

SHIRE OF WEST ARTHUR**NOTICE OF ORDINARY COUNCIL MEETING**

The next Ordinary Meeting of the Shire of West Arthur Council will be held on
17 March 2020 in the Shire Chambers,
Darkan commencing at 6.00pm

Nicole Wasmann

CHIEF EXECUTIVE OFFICER

Date: 12 March 2020

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ORDINARY COUNCIL MEETING AGENDA

1. **DECLARATION OF OPENING**
2. **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
3. **PUBLIC QUESTION TIME**
4. **RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE**
5. **PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS**
6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
 - 6.1 Ordinary Meeting of Council held 18 February 2020.
That the Minutes of the Ordinary Meeting of Council held 18 February 2020 be confirmed.
7. **ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**
8. **REPORTS**
 - 8.1 **OFFICER REPORTS**

ITEM 8.1.1– FINANCIAL REPORT FEBRUARY 2020

LOCATION/ADDRESS:	N/A
NAME OF APPLICANT:	N/A
FILE REFERENCE:	N/A
DISCLOSURE OF INTEREST:	N/A
DATE OF REPORT:	12 March 2020

SUMMARY:

Consideration of the financial reports for the period ending 29 February 2020.

BACKGROUND:

The financial reports for the period ending 29 February 2020 are included as attachments.

COMMENT:

If you have any questions regarding details in the financial reports, please contact the office prior to Council meeting so that sufficient time is given to research the request. This will enable the information to be provided at the Council meeting.

CONSULTATION:

Not applicable.

STATUTORY ENVIRONMENT:

Section 34 (1) (a) of the Local Government (Financial Management) Regulations 1996 states that a Local Government is to prepare monthly statement of financial activity including annual budget estimates, monthly budget estimates, actual monthly expenditure, revenue and income, material variances between monthly budget and actual figures and net current assets on a monthly basis.

POLICY IMPLICATIONS:

Not applicable.

FINANCIAL IMPLICATIONS:

Not applicable.

STRATEGIC IMPLICATIONS:

Not applicable.

VOTING REQUIREMENTS:

Simple majority

OFFICER RECOMMENDATION – ITEM 8.1.1

That the financial report for the period ending 29 February 2020 as presented be accepted.

ATTACHMENTS:

- Financial Reports – 29 February 2020.

SHIRE OF WEST ARTHUR
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 29 February 2020

	Note	Annual Budget 2019/2020 \$	YTD Budget (a) \$	YTD Actual (b) \$	Var. \$ (b)-(a) \$	Var. % (b)-(a)/(a) %	Var.
Opening Funding Surplus (Deficit)	2	1,162,096	1,162,096	1,162,096	0	0%	
Revenue from operating activities							
Rates		1,706,538	1,706,538	1,705,799	(739)	(0%)	
Operating Grants, Subsidies and Contributions	6	755,939	539,706	576,607	36,901	7%	
Fees and Charges		299,226	228,599	264,395	35,796	16%	▲
Interest Earnings		78,237	44,093	38,678	(5,415)	(12%)	
Other Revenue		76,597	14,242	47,221	32,979	232%	▲
Profit on Disposal of Assets		16,045	0	0			
		2,932,582	2,533,178	2,632,700			
Expenditure from operating activities							
Employee Costs		(1,670,536)	(1,429,528)	(1,299,290)	(130,238)	9%	
Less overhead and wage allocations			330,000	328,602			
Materials and Contracts		(669,779)	(464,028)	(478,229)	14,201	(3%)	
less Pdepn and POC allocations			180,680	179,915			
Utility Charges		(85,000)	(42,500)	(42,063)	437	1%	
Depreciation on Non-Current Assets		(2,082,163)	(351,216)	(342,979)	8,237	2%	
Interest Expenses		(35,389)	(18,293)	(18,293)	0	0%	
Insurance Expenses		(97,701)	(97,701)	(98,444)	(743)	(1%)	
Other Expenditure		(26,000)	(100)	(100)	0	0%	
Loss on Disposal of Assets		(1,666)	0	0			
		(4,668,234)	(1,892,685)	(1,770,881)			
Operating activities excluded from budget							
Add back Depreciation		2,082,163	351,216	342,979	(8,237)	(2%)	
Adjust (Profit)/Loss on Asset Disposal		(14,379)	0	0	0		
Adjust Provisions and Accruals		0	0	(9,507)			
Amount attributable to operating activities		332,132	991,709	1,195,291			
Investing activities							
Grants, Subsidies and Contributions	6	1,057,659	710,985	724,763	13,778	2%	
Proceeds from Disposal of Assets		86,000	0	0	0		
Land and Buildings	7	(271,525)	(12,000)	(12,360)	(360)	(3%)	
Infrastructure Assets - Roads	7	(1,395,630)	(895,000)	(889,746)	5,254	1%	
Infrastructure Assets - Other	7	(243,608)	0	0	0		
Plant and Equipment	7	(198,350)	(100,000)	(81,818)	18,182	18%	▲
Furniture and Equipment	7	(85,000)	0	0	0		
Amount attributable to investing activities		(1,050,454)	(296,015)	(259,161)			
Financing Activities							
Proceeds from Self Supporting Loan - repayments		26,290	13,036	13,036	0	0%	
Transfer from Reserves	5	393,059	0	0	0		
Repayment of Debentures		(90,698)	(44,750)	(44,750)	0	0%	
Transfer to Reserves	5	(772,425)	(15,000)	(13,149)	1,851	12%	▲
Amount attributable to financing activities		(443,774)	(46,714)	(44,863)			
Closing Funding Surplus (Deficit)	2	0	1,811,076	2,053,363	242,287	13%	▲

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

Refer to Note 1 for an explanation of the reasons for the variance.

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

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 1: 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 budget materially.

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

Operating Grants, Subsidies and Contributions

31012	General purpose grant income above budget. Will be \$41,349 above budget for full year.
(3,185)	Local roads grant income below budget. Will be \$4,246 less for full year.
4454	Culture grants received unbudgeted. Oral histories.
1000	Thank a volunteer grant received. Will be offset by expenditure.
3620	Age friendly, dementia grant received. Unbudgeted and will be offset by expenditure

Fees and Charges

29633	Kids Central Childcare income above budget. Budgeted for three months prior to transfer to REED.
5594	Caravan park income above budget. permanent variance

Other Revenue

20890	Insurance claims and reimbursements	permanent variance
10487	Diesel rebate additional claim	permanent variance

Employee Costs

(130,238)	Wages and associated employee expenses are lower than budget due to vacant positions. This is partly offset by kids central wages higher than budget due to later than anticipated handover to REED.
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Materials and Contracts

16857	Museum expenditure shown as operating rather than capital. Review on project completion.
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Grants, Subsidies and Contributions

13778	Museum grant higher than budgeted. Will be offset by lower reserve transfer.
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Plant and Equipment

18182	Low loader was below budget.
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SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 2: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Closing	Current
	Note	30 June 2019	29 Feb 2020
		\$	\$
Current Assets			
Cash Unrestricted	3	1,175,057	1,760,346
Cash Restricted - Conditions over Grants	6	0	158,445
Cash Restricted	5	1,756,241	1,769,390
Receivables - Rates	4	107,730	187,890
Receivables - Other	4	41,818	41,881
Inventories		21,550	21,550
		3,102,396	3,939,502
Less: Current Liabilities			
Payables		(184,059)	(116,749)
		(184,059)	(116,749)
Less: Cash Reserves	5	(1,756,241)	(1,769,390)
Net Current Funding Position		1,162,096	2,053,363

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 3: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	151,194			151,194	NAB	0.01%	At Call
Municipal Bank - Bendigo	293,928			293,928	Bendigo	0.15%	At Call
Municipal Cash Maximiser	169,876			169,876	NAB	0.10%	At Call
Bendigo Cash Maximiser	200,040			200,040	Bendigo	0.05%	At Call
Trust Bank Account			30,712	30,712	NAB	0.01%	At Call
Trust Cash Maximiser			8,105	8,105	NAB	0.10%	At Call
Trust - Bendigo			1,780	1,780	Bendigo	0.05%	At Call
Reserve Cash Maximiser		9,622		9,622	NAB	0.10%	At Call
Bendigo Reserve		804		804	Bendigo	0.05%	At Call
(b) Term Deposits							
Municipal term deposit	300,000			300,000	NAB	1.6	28/04/2020
Municipal term deposit	803,353			803,353	Bendigo	1.55	23/03/2020
Reserve term deposit		750,000		750,000	NAB	1.52	26/06/2020
Reserve term deposit		1,008,964		1,008,964	Bendigo	1.55	26/06/2020
Trust term deposit			60,000	60,000	NAB	1.55	12/06/2020
(funds held in term deposit to be transferred to muni)			(25,146)				
Total	1,918,391	1,769,390	75,451	3,728,378			

Municipal Bank Account includes \$33,136 uncleared funds to be transferred from trust on term deposit maturity.

