ATOM SUPPLY / GERALDTON INDUSTRIAL SUPPLIES	RETRACTABLE GREASE HOSE, CLEANING GOODS AND PPE	\$ 1,501.46	
EFT16036	15/11/2019	AUSTRALIAN GOVERNMENT CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	\$ 494.79	
EFT16037	15/11/2019	AUSTRALIAN TAX OFFICE (PAYG)	PAYROLL DEDUCTIONS	\$ 40,782.00	
EFT16038	15/11/2019	BOYA EQUIPMENT	EQUIPMENT PARTS	\$ 628.19	
EFT16039	15/11/2019	BUNNINGS GROUP LIMITED	FERTILISER, GARDEN EDGING AND TREE GUARDS.	\$ 393.64	
EFT16040	15/11/2019	BUSINESS BASE	N SERIES TOOL BOX TO FIT TO VEHICLE	\$ 965.00	
EFT16041	15/11/2019	CAPRICORN PEST CONTROL	RECHARGE TERMITE RETICULATION SYSTEM AT LEARMONTH AIRPORT	\$ 4,620.00	
EFT16042	15/11/2019	CARNARVON MOTOR GROUP	DASHMAT FOR HILUX	\$ 75.00	
EFT16043	15/11/2019	CENTRAL REGIONAL TAFE	CHAINSAW TRAINING AND COURSE FEES	\$ 5,850.72	
EFT16044	15/11/2019	COUNCILLOR NOMINEE	REFUND NOMINATION BOND		\$ 80.00
EFT16045	15/11/2019	ECO ENVIRONMENTAL HOLDINGS PTY LTD	HIRE WATER PUMP FOR LANDFILL BORE MONITORING	\$ 996.60	
EFT16046	15/11/2019	ERA CONTRACTORS	INSTALL POWER FOR PARKING METERS, TAG ELECTRICAL EQUIPMENT AND ELECTRICAL REPAIRS	\$ 5,575.71	



Reference	Date	Name	Description	Municipal Account	Trust Account
EFT16047	15/11/2019	EXMOUTH BETTA ELECTRICAL & GAS	ELECTRICAL & SOUND EQUIPMENT SUPPLIES	\$ 69.85	
EFT16048	15/11/2019	EXMOUTH CAPE REAL ESTATE	RENT STORAGE FACILITY	\$ 333.66	
EFT16049	15/11/2019	EXMOUTH FUEL SUPPLIES	FUEL & OIL PURCHASES FOR OCTOBER 2019	\$ 350.94	
EFT16050	15/11/2019	EXMOUTH HORSEMAN'S CLUB	COMMUNITY & SPORTING GRANT ROUND 1 2019/20	\$ 1,500.00	
EFT16051	15/11/2019	EXMOUTH NEWSAGENCY & TOYWORLD	2020 DIARIES, STATIONERY, NEWSPAPERS	\$ 1,661.27	
EFT16052	15/11/2019	EXMOUTH PLAYGROUP	DONATION TOWARDS EXMOUTH PLAYGROUP CHRISTMAS PARTY	\$ 250.00	
EFT16053	15/11/2019	EXMOUTH TENNIS CLUB	CSRFF SMALL GRANT CONTRIBUTION	\$ 12,205.25	
EFT16054	15/11/2019	EXMOUTH VET CLINIC	VITAMIN B COMPLEX FOR STINGRAY	\$ 24.50	
EFT16055	15/11/2019	EXMOUTH WHOLESALERS	CLEANING GOODS AND CONSUMABLES	\$ 854.12	
EFT16056	15/11/2019	EXY PLUMBING & CONTRACTING	REPAIR LEAK PATERSON BORE AND SHIRE RESIDENCE	\$ 250.10	
EFT16057	15/11/2019	Exmouth Tyre & Diesel Services GREY EAGLE HOLDINGS PTY LTD T/a	TYRE REPAIRS	\$ 176.00	
EFT16058	15/11/2019	FUSION FABRICATION & MARINE	SUPPLY & INSTALL CYCLONE SHUTTERS SHIRE HALL AND REPTILE ENCLOSURE FRAMES	\$ 8,208.00	
EFT16059	15/11/2019	GASCOYNE OFFICE EQUIPMENT	SERVICE EQUIPMENT AGREEMENT	\$ 3,468.99	
EFT16060	15/11/2019	GEOFABRICS AUSTRALASIA PTY LTD	JUTE MATTING AND PINS	\$ 1,861.86	
EFT16061	15/11/2019	GROUND CONTROL AND GARDENS	MULCHING GREEN WASTE CYCLONE CLEANUP, AIRPORT PAID PARKING CONTROLS AND SHELTERS	\$ 13,073.50	
EFT16062	15/11/2019	HOME TIMBER AND HARDWARE	HARDWARE PURCHASES	\$ 5,480.46	
EFT16063	15/11/2019	HORIZON POWER - ACCOUNTS	UTILITIES	\$ 58,493.72	
EFT16064	15/11/2019	HOWLETT & CO VEGETATION MANAGEMENT	PRUNING VERGE TREES - RFQ 29-2019	\$ 10,923.00	
EFT16065	15/11/2019	HT CLEANING SERVICES PTY LTD	CLEANING NINGALOO CENTRE AND HARDCOURTS - NOVEMBER 2019	\$ 13,868.14	
EFT16066	15/11/2019	INSTRUMENT CHOICE	MARINE ALKALINITY CHECKER	\$ 94.05	
EFT16067	15/11/2019	IXOM OPERATIONS PTY LTD	SERVICE FEE FOR OCTOBER 2019	\$ 743.38	
EFT16068	15/11/2019	JOHN MORRIS SCIENTIFIC PTY LTD	DRY ICE MAKER	\$ 2,465.10	
EFT16069	15/11/2019	LANDGATE	TITLE SEARCHES	\$ 489.34	
EFT16070	15/11/2019	LGISWA	LGIS PROPERTY ADJUSTMENT FOR 2018/19	\$ 262.50	
EFT16071	15/11/2019	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTIONS	\$ 19.40	
EFT16072	15/11/2019	MAJOR MOTORS PTY LTD	FILTERS & ELEMENTS AS PER QUOTE 484900	\$ 1,345.79	
EFT16073	15/11/2019	MARK'S SIGNS	TURTLE EYES FOR AQUA RUN	\$ 30.00	
EFT16074	15/11/2019	MARKETFORCE	ADVERTISING	\$ 1,928.26	
EFT16075	15/11/2019	MASCOT ENGINEERING CO PTY LTD	CONCRETE RISER	\$ 137.50	
EFT16076	15/11/2019	COUNCILLOR	REIMBURSEMENT	\$ 268.56	
EFT16077	15/11/2019	MESSAGE4U PTY LTD	MESSAGE MEDIA FILES	\$ 44.00	
EFT16078	15/11/2019	COUNCILLOR NOMINEE	REFUND NOMINATION BOND		\$ 80.00
EFT16079	15/11/2019	RATEPAYER	COMPOST BIN REBATE	\$ 62.62	
EFT16080	15/11/2019	MIRCO BROS PTY LTD	CHICK STARTER CRUMBLE	\$ 145.80	
EFT16081	15/11/2019	MUMBY'S AUTO ELECTRICAL AND AIR CONDITIONING	INSTAL UHF AND VHF UNIT	\$ 752.10	
EFT16082	15/11/2019	NETWORK POWER SOLUTIONS PTY LTD	INSPECT AND REPAIR FAULT ON MAIN AIR COND AT LEARMONTH AIRPORT	\$ 1,361.00	
EFT16083	15/11/2019	NGT LOGISTICS PTY LTD	FREIGHT	\$ 3,816.61	
EFT16084	15/11/2019	NINGALOO COOKING STUDIO	MESSY PLAY DAY CATERING	\$ 1,000.00	
EFT16085	15/11/2019	NINGALOO HARVEST IGA	CONSUMABLES OCTOBER 2019	\$ 25.18	
EFT16086	15/11/2019	NORCAPE HANDY HIRE STARGAZE INVESTMENT PTY LTD	EXCAVATION WORKS	\$ 1,595.00	
EFT16087	15/11/2019	NORWEST CRANE HIRE #2 PTY LTD	WASTE SERVICES OCTOBER 2019	\$ 2,524.50	
EFT16088	15/11/2019	OFFICEWORKS	STATIONERY	\$ 812.49	
EFT16089	15/11/2019	OUTBACK FLORAL DESIGNS	REMEMBRANCE DAY WREATH AND FREIGHT	\$ 120.00	
EFT16090	15/11/2019	PEBBLE BEACH CONSTRUCTION	PREPARE DRAWINGS	\$ 770.00	
EFT16091	15/11/2019	QUARANTINE WA DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL	BORDER IMPORT CERTIFICATION	\$ 47.00	
EFT16092	15/11/2019	R&L COURIERS	FREIGHT	\$ 121.00	
EFT16093	15/11/2019	SCOPE BUSINESS IMAGING	SERVICE PLAN CHARGE FOR OCTOBER 2019	\$ 874.41	
EFT16094	15/11/2019	COUNCILLOR NOMINEE	REFUND NOMINATION BOND		\$ 80.00
EFT16095	15/11/2019	SEROLO PTY LTD FRESH BY DESIGN	FILTRATION EQUIPMENT AND LIGHTING	\$ 6,424.00	
EFT16096	15/11/2019	SIGMA CHEMICALS	POOL CHEMICALS	\$ 812.90	
EFT16097	15/11/2019	SIGNS PLUS	NAME BADGES STAFF & COUNCILLORS	\$ 101.10	
EFT16098	15/11/2019	SRB LEGAL	LEGAL EXPENSES	\$ 521.95	
EFT16099	15/11/2019	STATEWIDE VEHICLE HOIST SERVICE WA	FULL INSPECTION & SERVICE OF VEHICLE HOIST	\$ 1,826.00	
EFT16100	15/11/2019	EMPLOYEE	STAFF REIMBURSEMENT	\$ 42.63	
EFT16101	15/11/2019	STIHL SHOP (CSP INDUSTRIES PTY LTD)	EQUIPMENT PARTS	\$ 321.52	