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 4: Receivables

Receivables - Rates Receivable	29 Feb 2020	30 June 2018	Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$		\$	\$	\$	\$	\$
Opening Arrears Previous Years	181,873	165,047	Receivables - General	38,598	829	306	2,142	41,875
Levied this year (incl rubbish & ESL)	1,801,030	1,769,903						
Less Collections to date	(1,720,870)	(1,753,077)	Balance per Trial Balance					
Equals Current Outstanding	262,033	181,873	Sundry Debtors					0
			Receivables - Other					0
Net Rates Collectable	262,033	181,873	Total Receivables General Outstanding					41,875
% Collected	86.79%	90.60%						
Less Recognised as doubtful	(74,143)	(74,143)						

Amounts shown above include GST (where applicable)

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 5: Cash Backed Reserve

Name	Opening Balance	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
		Interest Earned	Interest Earned	Transfers In (+)	Transfers In (+)	Transfers Out (-)	Transfers Out (-)	Transfers Out (-)	Transfers Out (-)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	156,202	2,812	1,169	50,000	0	0	0	209,014	157,371
Plant Reserve	94,159	1,972	705	309,829	0	(112,350)	0	293,610	94,864
Building Reserve	631,562	11,368	4,729	50,000	0	(130,000)	0	562,930	636,291
Town Development Reserve	69,595	1,253	521	0	0	(45,000)	0	25,848	70,116
Recreation Reserve	31,202	562	234	100,000	0	(10,000)	0	121,764	31,436
Heritage Reserve	5,128	92	38	300	0	0	0	5,520	5,166
Community Housing Reserve	109,024	1,962	816	20,000	0	(25,000)	0	105,986	109,840
Waste Management Reserve	80,044	1,441	599	40,000	0	0	0	121,485	80,643
Darkan Swimming Pool Reserve	33,219	598	249	5,000	0	0	0	38,817	33,468
Information Technology Reserve	57,988	1,044	434	3,000	0	(15,000)	0	47,032	58,422
Darkan Sport and Community Centre Reserve	223,747	3,757	1,675	30,000	0	0	0	257,504	225,422
Arthur River Country Club Renewal Reserve	25,049	451	188	6,000	0	(3,000)	0	28,500	25,237
Museum Reserve	127,858	2,301	957	0	0	(25,620)	0	104,539	128,815
Moodiarrup Sports Club Reserve	7,879	142	59	4,000	0	0	0	12,021	7,938
Landcare Reserve	46,885	844	351	0	0	(27,089)	0	20,640	47,236
Corporate Planning and Valuation Reserve	34,000	612	255	0	0	0	0	34,612	34,255
Kids Central Members Reserve	429	8	3	0	0	0	0	437	432
The Shed Reserve	11,019	198	82	0	0	0	0	11,217	11,101
Recreation Trails Reserve	1,185	21	9	0	0	0	0	1,206	1,194
Community Gym Reserve	6,887	124	52	0	0	0	0	7,011	6,939
Economic Development Reserve	3,180	57	24	40,000	0	0	0	43,237	3,204
Road Reserve	0	0	0	82,677	0	0	0	82,677	0
	1,756,241	31,619	13,149	740,806	0	(393,059)	0	2,135,607	1,769,390

Note: Reserve transfers are generally completed at year end unless funds are required sooner.

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 6: Grants and Contributions	Grant Provider	Type	Opening Balance (a)	Budget Operating (b)	Capital (c)	YTD Actual Revenue (f)	(Expended) (g)	Unspent Grant (a)+(f)+(g)	Comment
				\$	\$	\$	\$	\$	
General Purpose Funding									
	Grants Commission - General	WALGGC	0	242,289	0	212,729	0	0	Total anticipated 283,636. Paid quarterly.
	Grants Commission - Roads	WALGGC	0	244,114	0	179,901	0	0	Total anticipated 239,868. Paid quarterly.
	Grants Commission - Bridges	WALGGC	0	90,000	0	0	0	0	Won't be received this year. Project deferred.
Law, Order and Public Safety									
	FESA Grant - Operating Bush Fire Brigade	Dept. of Fire & Emergency Serv.	0	38,500	0	31,118	(31,118)	0	Paid quarterly.
	Bushfire mitigation	Office of Emergency Management	0	5,000	0	0	0	0	Application not to be submitted.
Education and Welfare									
	Kids Central Quarterly Grant	Federal DEEWR	0	8,500	0	17,930	0	0	
	Age Friendly and Dementia Community Awareness	Department of Communities	0	0	0	3,620	0	3,620	
Recreation and Culture									
	Redevelopment of play and youth area	Lotterywest	0	0	65,000	0	0	0	
	Museum		0	0	20,000	33,778	(3,310)	30,468	March
	Oral Histories	Lotterywest	0	0	0	4,454	(2,720)	1,734	
	Thank a Volunteer	Department for Communities	0	0	0	1,000	(860)	140	February
Transport									
	Roads To Recovery Grant - Cap	Roads to Recovery	0	0	329,877	187,000	(64,517)	122,483	
	RRG Grants - Capital Projects	Regional Road Group	0	0	344,487	308,477	(308,477)	0	
	Commodity Route Funding	Regional Road Group	0	0	244,384	195,508	(195,508)	0	First and second payments received.
	Direct Grant	Main Roads	0	125,536	0	125,536	0	0	
Economic Development									
	Kylie Dam Project	Department of Water	0	0	53,911	0	0	0	Approved
TOTALS			0	753,939	1,057,659	1,301,051	(606,510)	158,445	
SUMMARY									
	Operating	Operating Grants, Subsidies and Contributions	0	620,439	0	536,096	0	0	
	Operating - Tied	Tied - Operating Grants, Subsidies and Contributions	0	133,500	0	40,192	(34,698)	5,494	
	Non-operating	Non-operating Grants, Subsidies and Contributions	0	0	1,057,659	724,763	(571,812)	152,951	
TOTALS			0	753,939	1,057,659	1,301,051	(606,510)	158,445	

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 7: Capital Acquisitions

Assets	Account	YTD Actual			Budget			Variance	Comment
		Wages and Plant	Materials and Contractors	Total YTD	Wages and Plant	Materials and Contractors	Total Budget	Total YTD to Budget	
		\$	\$	\$	\$	\$	\$		
Buildings									
Governance									
Shire office - solar power		0	(3,943)	(3,943)	0	(10,000)	(10,000)	6,057 Works completed. Final payment made in March.	
Housing									
Renovations to existing joint venture community housing units		0	0	0	0	(25,000)	(25,000)	25,000 No scheduled works.	
Recreation & Culture									
Football Changerooms Project		0	(8,140)	(8,140)	(2,000)	(22,625)	(24,625)	16,485 Some expenditure allocated to operating.	
Community Amenities									
Darkan Cemetery toilet		0	(277)	(277)	(20,000)	(10,000)	(30,000)	29,723 Will be completed in financial year.	
Challet		0	0	0	(46,900)	(80,000)	(126,900)	126,900 Scheduled to commence in March	
Other Property & Services									
Staff Housing		0	0	0	(5,000)	(50,000)	(55,000)	55,000 No scheduled works.	
	Buildings Total	0	(12,360)	(12,360)	(73,900)	(197,625)	(271,525)	259,165	
Infrastructure									
Recreation And Culture									
Darkan Railway Reserve - redevelopment of play and youth area		0	0	0	(15,000)	(150,000)	(165,000)	165,000 Scheduled for late in the year.	
Economic Development									
Kylie Dam Water Project		0	0	0	(12,608)	(66,000)	(78,608)	78,608 Funding approved. Land tenure negotiations in progress	
	Infrastructure Total	0	0	0	(27,608)	(216,000)	(243,608)	243,608	
Furniture & Office Equip.									
Governance									
Computer Server		0	0	0	0	(15,000)	(15,000)	15,000 Installation in March.	
Recreation & Culture									
Museum fit out		0	0	0	0	(70,000)	(70,000)	70,000 Works in progress with March completion anticipated. Expense to date shown in operating expenditure	
	Furniture & Office Equip. Total	0	0	0	0	(85,000)	(85,000)	85,000	
Plant , Equip. & Vehicles									
Transport									
Administration vehicle		0	0	0	0	(52,000)	(52,000)	52,000 To be purchased in March	
Works vehicle		0	0	0	0	(46,350)	(46,350)	46,350 To be purchased in March	
Low loader		0	(81,818)	(81,818)	0	(100,000)	(100,000)	18,182 Purchased in November	
	Plant, Equip & Vehicles Total	0	(81,818)	(81,818)	0	(198,350)	(198,350)	116,532	
Roads									
Regional Road Group									
Darkan Moodiarrup Road		(118,779)	(116,373)	(235,152)	(147,880)	(139,910)	(287,790)	52,638 Majority works completed.	
Bowelling Duranillin Road		(137,402)	(109,173)	(246,575)	(139,915)	(119,780)	(259,695)	13,120 Variation for additional works approved.	
Trigwell Bridge Road (Commodity Route Funding)		(165,665)	(153,768)	(319,433)	(167,945)	(198,670)	(366,615)	47,182 Intersection works to be completed.	
	Regional Road Group Total	(421,846)	(379,314)	(801,160)	(455,740)	(458,360)	(914,100)	112,940	

SHIRE OF WEST ARTHUR
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 29 February 2020

Note 7: Capital Acquisitions

Assets	Account	YTD Actual			Budget			Variance	Comment
		Wages and Plant	Materials and Contractors	Total YTD	Wages and Plant	Materials and Contractors	Total Budget	Total YTD to Budget	
		\$	\$	\$	\$	\$	\$		
Roads to Recovery									
Boyup Brook Arthur Road		(44,590)	0	(44,590)	(85,255)	(33,130)	(118,385)	73,795 February/March	
Eulin Crossing Road		(6,893)	0	(6,893)	(37,877)	(15,000)	(52,877)	45,984 February/March	
Rutherford Road		(9,166)	0	(9,166)	(20,000)	(15,000)	(35,000)	25,834 February/March	
Shields Road		(2,478)	0	(2,478)	(46,866)	(9,255)	(56,121)	53,643 April	
Boyup Brook Arthur Road		(1,390)	0	(1,390)	(37,841)	(39,670)	(77,511)	76,121 February/March	
Roads to Recovery Total		(64,517)	0	(64,517)	(227,839)	(112,055)	(339,894)	275,377	
Shire Funded									
Growden Place		(4,313)	(1,915)	(6,228)	(46,010)	(51,172)	(97,182)	90,954 March	
Collie South East Road		(17,841)	0	(17,841)	(21,275)	(3,056)	(24,331)	6,490 March	
DustSuppressions		0	0	0	(16,305)	(3,816)	(20,121)	20,121 March	
Shire Funded Total		(22,154)	(1,915)	(24,069)	(83,590)	(58,044)	(141,634)	117,565	
	Roads Total	(508,517)	(381,229)	(889,746)	(767,169)	(628,459)	(1,395,628)	505,882	
Capital Expenditure Total		(508,517)	(475,407)	(983,924)	(868,677)	(1,325,434)	(2,194,111)	1,210,187	

ITEM 8.1.2 – ACCOUNTS FOR PAYMENT

LOCATION/ADDRESS: N/A
 NAME OF APPLICANT: N/A
 FILE REFERENCE: N/A
 DISCLOSURE OF INTEREST: N/A
 DATE OF REPORT: 11 March 2020

SUMMARY:

Council to note payments of accounts as presented.

BACKGROUND:

The schedule of accounts is included as an attachment for Council information.

COMMENT:

If you have any questions regarding payments in the listing please contact the office prior to the Council meeting.

CONSULTATION:

There has been no consultation.

STATUTORY ENVIRONMENT:

Section 12 of the Local Government (Financial Management) Regulations 1996 states that

- 12 (1) A list of creditors is to be compiled for each month showing –
- (a) The payee's name;
 - (b) The amount of the payment;
 - (c) Sufficient information to identify to transaction; and
 - (d) The date of the meeting of the council to which the list is to be resented.

POLICY IMPLICATIONS:

There are no policy implications.

FINANCIAL IMPLICATIONS:

There are no financial implications.

STRATEGIC IMPLICATIONS:

No strategic implications.

VOTING REQUIREMENTS:

Simple majority

OFFICER RECOMMENDATION – ITEM 8.1.2

That in accordance with section 13 of the Financial Management Regulations of the Local Government Act 1995 and in accordance with delegation, payment of Municipal Fund vouchers 18022020.1 - 18022020.16, 20022020.1, 09032020.1 - 09032020.19, CHEQUES 10, 11 & 12, Licensing, Salaries and Wages and EFT Transfers, Direct Debit totalling \$22,6797.45 listed (attached) be noted as approved for payment.

ATTACHMENTS:

- Cheque Listing

Date	Num	Name	Original Amount
18/02/2020	18022020.1	AFGRI EQUIPMENT AUSTRALIA PTY LTD	234.22
		SIDE MIRROR FOR JOHN DEERE	
18/02/2020	18022020.2	AIT SPECIALISTS	2,908.40
		PROFESSIONAL SERVICE FUEL TAX CREDITS (ENABLED THE SHIRE TO OBTAIN REFUND)	
18/02/2020	18022020.3	BLACKWOOD BASIN GROUP (INC)	323.40
		LANDCARE SUPPORT FOR JANUARY 2020	
18/02/2020	18022020.4	CAROL STANDISH	246.60
		REIMBURSE GOODS FOR SENIORS MEALS	
18/02/2020	18022020.5	FLEAYS STORE	40.00
		MILK, MARG AND SODA WATER (THANK A VOLUNTEER, AUST DAY BREAKFAST)	
18/02/2020	18022020.6	FUELS WEST PETROLEUM	15,493.81
		DIESEL 12000L	
18/02/2020	18022020.7	GREAT AUSSIE STOCK AIDS	138.99
		FUEL FOR ARTHUR RIVER FIRE TRUCK	
18/02/2020	18022020.8	JASON SIGNMAKERS	825.00
		RED & WHITE DELINEATORS	
18/02/2020	18022020.9	KERRY CHIA	81.25
		REIMBURSE FOR GOODS FROM SLIMLINE WAREHOUSE FOR MUESUM	
18/02/2020	18022020.10	MOTORPASS	49.50
		CARD FEES FOR FUEL CARDS FOR FIRE TRUCKS	
18/02/2020	18022020.11	OFFICEWORKS	109.91
		STATIONARY PURCHASED FOR THE MUSEUM	
18/02/2020	18022020.12	PUTLAND MOTORS	1,233.62
		TRUCK WASH, BATTERY - UTE, HOSES AND FITTINGS - FORKLIFT, AIR FILTER, OIL FILTER GLOBES	
18/02/2020	18022020.13	STARTRACK EXPRESS	31.75
		FREIGHT FROM AFGRI	
18/02/2020	18022020.14	TOLL TRANSPORT PTY LTD	22.66
		FREIGHT FOR LAKE & POOL SAMPLES & WESTRAC	
18/02/2020	18022020.15	WHITE BUILDING CO PTY LTD1	1,815.00
		REPAIRS TO 22 HILLMAN ST WATER LEAK FROM ONSUITE BATHROOM (PART INSURANCE)	
18/02/2020	18022020.16	WILMA MANN	300.00
		ORAL HISTORY - GRANT FUNDED	
20/02/2020	EFT	SALARIES & WAGES	53,241.18
		PAYROLL	
20/02/2020	20022020.1	WATER CORPORATION	1,281.01
		WATER USAGE FOR PROPERTY (HIGH CHARGES DUE TO LEAK ON RETIC, RETIC NOW DISCONNECTED)	
05/03/2020	EFT	SALARIES & WAGES	44,326.07
		PAYROLL	
09/03/2020	09032020.1	AIR LIQUIDE	214.83
		GAS CYLINDERS	
09/03/2020	09032020.2	BODDINGTON MEDICAL CENTRE	176.00
		COSTS OF MEDICAL PROVIDED BY DR FOR NEW STAFF MEMBER	
09/03/2020	09032020.3	CAROL STANDISH	337.53
		REIMBURSE GOODS AND EQUIPMENT FOR SENIORS MEALS	
09/03/2020	09032020.4	COLLIE MOWERS & MORE	87.00
		WHIPPER SNIPPER CORD PLUS 1X PRIMING BULB	
09/03/2020	09032020.5	DARKAN HOTEL	270.00
		THANK A VOLUNTEER SUNDOWNER REFRESHMENTS	
09/03/2020	09032020.6	DEPARTMENT OF FIRE AND EMERGENCY SERVICES	15,750.00
		2019/2020 QUARTER 3	
09/03/2020	09032020.7	EASIFLEET MANAGEMENT- MOUNTSVILLE PTY LTD	4,095.85
		SALARY SACRIFICE PAYMENTS - MARCH 2020	
09/03/2020	09032020.8	ELITE COMPLIANCE	440.00
		CERTIFICATION OF BUILDING PLANS - DARKAN CEMETERY TOILET	
09/03/2020	09032020.9	FLEAYS STORE	25.90
		MILK, DETERGENT, GARBAGE BAGS AND GLOVES	
09/03/2020	09032020.10	GAS-IT PIPE CONTRACTING	1,100.00
		SITE SPECIFIC TMP GROWDEN PLACE ROAD	
09/03/2020	09032020.11	JAMES WISNIEWSKI	60.00
		CONTRIBUTION TOWARDS MOBILE PHONE	
09/03/2020	09032020.12	JASON SIGNMAKERS	46.75
		STANDPIPE SIGNAGE	
09/03/2020	09032020.13	KATANNING PEST MANAGEMENT	9,570.00
		TERMITE TREATMENT OF HALLS AND TERMITE INSPECTIONS OF 16 BRIDGES	
09/03/2020	09032020.14	RAREBITS ON BURROWES 1	1,100.00
		DINNER SUPPLIED FOR COUNCIL MEETINGS, THANK A VOLUNTEER CATERING	