Reference	Date	Name	Description	Municipal Account	Trust Account
EFT16102	15/11/2019	TAYLOR BURRELL BARNETT	REGISTRATION AND FINALISATION OF PIA AWARDS SUBMISSION	\$ 510.40	
EFT16103	15/11/2019	TEAM SYSTEMS (WA)	INDALEX PLATFORM LADDER	\$ 1,137.35	
EFT16104	15/11/2019	THE RETURNED SERVICES LEAGUE OF AUSTRALIA (WA BRANCH)	POPPY DAY APPEAL - REMEMBRANCE DAY 2019		\$ 57.55
EFT16105	15/11/2019	TNT EXPRESS AUSTRALIA - ACCOUNTS	WATER SAMPLING FREIGHT	\$ 231.91	
EFT16106	15/11/2019	TOLL TRANSPORT PTY LTD	FREIGHT	\$ 216.80	
EFT16107	15/11/2019	TOTALLY WORKWEAR MIDLAND	PROTECTIVE CLOTHING/UNIFORMS	\$ 1,306.92	
EFT16108	15/11/2019	VEBAS AQUARIUMS PTY LTD	FISH FOR AQUARIUM	\$ 1,247.54	
EFT16109	15/11/2019	VISUAL CONTRAST	A4 INVESTMENT PROSPECTUS DOCUMENT	\$ 1,760.00	
EFT16110	15/11/2019	XCAPE CLEANING SUPPLIES & SERVICES	CLEANING SERVICES	\$ 302.50	
EFT16111	19/11/2019	WESTERN AUSTRALIAN TREASURY CORP.	LOAN REPAYMENT	\$ 7,768.00	
EFT16112	22/11/2019	AUSTRALIAN GOVERNMENT CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	\$ 452.37	
EFT16113	22/11/2019	AUSTRALIAN TAX OFFICE (PAYG)	PAYROLL DEDUCTIONS	\$ 57,784.86	
EFT16114	22/11/2019	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTIONS	\$ 19.40	
EFT16115	22/11/2019	EMPLOYEE	REIMBURSE RELOCATION EXPENSES	\$ 846.38	
			<b>TOTAL EFT PAYMENTS</b>	<b>\$ 2,318,916.02</b>	<b>\$ 3,087.55</b>
	12/11/2019	STAFF UNIFORM	UNIFORM	\$ 59.95	
	12/11/2019	STAFF UNIFORM	UNIFORM	\$ 256.00	
	20/11/2019	QANTAS AIRWAYS	AIRFARES - ATTEND PRESENTATION	\$ 247.61	
	20/11/2019	CITY OF PERTH	PARKING FEES	\$ 8.48	
	20/11/2019	MEAL	SMALL BUSINESS WORKSOP	\$ 4.80	
	20/11/2019	STAFF UNIFORM	UNIFORM	\$ 83.99	
	21/11/2019	BP EXPRESS ASCOT	FUEL PURCHASES	\$ 78.98	
	24/11/2019	EXMOUTH HARDWARE	HARDWARE PURCHASES	\$ 9.95	
			<b>TOTAL CREDIT CARD CEO</b>	<b>\$ 749.76</b>	
	31/10/2019	QANTAS AIRWAYS	AIRFARES - STAFF TRAINING	\$ 495.12	
	07/11/2019	CANVAS PHOTOGRAPHIC STUDIOS	COPYRIGHT IMAGES	\$ 1.03	
	08/11/2019	CANVAS PHOTOGRAPHIC STUDIOS	COPYRIGHT IMAGES	\$ 3.09	
	08/11/2019	CLEVERPATCH	CHRISTMAS PURCHASES	\$ 548.32	
	12/11/2019	BIG W ONLINE	DVDS FOR LIBRARY	\$ 53.90	
	12/11/2019	WA NEWS	DIGITAL SUBSCRIPTION	\$ 84.00	
	13/11/2019	AQUATIC ANIMAL LIFE	AQUARIUM EQUIPMENT	\$ 30.20	
	14/11/2019	AQUATIC ANIMAL LIFE	AQUARIUM EQUIPMENT	\$ 813.96	
	18/11/2019	SEC MOFFAT	EQUIPMENT	\$ 118.80	
	18/11/2019	APPLIED SATELLITE TECH	SUBSCRIPTION	\$ 175.00	
	21/11/2019	CANVAS PHOTOGRAPHIC STUDIOS	COPYRIGHT IMAGES	\$ 1.03	
	23/11/2019	TRIBE PERTH	ACCOMODATION - STAFF TRAINING	\$ 874.00	
	24/11/2019	PARTY SAVERS	CHRISTMAS PURCHASES	\$ 56.14	
			<b>TOTAL CREDIT CARD EMCC</b>	<b>\$ 3,254.59</b>	
	30/10/2019	AUTOPRO	PARTS FOR VEHICLE	\$ 564.00	
	30/10/2019	DEPARTMENT OF TRANSPORT - EXMOUTH	LICENSING VEHICLE TRANSFERS	\$ 187.10	
	09/11/2019	QANTAS AIRWAYS	AIRFARES - STAFF TRAINING	\$ 495.12	
			<b>TOTAL CREDIT CARD EMCS</b>	<b>\$ 1,246.22</b>	
	30/10/2019	SAI GLOBAL LIMITED	PUBLICATION - AUSTRALIAN STANDARD	\$ 169.72	
	25/11/2019	NIB TRAVEL	AIRFARE - TRAVEL INSURANCE	\$ 12.00	
	26/11/2019	QANTAS AIRWAYS	AIRFARES - SHIRE PRESIDENT CONFERENCE	\$ 495.12	
	27/11/2019	WESTPAC BANKING CORPORATION	CARD FEE	\$ 6.08	
			<b>TOTAL CREDIT CARD EMDS</b>	<b>\$ 682.92</b>	
			<b>TOTAL CREDIT CARD PURCHASES</b>	<b>\$ 5,933.49</b>	
			<b>TOTAL PAYMENTS - NOVEMBER 2019</b>	<b>\$ 2,443,411.09</b>	<b>\$ 3,587.55</b>





# SHIRE OF EXMOUTH ANNUAL REPORT

FOR THE FINANCIAL YEAR 2018 / 2019





*Welcome to the Shire of Exmouth's 2018/19 Annual Report at the conclusion of a year in which we've made significant progress on advancing our community and transforming our town.*

*– Cr Matthew Niikkula, Shire President*

Shire of Exmouth  
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[www.exmouth.wa.gov.au](http://www.exmouth.wa.gov.au)





“ The Shire of Exmouth is situated 1,270km north of Perth, on the tip of the North West Cape in Western Australia.

Exmouth is the gateway to the World Heritage Listed Ningaloo Coast, including the pristine Ningaloo Reef, Australia's largest fringing coral reef, and the rugged and spectacular Cape Range National Park.

While it was first established to support operations of the Naval Communication Station, Harold E Holt, Exmouth's primary economic driver is tourism.

During the peak tourism season (April – October) Exmouth's resident population of 2,700 people balloons to more than 7,000 people.

Tourists travel to Exmouth to swim with the biggest fish in the sea, the iconic Whaleshark, snorkel on the Ningaloo Reef, relax on the pristine coastline, fish, camp and explore the Cape Range National Park.

*spoilt for choice*



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# What is the Annual Report?

“

*The annual report is a requirement of the Local Government Act 1995 and other associated regulations. It is an overview of the operations, activities and major initiatives that have been completed by the Shire within the past financial year or will continue to be completed into the coming financial year.*

## Our Vision

To be a prosperous and sustainable community living in harmony with our natural environment.

## Our Purpose

To responsibly provide governance for the whole community in the best interest of current and future generations.

## Our Strategic Objectives

- » Diversify and grow our economy in a manner that provides year round employment opportunities.
- » To protect and value our unique natural and built environment as we grow our economy.
- » To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.
- » To provide open transparent, accountable leadership working in collaboration with our community.





# Message from the **Shire President** and **Chief Executive Officer**

In 2018/19 the staff, executive team and councillors built on the previous years strong foundations in compliance and governance and moved into improved service delivery and financial management whilst aligning our efforts with the themes of our Community Strategic Plan.

We highlight the following achievements and progress made in year one of our Corporate Business Plan against the themes of Economic, Environment, Social and Leadership.

**ECONOMIC** – Diversify and grow our economy in a manner that provides year-round employment.

- » The Shire influenced the establishment of the Tantabiddi Taskforce with the Departments of Transport and Biodiversity Conservation and Attractions to address the inadequacy of the Tantabiddi Boat Launching Facility and Yardie Creek Rd maintenance.
- » The Shire has also been working closely with Tourism WA, The Gascoyne Development Commission and Qantas to address the abandonment rate of cruise ships and affordability of airfares. To this end discounted peak season airfares were trailed at \$169 one way during peak periods with 90% uptake and the state has initiated feasibility reports and business case development for port infrastructure to address cruise shipping issues in

Exmouth.

- » The Ningaloo Aquarium and Discovery Centre continued to develop and attract increased numbers of visitors whilst also providing local Exmouth ratepayers with a world-class experience at no cost.
- » We proudly hosted the International Whaleshark Conference.

**ENVIRONMENTAL** – To Protect and value our unique natural and built environment as we grow our economy.

- » Completed Murat Road upgrades; road widening, intersection design, shared bike/pedestrian path, lighting and flood mitigation
- » Delivered the new Local Planning Scheme No.4 which supersedes previous Town Planning Scheme No.3 from September 1999.
- » Delivered the Shire's first Local Planning Strategy which was a precursor for the Local Planning Scheme.
- » Developed partnerships with the Department of Biodiversity Conservation and Attraction as we jointly manage and care for the Jurabi and Bundegi Coastal Parks.
- » Developed relationships with the Ningaloo Coast World Heritage Committee to ensure the World Heritage Area continues to be able to sustain our economy.
- » Investigated options to improve our waste management practices given the changing nature of markets for recyclable products.



**SOCIAL** – To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.

- » The shire developed new funding streams for clubs and community groups whilst also developing a community Volunteer and Sporting Awards event to recognize and honour outstanding achievements by community groups and volunteers.
- » Developed new policy that provides assistance to clubs seeking external funding and ensuring our self-supporting loan fund is available for clubs to access and grow.
- » Staff also improved funding and support for local events and we enabled the Ningaloo Opera experience when we hosted the WA Opera under the stars at the Ningaloo Centre.

We are particularly proud of our achievement in relation to improving our streetscapes, having planted over 100 mature trees, installed main street banners, landscaped garden beds and repaired footpaths.

Matthew Niikkula  
Shire President

**LEADERSHIP** – To provide open and transparent and accountable leadership working with our community.

The staff and Council continue to strive for excellence in relation to compliance and have set ourselves very high standards in relation to financial and governance compliance and this has been formally recognized by the Department of Local Government.

We conducted our first community perception survey to understand what is important to our community and how we are perceived in addressing community priorities.

These findings now drive our decision making and resource allocation.

We take this opportunity to thank all of the staff, as well as Councillors, and commend them for their community-first approach to service delivery, and we look forward to building on our efforts to date.

Cameron Woods  
Chief Executive Officer



*spoilt for choice*



## Our Council

The Shire of Exmouth is formed under the *Local Government Act 1995* and its operations and structures are a reflection of this State Legislation and its associated Regulations. Local Governments are also affected by many other pieces of Legislation which impose both powers and duties which must be carried out.

Members who have been elected to represent the community meet regularly to make decisions on matters concerning the Council and to provide guidance to the Chief Executive Officer on community priorities and policy.

## Elected Member's during the review period



**Cr Matthew Niikkula**

**Position :** Shire President  
**Term Expires :** 2021



**Cr Heather Lake**

**Position :** Councillor  
**Term Expires :** 2019



**Cr Gary Mounsey**

**Position :** Deputy Shire President  
**Term Expires :** 2021



**Cr Mark Lucas**

**Position :** Councillor  
**Term Expires :** 2019



**Cr Ben Dixon**

**Position :** Councillor  
**Term Expires :** 2021



**Cr Gavin Penfold**

**Position :** Councillor  
**Term Expires :** 2019





“ To be a community that provides inclusion, connection, participation and wellbeing within our community.

*spirit for choice*






## Elected Member's **Attendance**

DATE	TYPE OF MEETING	PRESIDENT NIIKKULA	DEPUTY PRESIDENT MOUNSEY	CR DIXON	CR LAKE	CR LUCAS	CR PENFOLD
25.07.2018	SCM	Attended	Attended	Attended	Attended	Attended	Attended
26.07.2018	OCM	Attended	Attended	Attended	Attended	Attended	Attended
23.08.2018	OCM	Attended	Attended	Attended	Attended	Attended	Attended
30.08.2018	SCM	Attended	Attended	Attended	Attended	Apology	Attended
27.09.2018	OCM	Attended	Attended	Attended	Attended	Attended	Leave
25.10.2018	OCM	Attended	Attended	Attended	Attended	Attended	Attended
22.11.2018	OCM	Attended	Attended	Attended	Attended	Leave	Attended
13.12.2018	OCM	Attended	Attended	Attended	Attended	Apology	Leave
28.02.2019	OCM	Attended	Attended	Attended	Attended	Attended	Attended
28.03.2019	OCM	Attended	Attended	Attended	Attended	Attended	Attended
02.05.2019	OCM	Attended	Leave	Attended	Attended	Attended	Attended
30.05.2019	OCM	Attended	Attended	Attended	Attended	Attended	Attended
27.06.2019	OCM	Attended	Attended	Attended	Attended	Attended	Attended

OCM - Ordinary Council Meeting

SCM - Special Council Meeting





ELECTED MEMBER	UNIT NAME AND DATE COMPLETED		
	EFFECTIVE COMMUNITY LEADERSHIP	CEO PERFORMANCE APPRAISALS	PROFESSIONALLY SPEAKING
Matthew Niikkula	02.11.2018	29.07.2018	
Ben Dixon	02.11.2018		
Gavin Penfold	02.11.2018		
Gary Mounsey	02.11.2018		
Heather Lake	02.11.2018		11.06.2019

## About Council

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*The Shire of Exmouth was structured around four directorates during the 2018/19 financial year.*

- » Executive Services
- » Development Services
- » Corporate Services
- » Commercial and Community



*spoilt for choice*



# Directorates

1

**CAMERON WOODS**  
**CHIEF EXECUTIVE OFFICER**

## EXECUTIVE SERVICES

- » Strategic Planning
- » Governance
- » Policy
- » Organizational Development
- » Economic Development

2

**KEITH WOODWARD**  
**DEPUTY CHIEF EXECUTIVE OFFICER**

## DEVELOPMENT SERVICES

- » Transport - Roads, Footpaths
- » Parks & Recreation Grounds
- » Infrastructure & Community Amenities
- » Asset & Building Maintenance
- » Quailing Scarp Waste Management
- » Emergency / Ranger Services
- » Swimming Pool
- » Waste Management & Recycling
- » Occupational, Health & Safety
- » Town Planning Services
- » Townscape
- » Reserves Management