Date	Num	Name	Original Amount
09/03/2020	09032020.15	SHERIDAN'S FOR BADGES	646.80
		NICHE WALL	
09/03/2020	09032020.16	SOS OFFICE EQUIPMENT	171.44
		METER READINGS FOR PRINTER	
09/03/2020	09032020.17	STUDIO MILTON	21,873.50
		CABINETS FOR MUSEUM	
09/03/2020	09032020.18	THINKWATER BUNBURY	212.82
		PRESSURE SWITCH FOR DURA BORE & SPRINKLER	
09/03/2020	09032020.19	TOLL TRANSPORT PTY LTD	11.94
		FREIGHT FOR FIRE FIGHTING CLOTHING	
12/02/2020	B/PAY	SYNERGY	1,424.20
		ELECTRICITY USAGE AND SUPPLY CHARGE STREETLIGHTS	
12/02/2020	B/PAY	TELSTRA	318.21
		TELEPHONE CALLS AND CHARGES FOR THE hRC	
12/02/2020	B/PAY	TELSTRA	340.47
		VARIOUS TELEPHONE SERVICES AND CHARGES	
12/02/2020	B/PAY	TELSTRA	642.70
		VARIOUS TELEPHONE/INTERNET SERVICES AND CHARGES	
12/02/2020	B/PAY	WATER CORPORATION	5,804.93
		VARIOUS WATER USAGE & SERVICE CHARGES	
10/03/2020	B/PAY	SYNERGY	217.46
		ELECTRICITY USAGE AND SUPPLY CHARGE MOODIARRUP HALL	
10/03/2020	B/PAY	SYNERGY	539.65
		ELECTRICITY USAGE AND SUPPLY HRC	
10/03/2020	B/PAY	SYNERGY	107.28
		ELECTRICITY USAGE AND SUPPLY DURA WATER SUPPLY	
10/03/2020	B/PAY	SYNERGY	316.83
		ELECTRICITY USAGE AND SUPPLY LAKE TOWERRINNING	
25/02/2020	Debit	NATIONAL AUSTRALIA BANK	36.24
		NAB CONNECT FEE ACCESS AND USAGE	
28/02/2020	Debit	NATIONAL AUSTRALIA BANK	40.90
		END OF MONTH BANK FEES	
19/02/2020	direct	AUSTRALIAN TAXATION OFFICE	22,994.00
		JAN 2019 BAS	
17/02/2020	10	CASH	278.10
		SHIRE PETTY CASH - 18/11/2019 TO 17/02/2020	
18/02/2020	11	BOND ADMINISTRATOR	520.00
		SECURITY BOND FOR UNIT	
10/03/2020	12	CASH	270.35
		SHIRE PETTY CASH - 17/02/2020 TO 09/03/2020	
		VOUCHERS	AMOUNT
MUNICIPAL FUND			
		18022020.1 - 18022020.16	23,854.11
		20022020.1	1,281.01
		09032020.1 - 09032020.19	56,190.36
		CHEQUES 10, 11 & 12	1,068.45
		EFT/DEBIT/BPAY	32,782.87
		SALARIES & WAGES	97,567.25
		LICENSING FEBRUARY 2020 TRANSFERS	14,053.40
		TOTAL	226,797.45

ITEM 8.1.3 – LOCAL GOVERNMENT HOUSE TRUST – DEED OF VARIATION
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LOCATION/ADDRESS:	Local Government House, 107 Railway Parade
NAME OF APPLICANT:	Shire of West Arthur
FILE REFERENCE:	2.7
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	10 March 2020

SUMMARY:

Council's consent is sought, to a variation to the Trust Deed for the Local Government House Trust (The Trust) as the Shire of West Arthur is a unit holder and beneficiary to the Local Government House Trust, holding 3 units as advised in WALGA's recent Quarterly Report Q4 2019.

The Trust's Board of Management is seeking to vary the Trust Deed in order to assist the Trust's income tax exempt status. As stipulated by the Deed, the Trust requires consent of at least 75 per cent of all beneficiaries in order to execute this variation.

As a beneficiary, the Shire of West Arthur is requested to consent to the enclosed Deed of Variation supported by a resolution of Council (Attachment 1).

BACKGROUND:

The Local Government House Trust ("The Trust") exists primarily to provide building accommodation for the Western Australian Local Government Association (WALGA). Since January 2014, the Trust has provided WALGA with accommodation at 170 Railway Parade, West Leederville.

The trust deed commenced in 1993 and was amended in 2002 to reflect the merger of the metropolitan and country associations into WALGA. The current Trust Deed pronounces WALGA as Trustee and unit holders as Beneficiaries, with the Trustee holding property and associated monies "upon Trust" and in proportion to the units provided.

Commencement date of the current deed is 17 February 1993, with a vesting date 79 years from commencement - which means that the Trust ends in 2072.

The Trust is exempt from income tax on the basis of being a State / Territory Body (STB) pursuant to *Division 1AB of the Income Tax Assessment Act 1936*.

Trust Deed Variation

1. removing the existing Trustee's power to retire and appoint a new Trustee (Clause 2.1 and 2.2 (22.3) of the Deed of Variation)
2. enabling the beneficiaries to appoint and remove a Trustee (Clause 2.2 (22.4) of the Deed of Variation), and
3. ensuring that the Board of Management is the 'governing body' of the Trust (Clause 2.3 of the Deed of Variation)

The three proposed amendments when applied to the relevant clauses inserted by the Deed of Variation dated 5 June 2002 will subsequently read as follows (proposed amendments shown in red and shaded text):

1. Variation 2.1 amends clause 22.1 to point to additional clause:

22.1 Any Trustee of the Trust may retire as Trustee of the Trust. **The Subject to clause 22.3, the** right to appoint any new or additional trustee or trustees of the Trust is hereby vested in the retiring or continuing trustee. A corporation or incorporated association may be appointed as Trustee of the Trust.

2. Variation 2.2 inserts two new clauses:

22.3 The retiring or continuing trustee shall only be entitled to appoint any new or additional trustee of the Trust with the consent of not less than 75% of the Beneficiaries.

22.4 The Beneficiaries may at any time by Special Resolution:

- (a) Remove a Trustee from the office as Trustee of the Trust; and
- (b) Appoint such new or additional Trustee.

3. Variation 2.3 insert a new clause 13A

13A Delegation to the Board of Management

Unless the Beneficiaries otherwise direct (such direction to be given by not less than 75% of the Beneficiaries), the Trustees shall delegate all of the powers authorities and discretions contained in subclauses (a) to (x) of clause 12 to the Board of Management. The Trustees shall, at the direction of the Board of Management, do such things as may be necessary to give effect to the exercise of a power, authority or discretion by the Board of Management.

CONSULTATION:

No external consultation has been undertaken.

STATUTORY ENVIRONMENT:

There are no relevant statutory provisions.

POLICY IMPLICATIONS:

There are no relevant policy implications.

FINANCIAL IMPLICATIONS:

There are no relevant financial implications upon the Shire's Budget or Long Term Financial Plan.

One Seventy (170) Railway Parade, (local government house), where WALGA is located, is owned by the Association. The Shire of West Arthur owns three (3) units in the Trust that owns the 'local government house', which were valued at \$17,517.11 each (as at 30/6/18 as advised by WALGA). The Shire's asset register reflects three (3) units held by the Shire of West Arthur

Supporting the Deed of Variation will only strengthen WALGA's financial position. Of which the Shire of West Arthur is a financial member.

STRATEGIC IMPLICATIONS:

There are no relevant strategic provisions.

COMMENT:

The first two amendments outlined above remove powers granted to the Trustee in the 2002 Deed Variation resulting from the merger to a single Association representing WA Local Governments. These amendments which previously facilitated the transfer of trusteeship to the then new Western Australian Local Government Association are removed, but with the clarification that any appointment must be with the consent of the beneficiaries.

The final amendment intends to confirm that power rests with the Board of Management. As the Board of Management comprises Local Governments, this satisfies the requirements of a STB for tax purposes. This amendment reflects the actual operation of the Trustee in implementing the decisions of the Board of Management whilst retaining sufficient operational discretion to place and renew investments and pay suppliers.

These amendments provide greater power to beneficiaries through the Board of Management, and as such it is anticipated they will be considered acceptable.

VOTING REQUIREMENTS:

Simple majority.

OFFICER RECOMMENDATION – (ITEM 8.1.3)

That Council consents to a variation to the Trust Deed for the Local Government House Trust (The Trust) as follows:

1. Variation 2.1 amends clause 22.1 to point to additional clause:

22.1 Any Trustee of the Trust may retire as Trustee of the Trust. ~~The~~ Subject to clause 22.3, the right to appoint any new or additional trustee or trustees of the Trust is hereby vested in the retiring or continuing trustee. A corporation or incorporated association may be appointed as Trustee of the Trust.

2. Variation 2.2 inserts two new clauses:

22.3 The retiring or continuing trustee shall only be entitled to appoint any new or additional trustee of the Trust with the consent of not less than 75% of the Beneficiaries.

22.4 The Beneficiaries may at any time by Special Resolution:

- (a) Remove a Trustee from the office as Trustee of the Trust; and
- (b) Appoint such new or additional Trustee.

3. Variation 2.3 insert a new clause 13A

13A Delegation to the Board of Management

Unless the Beneficiaries otherwise direct (such direction to be given by not less than 75% of the Beneficiaries), the Trustees shall delegate all of the powers authorities and discretions contained in subclauses (a) to (x) of clause 12 to the Board of Management. The Trustees shall, at the direction of the Board of Management, do such things as may be necessary to give effect to the exercise of a power, authority or discretion by the Board of Management.

ATTACHMENTS:

- Deed of Variation (Draft)
- Clause 12 of Trust Deed 1994

DEED OF VARIATION

LOCAL GOVERNMENT HOUSE TRUST



LAW

PERTH

11 Mounts Bay Road, Perth WA 6000

Telephone (08) 9429 2222 Facsimile: (08) 9429 2434

eylawperth@au.ey.com www.ey.com

Our Ref: 4WAL / 2004 7043

THIS DEED dated the _____ day of _____ 2019

BY

WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION of Level 1, 170 Railway Parade, West Leederville in the State of Western Australia (the 'Trustee')

RECITALS

- A. By Deed of Trust undated but stamped 12 February 1980 ('Original Trust Deed') made between CHARLES WILSON TUCKEY, LYAL GORDON RICHARDSON, GORDON LAWRENCE KILPATRICK, HARRY STICKLAND and MAXWELL RAY FINLAYSON (the 'Original Trustees') and THE LOCAL GOVERNMENT ASSOCIATION OF WESTERN AUSTRALIA and the COUNTRY SHIRE COUNCILS ASSOCIATION (the 'Retired Trustees') the Original Trustees declared that they would hold the property therein referred to as the Headquarters and the monies therein referred to as the Trust Fund upon trust for the beneficiaries specified in the second schedule to the Original Deed upon the terms and conditions therein contained (the 'Original Trust').
- B. By Deed dated 2 October 1981 made between the Original Trustees and the Retired Trustees the Original Trustees retired and appointed the Retired Trustees as the trustees of the Original Trust in their place.
- C. By Deed dated 4 May 1994 (the 'New Deed') the Retired Trustees (in the New Deed referred to as THE LOCAL GOVERNMENT ASSOCIATION OF WESTERN AUSTRALIA (INC) and THE COUNTRY SHIRE COUNCILS' ASSOCIATION OF WESTERN AUSTRALIA (INC)) agreed that the proceeds from the sale of the Headquarters and the Trust Fund and the income thereof should be from 17 February 1993 held upon the terms and conditions set out in the New Deed (the 'Trust').
- D. By Deed of Variation dated 5 June 2002 the Retired Trustees varied the New Deed (collectively, the 'Trust Deed') to provide for a new Clause 22 which provides that any trustee of the Trust may retire as trustee of the Trust and appoint a new trustee to act as trustee of the Trust and that notwithstanding that the original number of trustees of the Trust was five where a corporation or incorporated association is appointed as trustee of the Trust then it shall not be obligatory to appoint more than one new trustee.
- E. By Deed dated 6 June 2002 made between the Retired Trustees and the Trustee, the Retired Trustees retired and appointed the Trustee as the trustee of the Trust.
- F. Clause 21.1 of the Trust Deed provides that the Trustees may at any time and from time to time (with the consent of not less than 75% of the Beneficiaries) by deed revoke add to or vary the trusts of the Trust Deed or declare (inter alia) any new or other powers, authorities or discretions concerning the management, control or investment of the Trust Fund upon the terms contained therein.
- G. The Trustee wishes to add to and vary the Trust Deed and declare (inter alia) new or other powers, authorities and discretions concerning the management, control or investment of the Trust Fund in accordance with the terms of this Deed.
- H. More than 75% of the Beneficiaries have consented in writing to the variations to the New Deed and the records relating to this consent will be placed with the original of this Deed.

NOW THIS DEED WITNESSES**1. DEFINITIONS AND INTERPRETATION**

In this Deed, unless the context otherwise requires:

- 1.1 a word importing the singular includes the plural and vice versa, and a word of any gender includes other genders;
- 1.2 another grammatical form of a defined word or expression has a corresponding meaning;
- 1.3 a reference to a clause, paragraph, recital, schedule or annexure is to a clause, paragraph or recital of, or schedule or annexure to, this Deed, and a reference to this Deed includes any schedule or annexure;
- 1.4 a reference to a document or instrument includes the document or instrument as varied, novated, altered, supplemented or replaced from time to time;
- 1.5 a reference to a person includes a natural person, the estate of an individual, a partnership, body corporate, the trustee of a trust (in the trustee's capacity as trustee of the trust), association, governmental or local authority or agency or other entity;
- 1.6 a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 1.7 the meaning of general words is not limited by specific examples introduced by 'including, for example' or similar expressions;
- 1.8 Recitals A to H inclusive form part of and are included in this Deed;
- 1.9 headings are for ease of reference and do not affect interpretation;
- 1.10 'Deed' means this deed;
- 1.11 unless specified otherwise, terms which are defined in the Trust Deed and used in this Deed bear the same meanings in this Deed which are ascribed to them in the Trust Deed; and
- 1.12 in the event of any inconsistency between the provisions of the Trust Deed and the provisions of this Deed, the provisions of this Deed will prevail.

2. OPERATIVE PART

The Trustee in exercise of the power given to the Trustee by clause 21.1 of the Trust Deed and with the consent of more than 75% of the Beneficiaries hereby adds to and varies the Trust Deed and declares (inter alia) the following new or other powers authorities and discretions concerning the management, control or investment of the Trust Fund as follows:

- 2.1 delete the word "The" appearing after the words "Any trustee of the Trust may retire as trustee of the Trust." in the existing clause 22.1 and replace it with the words "Subject to clause 22.3, the";

2.2 insert after clause 22.2 the following:

“22.3 The retiring or continuing trustee shall only be entitled to appoint any new or additional trustee of the Trust with the consent of not less than 75% of the Beneficiaries.

22.4 The Beneficiaries may at any time by Special Resolution:

- (a) remove a Trustee from the office as trustee of the Trust; and
- (b) appoint such new or additional Trustee.

For the purposes of this clause 22.4, “Special Resolution” means a resolution passed or decision made by not less than 75% of the Beneficiaries.”

2.3 insert a new clause 13A as follows:

“13A **DELEGATION TO THE BOARD OF MANAGEMENT**

Unless the Beneficiaries otherwise direct (such direction to be given by not less than 75% of the Beneficiaries), the Trustees shall delegate all of the powers authorities and discretions contained in subclauses (a) to (x) of clause 12 to the Board of Management. The Trustees shall, at the direction of the Board of Management, do such things as may be necessary to give effect to the exercise of a power, authority or discretion by the Board of Management.”