3

**MATTHEW BIRD**  
**EXECUTIVE MANAGER COMMERCIAL AND  
COMMUNITY**

**COMMERCIAL AND COMMUNITY**

- » Ningaloo Centre
- » Aviation Services
- » Community & Cultural Development
- » Infant, Youth and Senior Services
- » Disability Services
- » Heritage
- » Tourism & Promotions
- » Library
- » Festival & Events

4

**KEVIN WILSON**  
**EXECUTIVE MANAGER CORPORATE  
SERVICES**

**CORPORATE SERVICES**

- » Financial Services
- » Administration Services
- » Records Management & Information Systems
- » Insurance & Risk Management
- » Cemetery

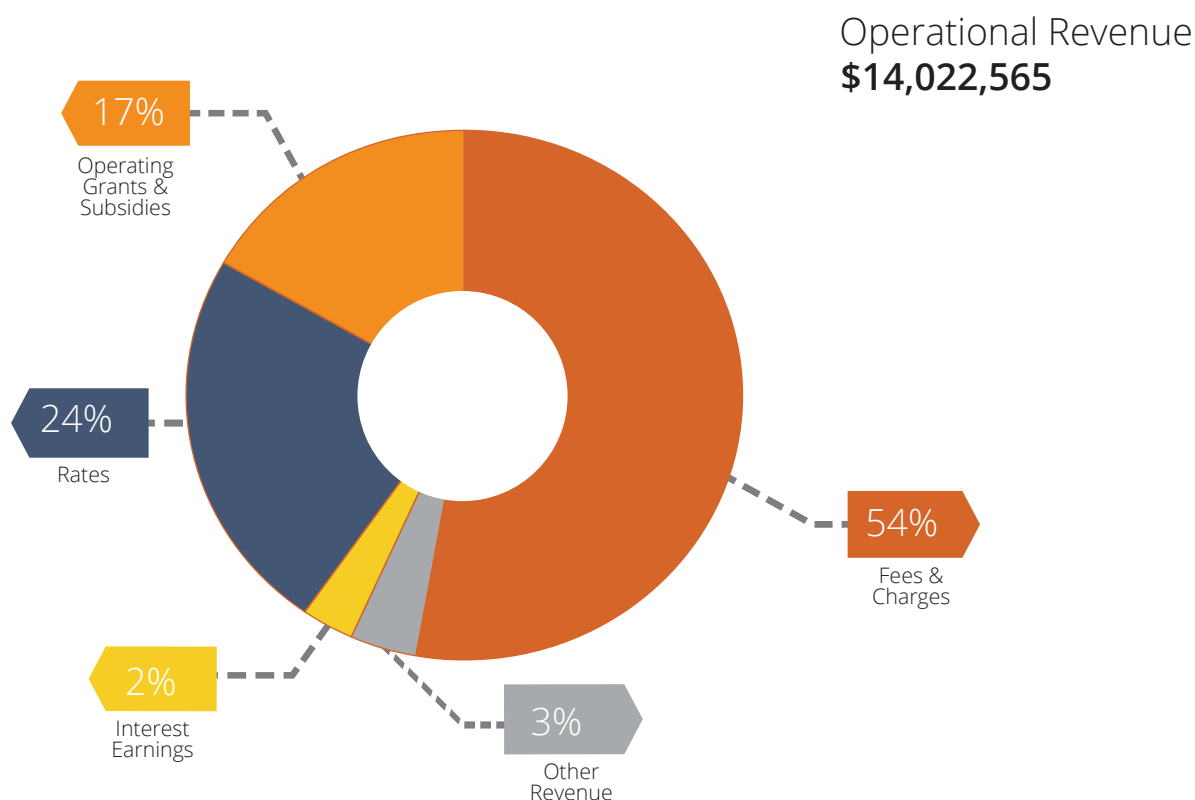
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# Review Year 2018/19

This report summarises the Shire of Exmouth's Progress during the 2018/2019 financial year toward attaining Goals, Outcomes and Strategies set out in the Shire's Strategic Community Plan.

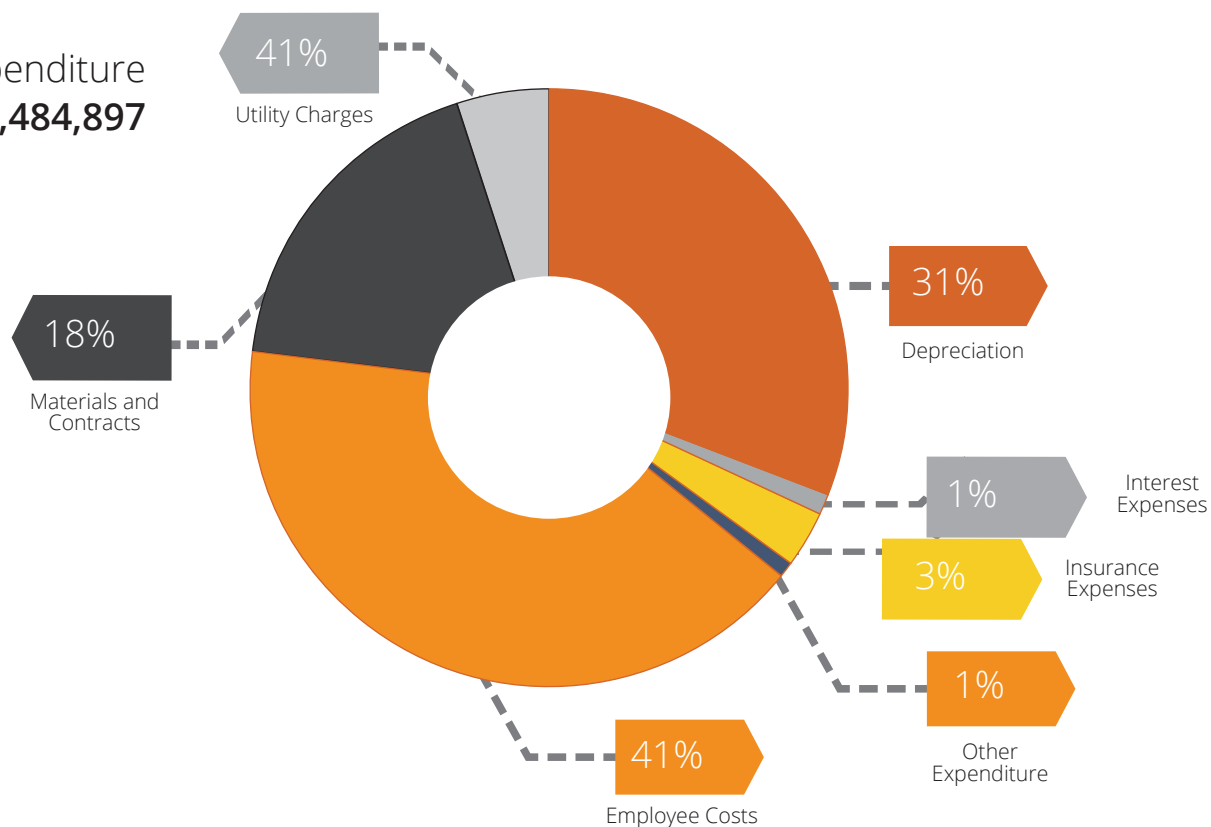
## Financial Statistics







Operating Expenditure  
**\$15,484,897**



*spoilt for choice*





## Highlights 2018/2019

### EXECUTIVE SERVICES

#### GOVERNANCE

- › 5 Citizenship Ceremonies
- › 11 Ordinary Council Meetings
- › 2 Special Council Meetings

#### HUMAN RESOURCES

Fair Work Commission **approved the Shire of Exmouth's Enterprise Agreement**, effective from 23 May 2019

- › New starters: 17 – Resignations: 15

#### STAFF TRAINING

- › Equal Employment Opportunity and Workplace Behaviours Equal Opportunity Management Policy
- › Discrimination, Harassment and Bullying Management Policy
- › Grievance, Investigations and Resolution Policy
- › Manual Task Awareness.
- › OHS Roles and Responsibilities
- › Understanding Local Government and Conflicts of Interest.





## DEVELOPMENT SERVICES

### HEALTH

- ▶ 90 Inspections Completed
- ▶ 15 information sessions on asbestos risks and relevant legislative requirements
- ▶ 200 recreational, drinking water and aquatic facility premises sampled from
- ▶ 36 temporary food businesses processed
- ▶ 6 new food businesses
- ▶ 9 Events approved

### TOWN PLANNING

- ▶ Simplified Planning Framework by revoking 19 local planning policies;
- ▶ Introduced development guidelines for the Exmouth Boat harbour in collaboration with Department of Transport;
- ▶ Introduced new exemptions policy in collaboration with Department of Planning, Lands and Heritage, paving the way for recycling of drink containers and the container deposit scheme due to commence July 2020.

### LAW AND ORDER

- ▶ 62 illegal camping infringements
- ▶ Impounding fees are down 26.28%
- ▶ State Risk Hazard Assessment Local Level final report submitted and has been recognized as one of the, if not the best in the State
- ▶ New VBFB Shed capital grant completed and acquitted \$150,000.00 – 2018/19

*spoilt for choice*





## COMMERCIAL & COMMUNITY

### ENGINEERING AND PARKS AND GARDEN SERVICES

- ▶ 400 tonne of landscaping rock hand placed in 934m2 of centre islands
- ▶ 530m3 of green waste mulched from cyclone verge clean-up available for residents free of charge
- ▶ 800 tonne sand mechanically removed from Tantabiddi Boat ramp
- ▶ 5000 tonne of fill delivered to waste site
- ▶ 950m2 of footpath repairs
- ▶ 100+ new trees planted
- ▶ General Road Maintenance \$225,210
- ▶ Murat Road Capital Works \$1,734,875
- ▶ Yardie Creek Road upgrades \$164,560

### AVIATION

- ▶ Learmonth airport processed 86,000 pax in 2018/2019





## SWIMMING POOL

12,707 people attended the  
Paltridge Memorial Swimming Pool in  
2018/2019

## COMMUNITY DEVELOPMENT

Provided \$76,000 in support to local community and sporting groups

- ▶ ANZAC Day/Remembrance Day ceremonies
- ▶ WA Opera
- ▶ State Collection Freighting Ideas Exhibition
- ▶ Pujiman Exhibition
- ▶ Taste of Ireland Show
- ▶ Opening of the Ningaloo Aquarium and Discovery Centre
- ▶ Installation of 13 new tanks in the Aquarium
- ▶ Cyclone Vance 20th Anniversary morning tea
- ▶ Shire of Exmouth 2019 Community Volunteer and Sporting Awards Night

*spoilt for choice*





# Statutory Reporting

## Disability Access & Inclusion Plan (DAIP)

Ongoing implementation of the Shire's Disability Access and Inclusion Plan (DAIP) took place during the year 2018-2019.

The Shire has continued to implement various initiatives and programs contained within the DAIP. The Shire reports on the achievements of the Plan on an annual basis to the Disability Services Commission.

Major initiatives implemented this year included the construction of a new cross over on Murat Road to the Ningaloo Centre and the upgrade of major arterial footpaths connecting residential areas to the town centre and Ningaloo Centre.

The Shire continued to encourage the use of universal methods of consultation that meet the needs of people with disabilities in 2018/19. DAIP strategies were implemented during community consultation undertaken when delivering a range of community engagement workshops.

More access and inclusion initiatives have been budgeted for in 2019/20 financial year including the installation of a ramp access from Murat Road footpaths to the main entry doors of the Ningaloo Centre.



## Strategic Community Plan: Exmouth 2030

In 2018/19 the Shire of Exmouth began a major review of its Strategic Community Plan, Exmouth 2030.

In developing Exmouth 2030, the Shire sought the views and aspirations of the community, through public meetings, focus groups and surveys, about where our community should be by 2030.

Almost 20 per cent of the community participated in the Strategic Community Plan public consultation. This is well above the 10% standard outlined in the Integrated Planning and Reporting Framework and Guidelines published by the Department of Local Government Sport and Cultural Industries.

Analysis of community feedback and survey data resulted in the development of community priorities for social, economic, environment, changing demographics and land use, social and leadership in the Shire of Exmouth. These priorities form the key strategic document used by Council to guide decision making.

The Plan takes into account the broad social, cultural, economic and environmental areas and how private industry, government agencies and community might contribute to achieve the aspirations of our community.