3. **SEVERABILITY**

3.1 If any provision of this Deed is found by a competent authority (including without limitation a Court) to be void or unenforceable, then such finding shall not affect the other provisions of this Deed.

3.2 If making a subsequent amendment to this Deed avoids any invalidity or unenforceability of any provision of this Deed, the parties may elect to make that amendment, which shall be deemed for all purposes to be effective immediately prior to the occurrence of that invalidity or unenforceability.

4. **FURTHER ASSURANCES**

All parties shall make, execute and do all acts, deeds, documents and things and sign all documents which may reasonably be required to give full effect to this Deed, and the Trustee shall bear the costs of observing, performing and complying with this clause.

5. **COSTS**

The Trustee shall bear and pay the costs of and incidental to the preparation, execution and stamping of this Deed.

6. **RATIFICATION AND CONFIRMATION**

In all other respects the terms of the Trust Deed are hereby ratified and confirmed.

7. **PROPER LAW**

This Deed shall be governed by the laws of the State of Western Australia and the parties submit to the jurisdiction of the Courts of the State of Western Australia.

EXECUTED as a Deed

**THE COMMON SEAL of WESTERN)
AUSTRALIAN LOCAL GOVERNMENT)
ASSOCIATION is hereunto affixed in the)
presence of:)**

Signature of President

Signature of Chief Executive Officer

Name of President

Name of Chief Executive Officer

demands outgoings debts and liabilities incurred in respect of the Trust Fund.

10.2 The Trustees may subject to any law in force at the time in relation to this Deed so permitting accumulate all or any part of the income arisen or arising during an accounting period and such accumulation shall be dealt with as an accretion to the Trust Fund but so that the Trustees may at any time or times resort to all such accumulations and pay or apply the whole or any part or parts thereof as if they were income of the Trust Fund for the then current accounting period.

10.3 Subject to Clause 10.2 the Trustees may at any time at their discretion pay the whole or part of the income of the Trust Fund for any accounting period to the beneficiaries in proportion to the number of units of which they are respectively registered as holders at the last day of such accounting period.

11.0 **ADVANCEMENT OF CAPITAL**

The Trustees may at any time and from time to time set aside from the capital of the Trust Fund or raise therefrom any sum or sums of money and pay the same to the beneficiaries in proportion to the number of units in respect of which they are respectively registered at the date of each such payment for their own use and benefit. The payment of any such sum or sums of capital may be made in the same manner and subject to the same provisions as contained in Clause 10.3 in relation to the payment application or setting aside of any income of the Trust Fund.

12.0 **POWERS OF INVESTMENT AND MANAGEMENT**

The Trustees shall apply and invest the Trust Fund in any of the investments from time to time authorised by law for the investment of trust funds by trustees and in addition to and without limiting the powers authorities and discretions vested in the Trustees by law and notwithstanding the trusts hereinbefore declared shall have the following powers authorities and discretions which may be exercised by the Trustees at any time and from time to time in the

absolute and uncontrolled discretion of the Trustees in carrying out the trusts hereof:

- (a) to invest the Trust Fund and deal with manage transpose and realise the Trust Fund or any part thereof whether real or personal property with such powers in all respects as if the Trustees were the absolute owner thereof;
- (b) to purchase or otherwise acquire any investments for cash or otherwise and upon any terms and conditions and to make any such purchase or acquisition for a sum greater than the amount of the Trust Fund for the time being and to agree to pay for any such investments wholly or in part from any future moneys which may come into the Trustees' hands including dividends profits interest or other income payable in respect of any such investments;
- (c) to sell or otherwise dispose of any real or personal property or interest therein for the time being forming the whole or part of the Trust Fund by public auction tender or private treaty at such price or prices and whether for cash or on terms and generally upon any terms and conditions and to grant options for such sale or disposition as aforesaid;
- (d) (i) to borrow and raise moneys from; or
(ii) to secure by mortgage or otherwise howsoever the payment of or obligation to pay money to,

any person (including a beneficiary) upon any terms with or without security or interest;
- (e) to vary or transpose any investments and to vary the terms of or property comprised in any security;
- (f) to hold use purchase construct demolish maintain repair renovate reconstruct develop improve sell transfer convey surrender let lease exchange take and grant options or rights in alienate mortgage charge pledge reconvey release or discharge or otherwise deal with any real or personal

property PROVIDED THAT in the improvement or development of any part of the Trust Fund the Trustees shall not be bound by the limitation contained in Section 30(1)(c) of the Trustees Act and the Trustees shall not be bound to apply to any Court to exceed such limitation;

- (g) to pay out of the Trust Fund or the income thereof all costs charges and expenses of and incidental to the management of the Trust Fund or to the exercise of any power authority or discretion hereby or by law conferred on the Trustees or in carrying out or performing the trusts hereof which the Trustees may at any time incur including all taxes of whatever kind payable in respect of the Trust Fund and costs in any way connected with the preparation and execution of these presents;
- (h) to act as manager or to employ any persons (including a Trustee hereof or a unit holder) contractors managers solicitors accountants clerks workmen employees servants or agents to transact all or any business of whatever nature including the receipt and payment of money and to decide the remuneration to be allowed and paid and to pay all charges and expenses so incurred and to create or arrange any scheme or superannuation retirement benefit or pension for the benefit of any person so employed;
- (i) to partition or agree to the partition of or to subdivide or agree to the subdivision or strata title or agree to the strata-titling of any land or other property which or any interest in which may for the time being be subject to the trusts hereof and to pay any moneys by way of equality of partition;
- (j) to determine whether any real or personal property or any increase or decrease in amount number or value of any property or holdings of property or any profit loss receipt or payments from for or in connection with any real or personal property shall be treated as and credited or debited to capital or to income and generally to determine all matters as to which any doubt difficulty or question

may arise under or in relation to the execution of the trusts and powers of this Deed and every determination of the Trustees in relation to any of the matters aforesaid whether made upon a question formally or actually raised or implied in any of the acts or proceedings of the Trustees in relation to the Trust Fund shall bind all parties interested therein and shall not be objected to or questioned on any ground whatsoever;

- (k) to open accounts with any bank or building society and to operate by and in all usual ways any such accounts;
- (l) to give effectual receipts and discharges for any moneys received by or on behalf of the Trustees or otherwise relating to any of the acts matters and things provided for in these presents;
- (m) to provide and set aside out of the Trust Fund or the income thereof such sum of money as the Trustees shall consider is available or necessary for and to pay or apply the same in or towards the discharge or reduction of any encumbrance debt or other liability for the time being affecting the Trust Fund or any part thereof;
- (n) to let sub-let lease or sub-lease for any period (and including to any beneficiary) and at any rental any real or personal property comprised in the Trust Fund upon any terms conditions or covenants;
- (o) to purchase take on lease sub-lease assignment hire or otherwise acquire any estate or interest in any real or personal property for any price premium rental charge payment fee or other consideration and subject to any terms conditions and covenants;
- (p) to take such action as the Trustees shall think fit for the adequate protection of any part of the Trust Fund and to do all such other things as may be incidental to the exercise of any of the powers authorities and discretions hereby or by law conferred on the Trustees;

- (q) to take and act upon the opinion (given in writing) of a solicitor an attorney at law or counsel practising in any country where the Trust Fund or any part thereof may for the time being be or be proposed to be invested in relation to the interpretation or effect of these presents or any other document or statute or as to the administration of the trusts hereof without being liable to any of the beneficiaries in respect of any act done by the Trustees in accordance with such opinion PROVIDED THAT nothing in this provision shall prohibit or impede the Trustees from applying to any Court if it shall think fit or prohibit any unit holder from so doing;
- (r) to allow any beneficiary to occupy have custody of or use any part of the Trust Fund on any terms or conditions as to inventories repair replacement insurance outgoings or otherwise but the Trustees shall not be liable for any loss or damage which may occur to any such part of the Trust Fund during or by reason of any such occupation custody or use except insofar as such loss or damage shall be occasioned by the conscious and wilful default or neglect of the Trustees;
- (s) to permit any part of the Trust Fund to be held or registered in the name of any nominee of the Trustees and to deposit securities deeds and other documents belonging or related to the Trust Fund with any bank or solicitor;
- (t) in the event of any gift stamp or other duties fees or taxes becoming payable in any part of the world in respect of these presents or the Trust Fund or any part thereof in any circumstances to pay all or any part of such duties fees and taxes out of the Trust Fund notwithstanding that such duties fees or taxes or some part thereof are not or may not be recoverable from the Trust Fund by legal process;
- (u) to receive and accept any real or personal property by gift inter vivos or by Will or under the provisions of any other trust or otherwise from any other person as additions to the Trust Fund and to hold the same upon the trusts herein

set forth and to administer such additions under the provisions hereof;

- (v) at any time and from time to time to ascertain and fix the value of the Trust Fund in accordance with the provisions herein contained and for that purpose to engage such competent valuers or experts as the Trustees may select and the Trustees may cause the value so ascertained and fixed to be entered from time to time in a book kept for that purpose;
- (w) to appoint any date earlier than the Vesting Date to be the Vesting Date;
- (x) during an accounting period to nominate any date not more than 18 months after the date of commencement of the then current accounting period as the last day of that accounting period and thereafter the accounting period shall mean each succeeding 12 month period commencing on the day following such nominated date until the anniversary of such nominated date immediately preceding the Vesting Date and the period thereafter until the Vesting Date.