Our thanks go to all those who supported this process and gave up their time to provide their input and help guide the development of this plan.

## State Records Act

The Shire's amended Recordkeeping Plan was approved by the State Records Commission on 5 December 2014. The next review is due 5 December 2019, and is near completion.

The Records Keeping Plan details all record keeping practices across the organisation and incorporates legal requirements set by State Records.

The Shire's records staff undertake record keeping training for all staff on an as-needs basis following a formal induction process. Every staff member attends a mandatory record-keeping induction upon commencing with the organisation.





## Statement of Salaries

*Local Government (Administration) Regulation 19B* requires the Shire of Exmouth to disclose in bands of \$100,000 the number of employees entitled to an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

DATE	2016	2017	2018	2019
100,000 - 109,999	5	4	1	
110,000 - 119,999			1	2
120,000 - 129,999				1
130,000 - 139,999	2	2	1	
140,000 - 149,999				
150,000 - 159,999	1	1	1	1
160,000 - 169,999				
170,000 - 179,999				
180,000 - 189,999		1	1	1
TOTAL	8	8	5	5



## National Competition Policy

The Competition Principals Agreement (CPA) is an Intergovernmental Agreement between the Commonwealth and State/Territory governments that sets out how the government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The National Competition Policy itself concluded in 2005/06 and has been succeeded by Australia's National Reform Agenda, which is an addition to, and continuation of, the National Competition Policy reforms.

The CPA (as amended 13 April 2007) sets out nominated principles from the agreement that now applies to local government.

The provisions of the CPA require local government to report annually on implementation, application and effects of Competition Policy. Competition Policy does not require contracting out or competitive tendering.

It does not preclude a local government from continuing to subsidise its business activities from general revenue, nor does it require privatisation of government functions. It does require local

governments to identify significant business activities and apply competitive disciplines to those businesses which compete with the private sector.

In July 1996 the State Government released a Policy Statement called Clause 7 which describes the application of specific "Competition Principles" to the activities and functions of local government pursuant to the National Competition Policy package.

Although local government is not a party to the agreement, the State's obligations extend to ensuring that the principles are applied to local government activities, and functions and the annual report must include a statement on all allegations of non-compliance with the principles.

### **In accordance with the requirements of the National Competition Policy the Shire makes the following disclosure for the reporting period.**

- » The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- » The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: One (1) - Learmonth Aviation Operations. A study into the operations of the Learmonth Aviation Operations concluded that competitive neutrality not be applied to the Learmonth Aviation Operations. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis;
- » During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.



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## Register of Complaints

Section 5.121 of the *Local Government Act 1995* (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) of the *Local Government Act 1995* requires that details of entries made under section 5.121 during the financial year in the register of complaints, including;

- i) the number of complaints recorded in the register of complaints; and
- ii) how the recorded complaints were dealt with; be included in the Annual Report of Council.

**There were no complaints received pursuant to s5.121 of the *Local Government Act 1995* by the Shire of Exmouth during the 2018/19 reporting period.**

## Freedom of Information

During the 2017/18 financial year, the Shire of Exmouth received three requests for information under the *Freedom of Information Act 1992*, which were all finalised within statutory timelines.



# Financial Report

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*spoilt for choice*



**SHIRE OF EXMOUTH**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

To support and develop a vibrant, welcoming community that embraces its past its present and plans for a sustainable future.

Principal place of business:  
2 Truscott Crescent  
EXMOUTH WA 6707



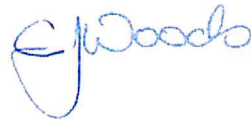
**SHIRE OF EXMOUTH  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Exmouth for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Exmouth at 30 June 2019 and the results of the operations for the financial year ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the      20th                      day of      November                      2019



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Chief Executive Officer

Cameron Woods

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Name of Chief Executive Officer





SHIRE OF EXMOUTH  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>				
Rates	23(a)	3,416,224	3,417,400	3,258,621
Operating grants, subsidies and contributions	2(a)	2,382,301	1,131,745	2,195,008
Fees and charges	2(a)	7,569,571	7,368,108	7,173,008
Interest earnings	2(a)	238,777	164,655	184,945
Other revenue	2(a)	415,692	43,400	152,726
		14,022,565	12,125,308	12,964,308
<b>Expenses</b>				
Employee costs		(6,358,115)	(6,481,084)	(5,598,863)
Materials and contracts		(2,753,547)	(3,086,655)	(2,303,971)
Utility charges		(842,565)	(930,734)	(743,936)
Depreciation on non-current assets	10(b)	(4,802,226)	(3,244,304)	(5,961,266)
Interest expenses	2(b)	(83,378)	(84,129)	(102,231)
Insurance expenses		(438,658)	(466,353)	(461,131)
Other expenditure		(206,408)	(407,851)	(426,875)
		(15,484,897)	(14,701,110)	(15,598,273)
		(1,462,332)	(2,575,802)	(2,633,965)
Non-operating grants, subsidies and contributions	2(a)	4,404,648	4,141,718	2,664,794
Profit on asset disposals	10(a)	10,717	6,939	0
(Loss) on asset disposals	10(a)	(39,403)	(179,979)	0
		4,375,962	3,968,678	2,664,794
<b>Net result for the period</b>		<b>2,913,630</b>	<b>1,392,876</b>	<b>30,829</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	12,472,769 (a)
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>12,472,769</b>
<b>Total comprehensive income for the period</b>		<b>2,913,630</b>	<b>1,392,876</b>	<b>12,503,598</b>

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

a) Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.





**SHIRE OF EXMOUTH**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>	2(a)			
Governance		171,168	8,200	16,427
General purpose funding		5,536,439	4,459,276	5,256,879
Law, order, public safety		52,571	41,570	56,894
Health		51,170	39,622	36,544
Education and welfare		2,612	1,600	31,822
Housing		64,333	59,932	155,095
Community amenities		1,260,703	1,202,223	1,169,505
Recreation and culture		1,000,814	811,178	556,129
Transport		5,447,375	5,244,500	5,360,526
Economic services		217,183	239,377	225,084
Other property and services		218,197	17,830	99,403
		<u>14,022,565</u>	<u>12,125,308</u>	<u>12,964,308</u>
<b>Expenses</b>	2(b)			
Governance		(812,660)	(801,710)	(880,939)
General purpose funding		(144,884)	(125,436)	(71,816)
Law, order, public safety		(450,626)	(402,714)	(473,282)
Health		(221,628)	(162,194)	(187,375)
Education and welfare		(80,029)	(87,179)	(166,400)
Housing		(31,692)	32,724	0
Community amenities		(1,752,352)	(2,004,892)	(1,791,782)
Recreation and culture		(4,883,144)	(5,297,115)	(4,968,376)
Transport		(6,402,969)	(5,222,169)	(6,310,585)
Economic services		(460,522)	(559,480)	(645,487)
Other property and services		(161,013)	13,184	0
		<u>(15,401,519)</u>	<u>(14,616,981)</u>	<u>(15,496,042)</u>
<b>Finance Costs</b>	2(b)			
Housing		(32,143)	(32,724)	(40,497)
Community amenities		(7,461)	(7,519)	(10,794)
Recreation and culture		(31,055)	(31,109)	(36,335)
Other property and services		(12,719)	(12,777)	(14,605)
		<u>(83,378)</u>	<u>(84,129)</u>	<u>(102,231)</u>
		<u>(1,462,332)</u>	<u>(2,575,802)</u>	<u>(2,633,965)</u>
Non-operating grants, subsidies and contributions	2(a)	4,404,648	4,141,718	2,664,794
Profit on disposal of assets	10(a)	10,717	6,939	0
(Loss) on disposal of assets	10(a)	(39,403)	(179,979)	0
		<u>4,375,962</u>	<u>3,968,678</u>	<u>2,664,794</u>
<b>Net result for the period</b>		<u>2,913,630</u>	<u>1,392,876</u>	<u>30,829</u>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	11	0	0	12,472,769 (a)
<b>Total other comprehensive income for the period</b>		<u>0</u>	<u>0</u>	<u>12,472,769</u>
<b>Total comprehensive income for the period</b>		<u>2,913,630</u>	<u>1,392,876</u>	<u>12,503,598</u>

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

a) Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.



SHIRE OF EXMOUTH  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019 \$	Restated 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	12,182,541	9,126,509
Trade receivables	5	1,818,362	1,727,922
Inventories	6	55,830	28,847
Other current assets	7	40,615	61,037
<b>TOTAL CURRENT ASSETS</b>		<b>14,097,348</b>	<b>10,944,315</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	126,981	94,018
Inventories	6	1,285,567	1,446,263
Property, plant and equipment	8	67,232,392	68,330,659 <sup>(a)</sup>
Infrastructure	9	51,795,395	51,492,495
<b>TOTAL NON-CURRENT ASSETS</b>		<b>120,440,335</b>	<b>121,363,435</b>
<b>TOTAL ASSETS</b>		<b>134,537,683</b>	<b>132,307,750</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,005,572	1,554,516
Borrowings	13(b)	223,637	263,832
Employee related provisions	14	958,906	779,782
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,188,115</b>	<b>2,598,130</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13(b)	1,775,323	1,998,960
Employee related provisions	14	89,778	139,822
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,865,101</b>	<b>2,138,782</b>
<b>TOTAL LIABILITIES</b>		<b>4,053,216</b>	<b>4,736,912</b>
<b>NET ASSETS</b>		<b>130,484,467</b>	<b>127,570,838</b>
<b>EQUITY</b>			
Retained surplus		66,417,461	66,418,539
Reserves - cash backed	4	9,352,157	6,437,450
Revaluation surplus	11	54,714,849	54,714,849 <sup>(a)</sup>
<b>TOTAL EQUITY</b>		<b>130,484,467</b>	<b>127,570,838</b>

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

a) Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.





SHIRE OF EXMOUTH  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>66,796,356</b>	<b>6,028,804</b>	<b>42,766,553</b>	<b>115,591,713</b>
Comprehensive income					
Net result for the period		30,829	0	0	30,829
Other comprehensive income	11	0	0	12,472,769	12,472,769
Total comprehensive income		30,829	0	12,472,769	12,503,598
Transfers from/(to) reserves		(408,646)	408,646	0	0
<b>Balance as at 30 June 2018</b>		<b>66,418,539</b>	<b>6,437,450</b>	<b>55,239,322</b>	<b>128,095,311</b>
Adjustment to Revaluation Surplus		0	0	(524,473) <sup>(a)</sup>	(524,473) <sup>(a)</sup>
<b>Restated balance as at 30 June 2018</b>		<b>66,418,539</b>	<b>6,437,450</b>	<b>54,714,849</b>	<b>127,570,838</b>
Comprehensive income					
Net result for the period		2,913,630	0	0	2,913,630
Total comprehensive income		2,913,630	0	0	2,913,630
Transfers from/(to) reserves		(2,914,707)	2,914,707	0	0
<b>Balance as at 30 June 2019</b>		<b>66,417,461</b>	<b>9,352,157</b>	<b>54,714,849</b>	<b>130,484,468</b>

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

a) Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.