13.0 DELEGATION OF TRUSTEE POWERS

The Trustees if at any time they are more than one shall act jointly and may delegate the exercise of all or any of the powers authorities or discretions hereby or by law conferred on the Trustees:-

- (a) to the Board of Management constituted by clause 14.0 of this Deed, or
- (b) to any other person or persons,

and execute any power of attorney or other instrument necessary to effectuate such purpose.

ITEM 8.1.4 – LAKE TOWERRINNING MANAGEMENT PLAN

LOCATION/ADDRESS: N/A
 NAME OF APPLICANT: N/A
 FILE REFERENCE:
 DISCLOSURE OF INTEREST: Nil
 DATE OF REPORT: 13 March 2020

SUMMARY:

Council to review and consider the adoption of the Lake Towerrinning Management Plan. The Plan was prepared from consultation with stakeholders during late 2019. The Plan is an informing strategy to the Shire's Corporate Plan.

BACKGROUND:

The 2017 Lake Towerrinning Management Plan has been revised and updated following assessment of assets and consultation with stakeholders.

The Plan includes the mission 'To create a sustainable recreational environment for use by everyone' and values of 'friendly, family orientated, consider the environment, low key, community benefit'.

There are five goals including

- Conservation of the Lake Towerrinning environment
- Maintain a high quality of facilities at Lake Towerrinning
- Maintain watercraft regulation and safety on the waters of Lake Towerrinning
- Maintain water quality and levels of Lake Towerrinning
- Implement a programme for the management of all visitors to Lake Towerrinning.

CONSULTATION:

The plan was prepared following a meeting of stakeholders held on 31st October 2019 and advertised for public comment in the Bleat, Shire website and Facebook.

Two responses were received, both from stakeholders at Lakeside Camping. Issues raised by these stakeholders included:

- Boat ramp repair
- Clearing of the channel from the dam to the inlet
- Consideration to increasing the capacity of the drain
- An entrance statement to the lake
- Wheelchair access to the BBQ area
- The consideration of artificial lawn in the BBQ area
- A safety railing or fence at the edge of the BBQ area
- Drainage from the outlet swamp to the Arthur River

STATUTORY ENVIRONMENT:

The management of the Lake needs to be undertaken in accordance with various Acts. A summary of the legislation is included on page 7 of the draft report.

POLICY IMPLICATIONS:

There are no policy implications.

FINANCIAL IMPLICATIONS:

Many of the actions included in the Plan relate to maintaining and monitoring the existing facilities and environment.

Specific actions that will have additional financial implications above current operations include:

- The installation of cement matting at the end of the boat ramp to prevent boats creating a hole at the end of the boat ramp
- Engineering examination of the jetty structures
- Repair of the jetty structures if required
- Replacement of the playground area
- All-access pathways
- Additional shade shelters at the boat ramp end of the lake
- Creation of an easement or legal agreement over the dam and drain

- Cleaning of the drain from the dam to the lake

Funding may be available for some of these projects.

STRATEGIC IMPLICATIONS:

The adopted Plan will be incorporated into the Shire's Corporate Plan which is due for review this financial year.

Priorities will be included in the four year plan.

COMMENT

The above list of actions that require financial input do not necessarily all have to be done within the next year. Priorities are the cement matting at the end of the boat ramp and examination of the jetty structures. Additionally funding could be sought to implement some of these actions.

VOTING REQUIREMENTS:

Simple majority

OFFICER RECOMMENDATION – (ITEM 8.1.4)
--

That Council endorse the Shire of West Arthur 2019 Lake Towerrinning Management Plan, and incorporate the actions identified in the Shire's Corporate Plan.

SEPARATE ATTACHMENT:

- Lake Towerrinning Management Plan

ITEM 8.1.5 – BUDGET REVIEW – MARCH 2020

LOCATION/ADDRESS: N/A
NAME OF APPLICANT: N/A
FILE REFERENCE:
DISCLOSURE OF INTEREST: N/A
DATE OF REPORT: 12 March 2020

SUMMARY:

Consideration of the budget review for the eight month period from 1 July 2019 to 29 February 2020.

BACKGROUND:

Local governments are required to conduct at least one budget review between six and nine months into a financial year.

The budget review is a detailed comparison of the year to date actual results with the adopted budget.

The following reports are included for information:

Monthly Statement of Financial Activity with Projected Variances – 29 February 2020
Explanation of Variance – 29 February 2020

Comments are provided in Note 1: Explanation of Variance.

CONSULTATION:

Not applicable.

STATUTORY ENVIRONMENT:

Local governments are required to conduct a budget review between 1 January and 31 March each financial year. This is a requirement covered by Regulation 33A of the Local Government (Financial Management) Regulations 1996.

Regulation 33A(2) and (3) of the Financial Management Regulations requires the results of the budget review to be submitted to Council within 30 days of the review. Council is then to consider the review and determine whether or not to adopt the review. Regulation 33A(4) states that within 30 days after Council has made a determination a copy of the review and determination is to be provided to the Department.

POLICY IMPLICATIONS:

Not applicable.

FINANCIAL IMPLICATIONS:

Not applicable.

STRATEGIC IMPLICATIONS:

Not Applicable.

VOTING REQUIREMENTS:

Simple majority

OFFICER RECOMMENDATION – ITEM 8.1.5

That the budget review as at 29 February 2020 for the 2019/20 financial year, as presented, be adopted.

ATTACHMENTS:

- Monthly Statement of Financial Activity with Projected Variances – 29 February 2020
- Explanation of Variance – 29 February 2020

**SHIRE OF WEST ARTHUR
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 29TH FEBRUARY 2020**

	Budget v Actual		Predicted			
	Note	Annual Budget (a) \$	YTD Actual (b) \$	Variance Permanent (c) \$	Variance Timing (Carryover) (d) \$	
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)		1,162,096	1,162,096	0	0	1,162,096
Revenue from operating activities (excluding rates)						
Operating grants, subsidies and contributions		755,939	576,607	(52,897)	0	703,042 ▼
Profit on asset disposals	4.1.1	16,045	0	0	0	16,045
Fees and charges	4.1.2	299,226	264,395	35,633	0	334,859 ▲
Service charges		0	0	0	0	0
Interest earnings	4.1.7	78,237	38,678	0	0	78,237
Other revenue	4.1.8	76,597	47,221	31,377	0	107,974 ▲
		<u>1,226,044</u>	<u>926,901</u>	<u>14,113</u>	<u>0</u>	<u>1,240,157</u>
Expenditure from operating activities						
Employee costs	4.2.1	(1,670,536)	(970,688)	172,000	0	(1,498,536) ▼
Materials and contracts		(669,779)	(298,314)	85,143	0	(584,636) ▼
Utility charges	4.2.3	(85,000)	(42,063)	0	0	(85,000)
Depreciation on non-current assets		(2,082,163)	(342,979)	0	0	(2,082,163)
Interest expenses		(35,389)	(18,293)	0	0	(35,389)
Insurance expenses		(97,701)	(98,444)	0	0	(97,701)
Loss on asset disposals	4.2.6	(1,666)	0	0	0	(1,666)
Other expenditure	4.2.7	(26,000)	(100)	0	0	(26,000)
		<u>(4,668,234)</u>	<u>(1,770,881)</u>	<u>257,143</u>	<u>0</u>	<u>(4,411,091)</u>
Operating activities excluded from budget						
Depreciation on assets		2,082,163	342,979	0	0	2,082,163
(Profit)/loss on asset disposal	4.4.3	(14,379)	0	0	0	(14,379)
Adjust provisions and accruals		0	(9,507)	0	0	0
Amount attributable to operating activities		<u>(212,310)</u>	<u>651,588</u>	<u>271,256</u>	<u>0</u>	<u>58,946</u>
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	4.1.3	1,057,659	724,763	13,778	(118,911)	952,526 ▼
Purchase land held for resale		0	0	0	0	0
Purchase land and buildings		(271,525)	(12,360)	(12,000)	135,000	(148,525) ▼
Purchase plant and equipment		(198,350)	(81,818)	18,182	0	(180,168) ▼
Purchase furniture and equipment		(85,000)	0	16,857	0	(68,143) ▼
Purchase and construction of infrastructure-roads		(1,395,630)	(889,746)	0	0	(1,395,630)
Purchase and construction of infrastructure-other		(243,608)	0	0	216,000	(27,608) ▼
Purchase of investments		0	0	0	0	0
Proceeds from disposal of assets		86,000	0	0	0	86,000
Proceeds from sale of investments		0	0	0	0	0
Amount attributable to investing activities		<u>(1,050,454)</u>	<u>(259,161)</u>	<u>36,817</u>	<u>232,089</u>	<u>(781,548)</u>
FINANCING ACTIVITIES						
Proceeds from new borrowings		0	0	0	0	0
Proceeds from advances		0	0	0	0	0
Proceeds from self supporting loans		26,290	13,036	0	0	26,290
Transfers from cash backed reserves (restricted assets)		393,059	0	(38,802)	(192,089)	162,168 ▼
Repayment of debentures		(90,698)	(44,750)	0	0	(90,698)
Advances to community groups		0	0	0	0	0
Transfers to cash backed reserves (restricted assets)		(772,425)	(13,149)	0	0	(772,425)
Amount attributable to financing activities		<u>(443,774)</u>	<u>(44,863)</u>	<u>(38,802)</u>	<u>(192,089)</u>	<u>(674,665)</u>
Budget deficiency before general rates		<u>(1,706,538)</u>	<u>347,564</u>	<u>269,271</u>	<u>40,000</u>	<u>(1,397,267)</u>
Estimated amount to be raised from general rates		<u>1,706,538</u>	<u>1,705,799</u>			<u>1,706,538</u>
Closing funding surplus(deficit)		0	2,053,363	269,271	40,000	309,271 ▲
Expected restricted cash at year end						0
Closing funding surplus(deficit) after restricted cash considered						309,271