SHIRE OF EXMOUTH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,351,216	3,576,179	3,291,748
Operating grants, subsidies and contributions		2,219,062	483,713	2,040,192
Fees and charges		7,569,571	7,368,108	7,173,008
Interest received		238,777	164,655	184,945
Goods and services tax received		0	121,100	104,844
Other revenue		415,692	43,400	101,376
		13,794,318	11,757,155	12,896,113
<b>Payments</b>				
Employee costs		(6,374,591)	(6,339,795)	(5,492,802)
Materials and contracts		(3,009,373)	(3,233,702)	(2,823,529)
Utility charges		(842,565)	(930,734)	(743,936)
Interest expenses		(76,805)	(83,379)	(102,945)
Insurance paid		(438,658)	(466,353)	(461,131)
Goods and services tax paid		104,844	(121,100)	(147,332)
Other expenditure		(206,408)	(407,851)	(375,525)
		(10,843,556)	(11,582,914)	(10,147,200)
<b>Net cash provided by (used in) operating activities</b>	15	2,950,762	174,241	2,748,913
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,031,751)	(1,974,500)	(2,301,651)
Payments for construction of infrastructure		(3,111,841)	(3,148,202)	(1,092,994)
Non-operating grants, subsidies and contributions		4,404,648	4,141,718	2,664,794
Proceeds from sale of property, plant & equipment		108,046	122,319	0
<b>Net cash provided by (used in) investment activities</b>		369,102	(858,665)	(729,851)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(263,832)	(263,832)	(253,765)
Advances to community groups		0	60,000	0
Proceeds from self supporting loans		0	55,000	0
Proceeds from new borrowings		0	(60,000)	0
Proceeds from community loans		0	0	68,024
<b>Net cash provided by (used in) financing activities</b>		(263,832)	(208,832)	(185,741)
<b>Net increase (decrease) in cash held</b>		3,056,032	(893,256)	1,833,321
Cash at beginning of year		9,126,509	9,126,509	7,293,188
<b>Cash and cash equivalents at the end of the year</b>	15	12,182,541	8,233,253	9,126,509

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



**SHIRE OF EXMOUTH**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,893,349	982,735	962,667
		2,893,349	982,735	962,667
<b>Revenue from operating activities (excluding rates)</b>				
Governance		171,168	8,200	16,427
General purpose funding		2,172,757	1,089,169	2,045,072
Law, order, public safety		52,571	41,570	56,894
Health		51,170	39,622	36,544
Education and welfare		2,612	1,600	31,822
Housing		64,333	59,932	155,095
Community amenities		1,260,703	1,202,223	1,169,505
Recreation and culture		1,000,814	811,178	556,129
Transport		5,458,092	5,251,439	5,360,526
Economic services		217,183	239,377	225,084
Other property and services		218,197	17,830	99,403
		10,669,600	8,762,140	9,752,501
<b>Expenditure from operating activities</b>				
Governance		(812,660)	(125,436)	(880,939)
General purpose funding		(144,884)	(801,710)	(71,816)
Law, order, public safety		(450,626)	(402,714)	(473,282)
Health		(221,628)	(162,194)	(187,375)
Education and welfare		(80,029)	(87,179)	(166,400)
Housing		(63,835)	0	(40,497)
Community amenities		(1,759,813)	(2,075,357)	(1,802,576)
Recreation and culture		(4,914,199)	(5,328,224)	(5,004,711)
Transport		(6,428,373)	(5,292,390)	(6,310,585)
Economic services		(460,522)	(590,885)	(645,487)
Other property and services		(187,731)	(15,000)	(14,605)
		(15,524,300)	(14,881,089)	(15,598,273)
Non-cash amounts excluded from operating activities	24(a)	5,118,725	3,071,264	5,888,885
Amount attributable to operating activities		3,157,374	(2,064,950)	1,005,780
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,404,648	4,141,718	2,664,794
Proceeds from disposal of assets	10(a)	108,046	122,319	0
Purchase of property, plant and equipment	8(a)	(1,031,751)	(1,974,500)	(2,301,651)
Purchase and construction of infrastructure	9(a)	(3,111,841)	(3,148,202)	(1,092,994)
Amount attributable to investing activities		369,102	(858,665)	(729,851)
<b>FINANCING ACTIVITIES</b>				
Advances to community groups		(60,000)	0	0
Repayment of borrowings	13(b)	(263,832)	(263,832)	(253,765)
Proceeds from borrowings	13(c)	0	(60,000)	0
Proceeds from community loans		65,000	55,000	68,024
Transfers to reserves (restricted assets)	4	(4,083,460)	(1,037,307)	(697,017)
Transfers from reserves (restricted assets)	4	1,168,753	860,284	288,371
Amount attributable to financing activities		(3,173,539)	(445,855)	(594,387)
Surplus/(deficit) before imposition of general rates		352,937	(3,369,470)	(318,458)
Total amount raised from general rates	23	3,363,682	3,370,107	3,211,807
Surplus/(deficit) after imposition of general rates	24(b)	3,716,619	637	2,893,349

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



## 1. BASIS OF PREPARATION

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 26 to these financial statements.



## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue

#### Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	0	0	0
General purpose funding	1,892,207	886,690	1,836,082
Law, order, public safety	20,253	28,575	40,371
Recreation and culture	322,915	145,000	231,246
Transport	95,419	55,980	65,980
Economic services	30,000	0	5,000
Other property and services	21,507	15,500	16,329
	<b>2,382,301</b>	<b>1,131,745</b>	<b>2,195,008</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	151,848	140,000	0
Community amenities	67,300	0	0
Recreation and culture	1,416,985	1,724,000	1,976,068
Transport	2,768,515	2,277,718	688,726
	<b>4,404,648</b>	<b>4,141,718</b>	<b>2,664,794</b>
<b>Total grants, subsidies and contributions</b>	<b>6,786,949</b>	<b>5,273,463</b>	<b>4,859,802</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, donations and other contributions

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

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

##### Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.



## 2. REVENUE AND EXPENSES

### (a) Revenue (Continued)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
<b>Other revenue</b>			
Reimbursements and recoveries	349,115	12,900	97,376
Sale of inventory	66,577	0	0
Other	0	30,500	55,350
	415,692	43,400	152,726
<b>Fees and Charges</b>			
General purpose funding	41,773	34,824	24,045
Law, order, public safety	13,247	8,495	12,523
Health	51,170	39,622	36,544
Education and welfare	432	100	29,440
Housing	61,798	59,932	109,395
Community amenities	1,258,788	1,202,223	1,168,031
Recreation and culture	607,451	602,685	274,731
Transport	5,345,015	5,188,520	5,295,416
Economic services	187,096	229,377	220,083
Other property and services	2,801	2,330	2,800
	7,569,571	7,368,108	7,173,008

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

### Interest earnings

Reserve accounts interest	157,641	89,231	101,037
Rates instalment and penalty interest (refer Note 23(d))	64,562	57,924	54,632
Other interest earnings	16,574	17,500	19,531
	238,777	164,655	175,200

### (b) Expenses

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	47,000	46,000	22,968
- Other services	30,417	17,000	21,620
	77,417	63,000	44,588
<b>Interest expenses (finance costs)</b>			
Borrowings (refer Note 13(b))	83,378	84,129	102,231
	83,378	84,129	102,231



### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		12,182,541	9,126,509
		12,182,541	9,126,509
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,832,563	2,250,889
- Restricted cash and cash equivalents		10,349,978	6,875,620
		12,182,541	9,126,509
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Reserves cash backed - Leave Reserve	4	688,110	255,275
Aviation Reserve	4	1,244,600	1,173,441
Building Infrastructure Reserve	4	628,949	369,174
Community Development Fund Reserve	4	1,360,721	1,659,472
Community Interest Free Loans Reserve	4	339,770	390,299
Insurance/Natural Disasters Reserve	4	181,056	176,386
Marina Canal Reserve (Specified Area Rates)	4	308,782	255,079
Marina Village Asset Replace & Preservation Reserv	4	32,912	5,986
Ningaloo Centre Reserve	4	253,095	0
Plant Reserve	4	984,318	719,476
Public Radio Infrastructure Reserve	4	5,103	0
Rehabilitation Reserve	4	249,415	204,013
Roads Reserve	4	586,492	0
Shire Staff Housing Reserve	4	134,917	34,016
Swimming Pool Reserve	4	541,961	430,562
Town Planning Scheme Reserve	4	21,621	21,063
Waste Management Reserve	4	1,062,443	648,924
Unspent Grants & Contributions	4	0	94,284
Land Acquisition & Disposal Reserve	4	717,892	0
Mosquito Management Reserve	4	10,000	0
		9,352,157	6,437,450
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	22	570,620	28,170
Bonds & Deposits Held		17,201	0
Unspent loans	13(c)	410,000	410,000
<b>Total restricted cash and cash equivalents</b>		<b>10,349,978</b>	<b>6,875,620</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

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

#### Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Closing Balance
(a) Reserves cash backed - Leave Reserve	255,275	432,835	688,110	255,275	3,817	259,092	250,943	4,332	255,275
(b) Aviation Reserve	1,173,441	171,159	1,344,600	1,173,441	17,545	1,190,986	1,153,526	19,915	1,173,441
(c) Building Infrastructure Reserve	369,174	259,774	628,948	369,174	5,520	374,694	362,509	6,265	369,174
(d) Community Development Fund Reserve	1,659,472	40,284	1,700,756	1,659,472	24,807	1,684,279	1,729,611	29,861	1,659,472
(e) Community Interest Free Loans Reserve	390,299	9,471	400,770	390,299	5,836	396,135	383,675	6,624	390,299
(f) Insurance/Natural Disasters Reserve	176,386	4,670	181,056	176,386	2,637	179,023	173,393	2,993	176,386
(g) Marina Canal Reserve (Specified Area Rates)	255,079	53,703	308,782	255,079	49,825	304,904	33,617	221,462	255,079
(h) Marina Village Asset Replace & Preservation Reserve	5,986	26,926	32,912	5,986	26,316	32,302	5,884	102	5,986
(i) Ningaloo Centre Reserve	0	253,095	253,095	0	150,000	150,000	0	0	0
(j) Plant Reserve	719,476	614,842	1,334,318	719,476	350,900	1,065,376	707,265	12,211	719,476
(k) Public Radio Infrastructure Reserve	0	5,103	5,103	0	5,000	5,000	0	0	0
(l) Rehabilitation Reserve	204,013	45,402	249,415	204,013	3,050	207,063	200,551	3,462	204,013
(m) Roads Reserve	0	586,492	586,492	0	280,700	280,700	0	0	0
(n) Shire Staff Housing Reserve	34,016	100,901	134,917	34,016	509	34,525	33,439	577	34,016
(o) Swimming Pool Reserve	430,562	111,400	541,962	430,562	6,738	437,300	432,265	7,463	430,562
(p) Town Planning Scheme Reserve	21,063	558	21,621	21,063	315	21,378	20,705	358	21,063
(q) Waste Management Reserve	648,924	413,519	1,062,443	648,924	104,094	753,018	269,179	379,745	648,924
(r) Unspent Grants & Contributions	94,284	225,424	319,708	94,284	0	94,284	271,842	1,647	94,284
(s) Land Acquisition & Disposal Reserve	0	717,892	717,892	0	0	0	0	0	0
(t) Mosquito Management Reserve	0	10,000	10,000	0	0	0	0	0	0
	6,437,450	4,083,460	10,520,910	6,437,450	1,037,609	7,475,059	6,028,804	687,017	6,437,450

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Ongoing	To be used for annual and long service leave requirements
(b) Aviation Reserve	Ongoing	To be used to fund aviation requirements
(c) Building Infrastructure Reserve	Ongoing	To be used for the development, preservation and management of building infrastructure within the Shire
(d) Community Development Fund Reserve	Ongoing	To be used to fund major community development initiatives
(e) Community Interest Free Loans Reserve	Ongoing	To be used to support major community development projects
(f) Insurance/Natural Disasters Reserve	Ongoing	To be used for the purpose of funding insurance claims where the excess is higher than the cost of reprints in addition to any weather related insurance, WANDARRA claims.
(g) Marina Canal Reserve (Specified Area Rates)	Ongoing	To be used for the purpose of funding future dredging costs as well as environmental water control and maintenance of canals. These funds were derived from levying a Specified Area Rate titled Marina Specified Area Rate
(h) Marina Village Asset Replace & Preservation Reserve	Ongoing	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village
(i) Ningaloo Centre Reserve	Ongoing	To be used for the preservation of the Ningaloo Centre
(j) Plant Reserve	Ongoing	To be used for the purchase of major plant and equipment
(k) Public Radio Infrastructure Reserve	Ongoing	To be used to maintain broadcasting infrastructure
(l) Rehabilitation Reserve	Ongoing	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth
(m) Roads Reserve	Ongoing	To be used for the preservation and maintenance of Roads
(n) Shire Staff Housing Reserve	Ongoing	To be used to fund housing for Shire Staff
(o) Swimming Pool Reserve	Ongoing	To be used to fund Swimming Pool Upgrades
(p) Town Planning Scheme Reserve	Ongoing	To be used for the purpose of funding a review of the Town Planning Scheme
(q) Waste Management Reserve	Ongoing	To be used to fund operational costs of Refuse Site including implementation of post closure plan
(r) Unspent Grants & Contributions	Ongoing	To be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties
(s) Land Acquisition & Disposal Reserve	Ongoing	To be used to fund the acquisition and disposal of Shire owned land & Buildings
(t) Mosquito Management Reserve	Ongoing	To be used to access funds when mosquito-borne disease/nuisance is greater than normal.
(u) Tourism Development Fund	Ongoing	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic development objectives of the Shire.



## 5. TRADE RECEIVABLES

### Current

Rates receivable	
Sundry receivables	
GST receivable	
Loans Receivables - clubs/institutions	

### Non-current

Pensioner's rates and ESL deferred	
Loans Receivables - clubs/institutions	

2019	2018
\$	\$
365,141	302,096
1,430,221	1,261,982
0	104,844
23,000	59,000
1,818,362	1,727,922
41,981	40,018
85,000	54,000
126,981	94,018

## SIGNIFICANT ACCOUNTING POLICIES

### Trade and other receivables

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

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

### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

### Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

### Classification and subsequent measurement

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

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

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



## 6. INVENTORIES

### Current

Fuel, oil and materials on hand

### Non-current

Land held for resale - cost

Cost of acquisition

	2019	2018
	\$	\$
Fuel, oil and materials on hand	55,830	28,847
	55,830	28,847
Land held for resale - cost		
Cost of acquisition	1,285,567	1,446,263
	1,285,567	1,446,263
The following movements in inventories occurred during the year:		
Carrying amount at 1 July	1,475,110	1,475,110
Inventories expensed during the year	(160,696)	0
Additions to inventory	26,983	0
Carrying amount at 30 June	1,341,397	1,475,110

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

### Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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



## 7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

### Other current assets

Accrued Revenue

	2019	2018
	\$	\$
	40,615	61,037
	40,615	61,037

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

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

#### Non-current assets held for sale

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

#### Non-current assets held for sale (Continued)

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

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 30(h).



## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	property, plant and equipment Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	7,703,000	7,703,000	5,410,000	51,420,832	56,830,832	64,533,832	1,668,563	3,164,680	0	69,367,075
Additions	0	0	40,870	2,109,642	2,150,512	2,150,512	119,938	31,201	0	2,301,651
Depreciation (expense)	0	0	(151,106)	(1,848,116)	(1,999,222)	(1,999,222)	(321,073)	(660,742)	0	(2,981,037)
Transfers	0	0	0	0	0	0	153,270	14,173	0	167,443
<b>Carrying amount at 30 June 2018</b>	7,703,000	7,703,000	5,299,764	51,682,358	56,982,122	64,685,122	1,620,698	2,549,312	0	68,855,132
<b>Comprises:</b>										
Gross carrying amount at 30 June 2018	7,703,000	7,703,000	7,102,544	76,028,800	83,131,344	90,834,344	3,647,640	6,443,707	0	100,925,691
Accumulated depreciation at 30 June 2018	0	0	(1,802,780)	(24,346,442)	(26,149,222)	(26,149,222)	(2,026,942)	(3,894,395)	0	(32,070,559)
<b>Carrying amount at 30 June 2018</b>	7,703,000	7,703,000	5,299,764	51,682,358	56,982,122	64,685,122	1,620,698	2,549,312	0	68,855,132
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	(520,918)	(520,918)	(520,918)	(3,556)	0	0	(524,474)
<b>Restated carrying amount at 30 June 2018</b>	7,703,000	7,703,000	5,299,764	51,161,440	56,461,204	64,164,204	1,617,142	2,549,312	0	68,330,658
Additions	0	0	30,320	189,867	220,187	220,187	152,082	391,134	268,348	1,031,751
(Disposals)	0	0	0	0	0	0	0	(136,732)	0	(136,732)
Depreciation (expense)	0	0	(101,913)	(1,005,620)	(1,107,533)	(1,107,533)	(291,216)	(594,536)	0	(1,993,285)
Transfers	0	0	(229,674)	229,674	0	0	0	0	0	0
<b>Carrying amount at 30 June 2019</b>	7,703,000	7,703,000	4,998,497	50,575,361	55,573,858	63,276,858	1,478,008	2,209,178	268,348	67,232,392
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	7,703,000	7,703,000	6,903,189	75,562,891	82,466,080	90,169,080	3,774,743	5,904,168	268,348	100,116,339
Accumulated depreciation at 30 June 2019	0	0	(1,904,692)	(24,987,530)	(26,892,222)	(26,892,222)	(2,296,735)	(3,694,990)	0	(32,883,947)
<b>Carrying amount at 30 June 2019</b>	7,703,000	7,703,000	4,998,497	50,575,361	55,573,858	63,276,858	1,478,008	2,209,178	268,348	67,232,392

(a) Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.



## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for properties	Independent valuation	01 June 2017	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent valuation	01 June 2017	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement costs	Independent valuation	01 June 2017	Construction costs and current condition residual values and remaining useful life inputs
<b>Furniture and equipment</b>	2	Market approach using recent observable market data for similar properties	Independent valuation	01 June 2016	Provide an indication of value by comparing the subject asset with identical or similar assets or using economic principle approach
<b>Plant and equipment</b>	2	Market approach using recent observable market data for similar properties	Independent valuation	01 June 2016	Provides an indication of value by comparing the subject with identical assets or using an economic principle approach

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

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



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9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - other	Other infrastructure - Works in Progress	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2017	16,707,897	23,842,036	0	40,549,933
Additions	849,398	243,596	0	1,092,994
Revaluation increments / (decrements) transferred to revaluation surplus	12,838,184	159,058	0	12,997,242
Depreciation (expense)	(1,394,413)	(1,585,816)	0	(2,980,229)
Transfers	7,462,400	(7,629,845)	0	(167,445)
Carrying amount at 30 June 2018	36,463,466	15,029,029	0	51,492,495
Comprises:				
Gross carrying amount at 30 June 2018	44,160,645	21,292,234	0	65,452,879
Accumulated depreciation at 30 June 2018	(7,697,179)	(6,263,205)	0	(13,960,384)
Carrying amount at 30 June 2018	36,463,466	15,029,029	0	51,492,495
Additions	2,552,038	424,005	135,798	3,111,841
Depreciation (expense)	(2,287,260)	(521,681)	0	(2,808,941)
Carrying amount at 30 June 2019	36,728,244	14,931,353	135,798	51,795,395
Comprises:				
Gross carrying amount at 30 June 2019	46,712,683	21,716,239	135,798	68,564,720
Accumulated depreciation at 30 June 2019	(9,984,439)	(6,784,886)	0	(16,769,325)
Carrying amount at 30 June 2019	36,728,244	14,931,353	135,798	51,795,395



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9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	01 June 2018	Assessment of remaining useful life, replacement costs and considered the following; construction date, visual condition, evidence of repairs or capital works and surrounding environmental factors
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuation	01 June 2018	Assessment of remaining useful life, replacement costs and considered the following; construction date, visual condition, evidence of repairs or capital works and surrounding environmental factors

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

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



## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

#### Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

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

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

#### Land under roads

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

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

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

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

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



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10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	136,732	108,046	10,716	(39,402)	295,359	122,319	0	(173,040)	0	0	0	0
	136,732	108,046	10,716	(39,402)	295,359	122,319	0	(173,040)	0	0	0	0

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Transport	84,552	69,864	10,716	(25,404)
Other property and services	52,180	38,182	0	(13,998)
	136,732	108,046	10,716	(39,402)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Transport				
Hitachi Excavator (P057)	15,984	22,500	6,516	0
Cat Bobcat Skid Loader EX7712	10,000	11,000	1,000	0
Iveco Acco Water Truck EX 7709	26,453	13,636	0	(12,817)
2011 Toyota Hilux S/Cab EX042	11,531	3,182	0	(8,349)
Mazda 2WD Ute EX7795	6,512	2,273	0	(4,239)
2011 Mitsubishi Challenger 1EWJ691	9,072	10,909	1,837	0
Mitsubishi Outlander	5,000	6,364	1,364	0
Transport Total	84,552	69,864	10,717	(25,405)
Other property and services				
2015 Holden Colorado 3003EX	27,081	19,091	0	(7,990)
2014 Holden Colorado 3EX	25,099	19,091	0	(6,008)
Other property and services Total	52,180	38,182	0	(13,998)
	136,732	108,046	10,717	(39,403)
	136,732	108,046	10,717	(39,403)



## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

### (b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	101,913	966,197	151,106
Buildings - specialised	1,005,620	0	1,848,116
Furniture and equipment	291,216	146,031	321,073
Plant and equipment	594,536	186,650	660,742
Infrastructure - roads	2,287,260	822,749	1,394,413
Infrastructure - other	521,681	1,122,677	1,585,816
	4,802,226	3,244,304	5,961,266

### Revision of depreciation calculations

During the year the estimated total useful lives and minimum written down values were reviewed which resulted in a significant decrease to depreciation in 2019.

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

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

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

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

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

#### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
<u>Buildings</u>	
Buildings - Non Specialised	30-50 years
Buildings - Specialised	30-50 years
<u>Plant &amp; Equipment</u>	
Medium to Heavy	3-10 years
Light to medium vehicles	2-5 years
Minor Equipment	2-5 years
Furniture & Equipment	
Computer Equipment & Software	3-5 Years
Furniture & Other Equipment	5-10 Years
<u>Infrastructure - Roads (including carparks)</u>	
Roads - Subgrade & Gravel Sheet	Not Depreciated
Road Surface - Sealed Pavement	40 years
Road Surface - Brick paving	30 years
Road Surface - Asphalt	20 years
Road Surface - Concrete	80 years
Road Surface - Spray Seal	10-13 years

#### Depreciation (Continued)

Asset Class	Useful life
<u>Infrastructure - Roads (including carparks) cont'd</u>	
Drainage - Storm Water	60-80 years
Drainage - Culverts	30-80 years
Drainage - Sealed/ Concrete Floodway	40-80 years
Drainage - Gravel Floodway	10-15 years
Footpaths	30-40 years
Street Lighting	15 years
Cattle Grid	80 years
Bridges	50 years
<u>Infrastructure - Other</u>	
Airfields - Runway, Apron	20-50 years
Boat Ramps and Jetties	40-50 years
Seawall	80 years
Public Spaces - Lighting	30-50 years
Public Spaces - Furniture	15-20 years
Public Spaces - Structures	20-50 years
Public Spaces - Courts, Skate park	40-50 years
Public Spaces - Reticulation, Irrigation	30-40 years

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.



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11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Closing Balance	2018 Adj Movement on Revaluation	Total Movement on Revaluation	2018 Restated Balance
	\$	\$	\$	\$	\$	\$		\$
Revaluation surplus - Land - freehold land	3,170,303	3,170,303	3,170,303	0	3,170,303	0	0	3,170,303
Revaluation surplus - Buildings - non-specialised	(51,616)	(51,616)	(51,616)	0	(51,616)	0	0	(51,616)
Revaluation surplus - Buildings - specialised	21,508,659	21,508,659	22,029,577	0	22,029,576	(520,917) <sup>(a)</sup>	(520,917)	21,508,659
Revaluation surplus - Furniture and equipment	1,207,740	1,207,740	1,211,296	0	1,211,296	(3,556) <sup>(a)</sup>	(3,556)	1,207,740
Revaluation surplus - Plant and equipment	1,094,483	1,094,483	1,094,483	0	1,094,483	0	0	1,094,483
Revaluation surplus - Infrastructure - roads	21,309,940	21,309,940	8,471,756	12,838,184	21,309,940	0	12,838,184	21,309,940
Revaluation surplus - Infrastructure - other	6,475,340	6,475,340	6,316,282	159,058	6,475,340	0	159,058	6,475,340
	54,714,849	54,714,849	42,242,081	12,997,242	55,239,322	(524,473)	12,472,769	54,714,849

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.

<sup>(a)</sup> Adjustment made to prior year to revaluation decrement to correct duplicated assets from the revaluation done in 2017/18.



## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Accrued interest on debentures
Accrued salaries and wages
ATO liabilities
Prepaid Revenue
Accrued Expenses

2019	2018
\$	\$
375,429	489,636
10,335	3,762
132,510	126,290
0	166,021
36,334	605,290
450,964	163,517
1,005,572	1,554,516

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

#### Trade and other payables (Continued)

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



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13. INFORMATION ON BORROWINGS

(a) Borrowings	2019	2018
	\$	\$
Current	223,637	263,832
Non-current	1,775,323	1,998,960
	1,998,960	2,262,792

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2018	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding	Budget Principal 1 July 2018	30 June 2019 Budget Principal repayments	30 June 2019 Budget Interest repayments	30 June 2019 Budget Principal outstanding	Actual Principal 1 July 2017	30 June 2018 Actual Principal repayments	30 June 2018 Actual Interest repayments	30 June 2018 Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing															
Snapper Loop - Land	77	WATC	5.65%	47,955	47,955	1,585	0	47,955	47,955	2,042	0	93,311	45,356	4,640	47,955
Snapper Loop - Dwellings	80	WATC	4.73%	677,075	62,535	30,558	614,540	677,075	62,535	30,682	614,540	736,726	59,651	35,857	677,075
Community amenities															
Rubbish Truck	81	WATC	2.41%	331,881	80,013	7,461	251,868	331,881	80,013	7,519	251,868	410,000	78,119	10,794	331,881
Recreation and culture															
Ningaloo Centre	82	WATC	3.33%	947,628	54,130	31,055	893,498	947,628	54,130	31,109	893,498	1,000,000	52,372	36,335	947,628
Other property and services															
1 Bennett Street - Land	76	WATC	5.04%	258,253	19,199	12,719	239,054	258,253	19,199	12,777	239,054	276,520	18,267	14,605	258,253
				2,262,792	263,832	83,378	1,998,960	2,262,792	263,832	84,129	1,998,960	2,516,557	253,765	102,231	2,262,792
				2,262,792	263,832	83,378	1,998,960	2,262,792	263,832	84,129	1,998,960	2,516,557	253,765	102,231	2,262,792

\* WA Treasury Corporation



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13. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2018	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2019
		\$	\$	\$	\$
Rubbish Truck - Loan 81	20 Jun 17	410,000	0	0	410,000
* WA Treasury Corporation		410,000	0	0	410,000

	2019	2018
	\$	\$
<b>(d) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	400,000	400,000
Credit card limit	24,000	24,000
Credit card balance at balance date	(12,380)	(999)
<b>Total amount of credit unused</b>	<b>411,620</b>	<b>423,001</b>
<b>Loan facilities</b>		
Loan facilities - current	223,637	263,832
Loan facilities - non-current	1,775,323	1,998,960
<b>Total facilities in use at balance date</b>	<b>1,998,960</b>	<b>2,262,792</b>
<b>Unused loan facilities at balance date</b>	<b>410,000</b>	<b>410,000</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 25.



#### 14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for Annual Leave	Provision for Long Service Leave	Provision for Gratuity	Total
	\$	\$	\$	\$
<b>Opening balance at 1 July 2018</b>				
Current provisions	476,498	228,844	74,440	779,782
Non-current provisions	0	139,822	0	139,822
	476,498	368,666	74,440	919,604
 Additional provision	 19,586	 123,739	 (14,245)	 143,325
<b>Balance at 30 June 2019</b>	<b>496,084</b>	<b>492,405</b>	<b>60,195</b>	<b>1,062,929</b>
 <b>Comprises</b>				
Current	496,084	402,627	60,195	958,906
Non-current	0	89,778	0	89,778
	496,084	492,405	60,195	1,048,684
 <b>Amounts are expected to be settled on the following basis:</b>	 <b>2019</b>	 <b>2018</b>		
Less than 12 months after the reporting date	\$ 850,278	\$ 705,342		
More than 12 months from reporting date	198,406	214,262		
	1,048,684	919,604		

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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

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

##### Provisions

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

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



## 15. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	12,182,541	8,233,253	9,126,509

### Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	2,913,630	1,392,876	30,829
Non-cash flows in Net result:			
Depreciation	4,802,226	3,244,304	5,961,266
(Profit)/loss on sale of asset	28,686	173,040	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(123,403)	(489,253)	(158,455)
(Increase)/decrease in other assets	20,422		10,551
(Increase)/decrease in inventories	133,713	(4,327)	(359,788)
Increase/(decrease) in payables	(548,944)	23,699	(70,697)
Increase/(decrease) in provisions	129,080	(24,380)	0
Grants contributions for the development of assets	(4,404,648)	(4,141,718)	(2,664,794)
Net cash from operating activities	2,950,762	174,241	2,748,913



## 16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	238,020	252,470
General purpose funding	407,122	463,001
Law, order, public safety	1,245,677	1,112,259
Health	6,820	2,276
Education and welfare	1,655,105	1,697,616
Housing	6,626,274	6,717,314
Community amenities	2,514,103	2,375,322
Recreation and culture	46,137,800	46,953,639
Transport	51,666,510	51,247,423
Economic services	1,932,467	2,025,551
Other property and services	22,100,034	19,460,879
Unallocated	7,751	0
	<u>134,537,683</u>	<u>132,307,750</u>

## 17 CONTINGENT LIABILITIES

The Shire is not aware of any Contingent Liabilities as at 30 June 2019.



## 18. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2019	2018
	\$	\$
	404,046	189,325
	<u>404,046</u>	<u>189,325</u>

Payable:

- not later than one year

404,046	0
---------	---

The capital expenditure project outstanding at the end of the current reporting period represents the purchase of a new water truck, Learmonth building upgrades, beach access improvements, Yardie Creek roadworks, footpath improvements works and fuel mitigation works at Learmonth airport.

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year

- later than one year but not later than five years

	2019	2018
	\$	\$
	225,064	187,164
	409,357	337,665
	<u>634,421</u>	<u>524,829</u>

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

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

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

### Leases (Continued)

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

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

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



## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	63,703	63,669	75,806
President's allowance	21,955	21,955	8,876
Deputy President's allowance	5,489	5,489	2,186
Travelling expenses	13,631	17,320	13,995
Telecommunications allowance	3,744	3,900	3,151
	108,522	112,333	104,014

### Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	666,883	500,645
Post-employment benefits	103,861	86,923
Other long-term benefits	10,804	16,317
Termination benefits	0	87,022
	781,548	690,907

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).



## 19. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

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

	2019 Actual	2018 Actual
	\$	\$
The following transactions occurred with related parties:		
<b>Amounts payable to related parties:</b>		
Trade and other payables	14,788	19,499

### Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

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

#### ii. Other Related Parties

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

#### iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



## 20. MAJOR LAND TRANSACTIONS

### (a) Details

A Feasibility Study was undertaken during 2013/14 to ascertain if land proposed for a possible sub-division in Heron Way Exmouth would be viable business activity for Council.

Based on the findings of the study, Council initiated acquisition of the land during 2014/15 for special rural residential sub-division comprising of 11 Lots of varying sizes, with the first sale of this sub-division was received in 2015/16. As at 30 June 2019, 8 lots remain unsold. No further development costs are anticipated to be spent on this project, which was funded from municipal funds.

### (b) Current year transactions

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Other revenue</b>			
- Sale proceeds	227,273	0	0
<b>Other expenditure</b>			
- Cost of goods sold	(160,696)	0	0
	66,577	0	0

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the cost of the disposed land held for resale is reflected in other expenditure.

### (c) Expected future cash flows

	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	Total \$
<b>Cash inflows</b>					
- Sale proceeds	1,818,184	0	0	0	1,818,184
	1,818,184	0	0	0	1,818,184
<b>Net cash flows</b>	1,818,184	0	0	0	1,818,184

### (d) Assets and liabilities

#### Land held for resale included within Note 6

	2019 \$	2018 \$
<b>Current inventory</b>		
Land held for resale - cost		
Cost of acquisition	1,285,567	1,446,263
	1,285,567	1,446,263



## 21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Operating Revenue</b>			
Fees & Charges	5,193,651	5,058,520	5,143,912
Grants, Subsidies & Contributions	0	57,500	0
Other Revenue	7,030	0	0
<b>Total</b>	<b>5,200,681</b>	<b>5,116,020</b>	<b>5,143,912</b>
<b>Operating Expenditure</b>			
Employee Costs	(1,450,468)	(2,144,426)	(1,717,397)
Materials & Contracts	(931,941)	(300,000)	(447,138)
Utilities	(103,433)	(70,500)	(87,415)
Insurance	(56,851)	(59,115)	(56,662)
Other Expenditure	(17,068)	(256,500)	(250,604)
Loss on Asset Disposal	0	(19,955)	0
Depreciation	(351,875)	(484,863)	(630,339)
<b>Total</b>	<b>(2,911,636)</b>	<b>(3,335,359)</b>	<b>(3,189,555)</b>
<b>Operating Surplus/Deficit</b>	<b>2,289,045</b>	<b>1,780,661</b>	<b>1,954,357</b>
<b>Capital Expenditure</b>			
Land & Buildings	(26,854)	(55,000)	(13,500)
Furniture & Equipment	(8,993)	0	0
Infrastructure Other	0	(195,000)	0
Plant & Equipment	(14,249)	(45,000)	19,915
Transfer to & From Reserve	(71,159)	197,455	6,415
<b>Total Net Result</b>	<b>2,167,790</b>	<b>1,683,116</b>	<b>1,967,187</b>



**SHIRE OF EXMOUTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

**22. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

Grant/Contribution	Opening Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>General purpose funding</b>							
Financial Assistance Grant	0	1,836,082	(1,836,082)	0	1,892,207	(1,892,207)	0
<b>Law, order, public safety</b>							
DEC - Bushfire Mitigation Fund	0	28,875	(28,875)	0	8,547	(8,547)	0
FESA - Bushfire & SES	9,625	11,496	(21,121)	0	7,706	(7,706)	0
DFES - Risk Assessment Funding				0	4,000	(4,000)	0
FESA - Bush Fire Brigade Shed				0	151,848	(151,848)	0
<b>Health</b>							
Dept of Planning	21,761		(21,761)	0			0
<b>Community amenities</b>							
DWER - Recycling Program				0	67,300		67,300
<b>Recreation and culture</b>							
RFR - Ningaloo Centre		1,820,000	(1,820,000)	0	1,000,000	(1,000,000)	0
GDC Public Art Strategy	18,387		(18,387)	0			0
Marine Breakwater Nav Aid	25,850		(25,850)	0			0
Youth Leadership Program	11,010		(11,010)	0			0
Youth Program (YAE)	1,112		(1,112)	0			0
BHP Youth Program	1,885		(1,885)	0			0
DSR - Community Pool Grant	32,195		(32,195)	0	13,640	(13,640)	0
BHP - 50th Anniversary Event	50,000		(50,000)	0			0
Quadrant - 50th Anniversary Event	50,000		(50,000)	0			0
Festival Australia - 50th Anniversary	36,800		(36,800)	0			0
Festival Australia - 50th Anniversary	0	50,000	(50,000)	0			0
GDC Master Trails Project		24,170	(13,100)	11,070	8,320	(19,390)	0
DLGC Club Development Scheme		20,000	(20,000)	0			0
GDC 50th Anniversary		135,000	(135,000)	0			0
CSRFF - Swimming Pool Grant		32,000	(32,000)	0			0
Exmouth Ammateur Swimming Club		18,182	(18,182)	0			0
GDC Swimming Pool Grant		105,886	(105,886)	0			0
Event Contributions		2,075	(2,075)	0	23,682	(23,682)	0
Ningaloo Centre Commonwealth				0	300,000	(300,000)	0
Recreational Boating - Tantabiddie				0	30,636	(30,636)	0
DSCI - Regional Every Club				0	15,000	(6,680)	8,320
BHP Sport & Rec Community Program				0	225,000		225,000
Sponsorships Various				0	6,636	(6,636)	0
DOT Bundegi Boat Ramp				0	116,985	(116,985)	0
<b>Transport</b>							
MRWA Direct Grant		55,980	(55,980)	0	95,419	(95,419)	0
Yardie Homestead		10,000	(10,000)	0	0	0	0
Commonwealth RTR Grant		387,354	(387,354)	0	192,018	(192,018)	0
MRWA Murat RRG		66,700	(66,700)	0	94,317	(94,317)	0
MRWA Yardie Creek		180,000	(180,000)	0	133,400	(133,400)	0
MRWA Ningaloo Access Road		12,600		12,600		(12,600)	0
MRWA Murat Road - SIF		42,072	(42,072)	0	1,743,490	(1,503,490)	240,000
DOT Contribution for Mortiss St				0	605,291	(605,291)	0
<b>Economic services</b>							
Landscape Services	13,217		(13,217)	0	0	0	0
Tourism WA Cruise Destination		5,000	(500)	4,500	0	(4,500)	0
DPIRD - Tourism Program				0	30,000		30,000
<b>Other property and services</b>							
Diesel Fuel Subsidy		16,330	(16,330)	0	21,507	(21,507)	0
<b>Total</b>	<b>271,842</b>	<b>4,859,802</b>	<b>(5,103,474)</b>	<b>28,170</b>	<b>6,786,949</b>	<b>(6,244,499)</b>	<b>570,620</b>

**Notes:**

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate											
<b>Gross rental valuations</b>											
General	0.0722	1,165	29,946,749	2,161,785	(7,113)	(9,786)	2,144,886	2,162,155	5,000	2,167,155	2,120,512
Marina Developed	0.0993	93	3,280,860	325,192	5,000	413	330,605	325,789	0	325,789	322,507
Holiday Homes	0.1021	64	1,623,700	168,568	1,695	190	170,453	165,780	0	165,780	166,876
Vacant Land	0.1217	228	3,227,450	390,590	6,785	829	398,204	392,781	0	392,781	389,754
GRV Sub Total		1,550	38,078,759	3,046,135	6,367	(8,354)	3,044,148	3,046,505	5,000	3,051,505	2,999,649
<b>Unimproved valuations</b>											
Mining	0.1568	12	300,515	47,121	3,763	(490)	50,394	47,121	1,000	48,121	46,892
Rural	0.0748	7	580,880	45,541	(980)	(1,857)	42,704	45,541	0	45,541	42,388
UV Sub Total		19	881,395	92,662	2,783	(2,347)	93,098	92,662	1,000	93,662	89,280
<b>Sub-Total</b>		1,569	38,960,154	3,138,797	9,150	(10,701)	3,137,246	3,139,167	6,000	3,145,167	3,088,929
<b>Minimum payment</b>	<b>Minimum</b>										
	<b>\$</b>										
<b>Gross rental valuations</b>											
General	910	66	527,130	61,880	0	0	61,880	60,060	0	60,060	61,200
Marina Developed	910	1	0	910	0	0	910	910	0	910	1,800
Holiday Homes	910	0	0	0	0	0	0	0	0	0	0
Vacant Land	910	177	893,460	160,160	0	0	160,160	161,070	0	161,070	159,300
GRV Sub Total		244	1,420,590	222,950	0	0	222,950	222,040	0	222,040	222,300
<b>Unimproved valuations</b>											
Mining	500	18	23,912	9,000	0	0	9,000	9,000	0	9,000	3,692
Rural	700	1	5,800	700	0	0	700	700	0	700	900
UV Sub Total		19	29,712	9,700	0	0	9,700	9,700	0	9,700	4,592
<b>Sub-Total</b>		263	1,450,302	232,650	0	0	232,650	231,740	0	231,740	226,892
		1,832	40,410,456	3,371,447	9,150	(10,701)	3,369,896	3,370,907	6,000	3,376,907	3,315,821
Discounts/concessions (refer Note 23(c))							(6,214)			(6,800)	(104,014)
<b>Total amount raised from general rate</b>							3,363,682			3,370,107	3,211,807
Specified Area Rate (refer Note 23(b))							52,542			47,293	46,814
<b>Totals</b>							3,416,224			3,417,400	3,258,621

SIGNIFICANT ACCOUNTING POLICIES

Rates

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







SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

23. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted

Type	Discount	Discount	2019 Actual	2019 Budget	2018 Actual
	%	\$	\$	\$	\$
GRV General - Residential	Rates		0	0	27,200
GRV General - Special Rural	Rates		0	0	12,356
GRV General - Residential Development	Rates		0	0	0
GRV Vacant Land - Properties zoned industrial, light industrial, mixed use, tourist, town centre	Rates		0	0	9,670
GRV Vacant Land - Special Rural	Rates		0	0	17,117
GRV Vacant Land - Residential development and are vacant land	Rates		0	0	3,290
GRV Vacant - residential and are vacant	Rates		0	0	1,855
GRV Vacant - Marina and vacant land	Rates		0	0	2,608
GRV Holiday Homes	Rates		0	0	19,526
GRV Holiday Homes - Marina homes zoned as holiday homes	Rates		0	0	944
UV Rural - operate under a pastoral lease	Rates		0	0	9,449
UV Rural (pastoral) properties	Rates		6,214	6,800	0
			6,214	6,800	104,015



SHIRE OF EXMOUTH  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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23 RATING INFORMATION (Continued)

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
GRV General - Residential GRV General - Special Rural GRV General - Residential Development GRV Vacant Land - Properties zoned industrial, light industrial, mixed use, tourist, town centre GRV Vacant Land - Special Rural GRV Vacant Land - Residential development and are vacant land GRV Vacant - residential and are vacant GRV Vacant - Marina and vacant land GRV Holiday Homes GRV Holiday Homes - Marina homes zoned as holiday homes UV Rural - operate under a pastoral lease UV Rural (pastoral) properties	Combined rates codes                Properties identified as limited council services and high UV value	To minimise any significant increases                To minimise any significant increase after removal of prior years concession	Council in 2016/17 simplified the differential rating categories, rate in the dollar and minimum payment to provide fairness and equity by combining eleven differential ratecode into six . Council provided concessions to properties that capped a maximum increase for any individual property to 10%                In 2016/17 Council combined eleven differential ratecode to six



## 23. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single Full Payment	09 Mar 2018	0.00	0.00%	11.00%
<b>Option Two</b>				
First Instalment	09 Mar 2018	14.50	0.00%	11.00%
Second Instalment	15 Nov 2018	14.50	5.50%	11.00%
<b>Option Three</b>				
First Instalment	09 Mar 2018	0.00	0.00%	11.00%
Second Instalment	15 Nov 2018	14.50	5.50%	11.00%
Third Instalment	21 Jan 2019	14.50	5.50%	11.00%
Fourth Instalment	04 Jan 2019	14.50	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	47,480	40,000	51,907
Interest on instalment plan	17,081	17,924	12,470
Charges on instalment plan	15,950	18,824	15,092
Interest on deferred rates	0	0	703
	<u>80,512</u>	<u>76,748</u>	<u>80,172</u>



## 24. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$

### (a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

#### Adjustments to operating activities

Less: Profit on asset disposals	10(a)	(10,717)	6,939	0
Movement in pensioner deferred rates		(1,963)	0	(1,685)
Movement in inventory (non-current)		160,696	0	0
Movement in employee benefit provisions		143,325	0	(66,458)
Movement in other provisions		(14,245)	0	(4,238)
Add: Loss on disposal of assets	10(a)	39,403	(179,979)	0
Add: Depreciation on assets	10(b)	4,802,226	3,244,304	5,961,266
<b>Non cash amounts excluded from operating activities</b>		<b>5,118,725</b>	<b>3,071,264</b>	<b>5,888,885</b>

### (b) Surplus/(deficit) after imposition of general rates

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

#### Adjustments to net current assets

Less: Reserves - restricted cash	3	(9,352,157)	(6,239,677)	(6,437,450)
Less: Community Loans		(23,000)	(4,000)	(59,000)
Less: Land held for resale		0	(1,446,263)	0
Less: Liabilities not expected to be cleared at end of year		0	(966,120)	0
Add: Borrowings	13(a)	223,637	263,832	263,832
Add: Provision for Current Leave Liabilities		958,906	0	779,782
<b>Total adjustments to net current assets</b>		<b>(8,192,614)</b>	<b>(8,392,228)</b>	<b>(5,452,836)</b>

#### Net current assets used in the Rate Setting Statement

Total current assets		14,097,348	10,386,213	10,944,315
Less: Total current liabilities		(2,188,115)	(1,993,348)	(2,598,130)
Less: Total adjustments to net current assets		(8,192,614)	(8,392,228)	(5,452,836)
<b>Net current assets used in the Rate Setting Statement</b>		<b>3,716,619</b>	<b>637</b>	<b>2,893,349</b>



## 25. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	1.43%	12,182,541	12,182,541	0	0
<b>2018</b>					
Cash and cash equivalents	1.31%	9,126,509	9,126,509	0	0

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	121,653	91,265

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).



## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### *Trade Receivables*

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	229,954	76,050	27,500	31,637	365,141
Loss allowance	0	0	0	0	0
<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	200,094	46,646	20,943	34,413	302,096
Loss allowance	0	0	0	0	0



## 25. FINANCIAL RISK MANAGEMENT (Continued)

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.10%	0.13%	0.33%	0.83%	
Gross carrying amount	1,103,434	131,420	80,862	114,504	1,430,220
Loss allowance	1,104	164	270	954	2,492
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.10%	0.12%	0.33%	0.83%	
Gross carrying amount	1,124,099	70,728	8,531	58,624	1,261,982
Loss allowance	1,124	88	28	489	1,729



## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	1,005,572	0	0	1,005,572	1,005,572
Borrowings	223,637	975,060	800,262	1,998,959	1,998,960
	1,229,209	975,060	800,262	3,004,531	3,004,532
<b>2018</b>					
Payables	1,554,516	0	0	1,554,516	1,554,516
Borrowings	347,960	1,104,323	977,486	2,429,769	2,262,792
	1,902,476	1,104,323	977,486	3,984,285	3,817,308



## 26. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

In previous years bonds and deposits were held as trust monies. They are now included in Restricted cash at Note 3 and shown as a current liability at Note 12.

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Cash	30 June 2019
	\$	\$	\$		\$
Hall & Rec Centre Bonds	4,950	15,350	(11,950)	(8,350)	0
Olma Funding	2,423	0	(2,423)	0	0
Forum Travel Fund	2,990	0	(2,990)	0	0
NADC	11,335	0	(11,335)	0	0
Cyclone Baptist Fund	2,800	0	(2,800)	0	0
Council Nomination Fees	80	0	(80)	0	0
Sundries	8,544	120	(7,964)	(700)	0
Building/Planning Bonds	73,400	0	(73,400)	0	0
Youth Affairs	1,401	0	(1,401)	0	0
Exmouth Volunteer Fire & Rescue	50,000	828	0	0	50,828
Jurabi Coastal Park	59,400	0	(59,400)	0	0
Unclaimed Monies	7,637	0	(721)	(6,916)	0
Staff Housing Bonds	0	250	(250)	0	0
Key Bonds	800	500	(200)	(1,100)	0
Bond Deed Exmouth Marina Holdings	18,186	0	0	0	18,186
Cash in Lieu POS	169,420	209,468	0	0	378,888
Ingleton St Reserve 29086 (20A/152)	205,249	0	(205,249)	0	0
Donations to Other Organisations	135	0	0	(135)	0
BCITF Levy	312	13,344	(12,058)	0	1,598
BSL Levy	276	11,084	(8,959)	0	2,401
	619,338	250,944	(401,180)	(17,201)	451,901

## 27 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire had not identified any events at time of reporting.



## 28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

The effect of adopting AASB 9 as at 1 July 2018 was not material.

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

#### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.



## 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The Shire is currently assessing the impact of adopting the new standard.

### (b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

The Shire is currently assessing the impact of adopting the new standard.

### (c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

The Shire is currently assessing the impact of adopting the new standard.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.



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**30. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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



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**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision for efficient allocation of resources	Includes the activities of members of council and the administrative support available to the council for provision of governance of the shire. Other costs relate to the task of assisting members and ratepayers on matters which do not concern specific council services
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services	The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.
<b>HEALTH</b> To provide an operational framework for environmental and community health	Maternal and Infant health, preventative service and environmental health
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance on playgroup, youth facilities and senior citizens buildings
<b>HOUSING</b> To provide housing for staff members	Administration and operation of residential housing for council staff
<b>COMMUNITY AMENITIES</b> To provide services required by the community	Maintenance of rubbish service to residents and maintenance of sanitary landfill sites, Town planning and regional development, maintenance of cemeteries and other community amenities.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community	Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio broadcasting facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depot, cycleways, parking facilities and traffic control.. Cleanning of streets and maintenance of street trees, street lighting etc. Administration and airport, heliport and aerodrome.
<b>ECONOMIC SERVICES</b> The promotion of the district to increase economic activities and the provision of building control within the shire.	Tourism area promotion and building control
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overheads operating accounts	The provision of private works to the public, the maintenance of cost pools for plant operating, public works overheads and administration costs.



## 32. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	2.4980	1.9240	1.0700
Asset consumption ratio	0.7060	0.7100	0.6460
Asset renewal funding ratio	0.3020	0.7700	1.0500
Asset sustainability ratio	0.7660	0.1930	0.1290
Debt service cover ratio	9.7770	0.9778	15.1430
Operating surplus ratio	(0.1290)	(0.2400)	(0.2170)
Own source revenue coverage ratio	0.7460	0.6900	0.6410

The above ratios are calculated as follows:

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





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Exmouth

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Exmouth which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Exmouth:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Emphasis of Matter – Basis of Accounting**

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

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

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

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

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



### ***Auditor's Responsibility for the Audit of the Financial Report***

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for the past 3 years.
  - b. The Operating Surplus Ratio has been below the DLGSC Standard for the past three years.

The financial ratios are reported in Note 32 of the financial report

- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.



**Other Matter**

The financial ratios for 2017 in Note 32 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Exmouth for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
21 November 2019