**SHIRE OF WEST ARTHUR
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 29TH FEBRUARY 2020**

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.1 PROFIT ON ASSET DISPOSAL		
No Material Variance		
4.1.2 FEES AND CHARGES		
Kids Central income above budget. Handover to REED later than expected.	29,633	
Caravan Park income above budget	6,000	
4.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS		
General Purpose Grant will be above budget	41,349	
Local Roads Grant will be below budget	(4,246)	
Special Project Bridge Money will not be received	(90,000)	
4.1.7 INTEREST EARNINGS		
No Material Variance	0	
4.1.8 OTHER REVENUE		
Insurance claims and reimbursements received	20,890	
Diesel rebate expected to be above budget.	10,487	
	Predicted Variances Carried Forward	0
	Predicted Variances Brought Forward	0
4.2 OPERATING EXPENSES		
4.2.1 EMPLOYEE COSTS		
Wages and associated employee expenses are lower than budget due to vacant positions. This is partly offset by kids central wages which were higher than budget due to later than anticipated transfer to REED.	172,000	
4.2.2 MATERIAL AND CONTRACTS		
Museum expenditure shown as operating rather than capital.	(16,857)	
Football Club Changerooms - moved from capital (net result NIL)	12,000	
Bridge project will not occur (funds not received)	90,000	
4.2.3 UTILITY CHARGES		
No Material Variance		
4.2.4 DEPRECIATION (NON CURRENT ASSETS)		
No Material Variance		
4.2.4 INTEREST EXPENSES		
No Material Variance		
4.2.5 INSURANCE EXPENSES		
No Material Variance		
4.2.6 LOSS ON ASSET DISPOSAL		
No Material Variance		
4.2.7 OTHER EXPENDITURE		
No Material Variance	0	
	Predicted Variances Carried Forward	0

**SHIRE OF WEST ARTHUR
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 29TH FEBRUARY 2020**

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	271,256	0
4.3 CAPITAL REVENUE		
4.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Museum Grant income higher than budgeted.	13,778	
Kylie Dam grant unlikely to be received this year		(53,911)
Darkan Railway Reserve Grant will not be received this year		(65,000)
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS		
No Material Variance		
4.3.3 PROCEEDS FROM NEW DEBENTURES		
No Material Variance		
4.3.4 PROCEEDS FROM SALE OF INVESTMENT		
No Material Variance		
4.3.5 PROCEEDS FROM ADVANCES		
No Material Variance		
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL		
No Material Variance		
Predicted Variances Carried Forward	285,034	(118,911)
Predicted Variances Brought Forward	285,034	(118,911)
4.4 CAPITAL EXPENSES		
4.4.1 LAND HELD FOR RESALE		
No Material Variance		
4.4.2 LAND AND BUILDINGS		
Joint Venture Housing renovations below budget		25,000
Football Oval Changerooms - some allocated to operating (net result NIL)	(12,000)	
Challet - will not be completed this year. (material component not spent)		60,000
Staff Housing expenditure will not be below budget (material component not spent).		
Wages not allocated to capital projects is included in the wages reported in the statement of budget review.		50,000
4.4.3 PLANT AND EQUIPMENT		
Plant purchase variances. Low Loader below budget	18,182	
4.4.4 FURNITURE AND EQUIPMENT		
Museum expenditure below threshold shown as operating rather than capital.	16,857	
4.4.5 INFRASTRUCTURE ASSETS - ROADS		
No Material Variance		
4.4.6 INFRASTRUCTURE ASSETS - OTHER		
Darkan Railway Reserve redevelopment - will not be completed this year		150,000
Kylie Dam Water project will not be completed this year		66,000
4.4.7 PURCHASES OF INVESTMENT		
No Material Variance		
4.4.8 REPAYMENT OF DEBENTURES		
No Material Variance		
4.4.9 ADVANCES TO COMMUNITY GROUPS		
No Material Variance		
Predicted Variances Carried Forward	308,073	232,089

**SHIRE OF WEST ARTHUR
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 29TH FEBRUARY 2020**

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	308,073	232,089
4.5 OTHER ITEMS		
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)		
No Material Variance		
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
Plant purchase variances. Low Loader below budget	(18,182)	
Museum transfer will be lower partly due to grant funding received.	(20,620)	
Joint venture housing renovations will not be done this year		(25,000)
Staff housing renovations will not be done this year		(50,000)
Darkan Railway redevelopment will not be done this year		(45,000)
Kylie Dam balance of project less funding will not be transferred this year		(12,089)
Challet project will be started this year but not completed		(60,000)
4.5.1 RATE REVENUE		
No Material Variance		
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)		
No Variance	0	
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)		
No Material Variance	0	
Total Predicted Variances as per Annual Budget Review	269,271	40,000

8.2 COMMITTEE REPORTS**ITEM 8.2.1 – ADOPTION OF COMPLIANCE AUDIT RETURN 2018**

LOCATION/ADDRESS: N/A
NAME OF APPLICANT: N/A
FILE REFERENCE: 2.21.1
DISCLOSURE OF INTEREST: N/A
DATE OF REPORT: 13 March 2020

SUMMARY:

Council to consider adopting the West Arthur Compliance Audit Return 2019, as presented, as the official return for the Council for the period 1 January 2019 to 31 December 2019.

BACKGROUND:

Each year, the local government is required to carry out a compliance audit for the period 1 January to 31 December of the previous year. The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

COMMENT

The Shire of West Arthur Audit Committee will review the Compliance Audit Return 2019 at its meeting on 17 March 2020 and make a recommendation from this meeting.

CONSULTATION:

There has been no consultation.

STATUTORY ENVIRONMENT:

It is a requirement that this return is included in the agenda papers and considered by Council in the February or March meeting of council following the year under review.

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

Nil.

STRATEGIC IMPLICATIONS:

Nil.

VOTING REQUIREMENTS:

Simple majority

COMMITTEE RECOMMENDATION – ITEM 8.2.1

To be provided at the meeting.

SEPARATE ATTACHMENT:

- Local Government Compliance Audit Return 2019

ITEM 8.2.2 – 2018-19 SIGNIFICANT ADVERSE TREND – OPERATING SURPLUS RATIO

LOCATION/ADDRESS: N/A
 NAME OF APPLICANT: N/A
 FILE REFERENCE:
 DISCLOSURE OF INTEREST: Nil
 DATE OF REPORT:

SUMMARY:

If a significant matter is reported in an audit report section 7.12A of the Local Government Act 1995 requires a response from the local government and a report to be prepared stating what action has been taken or is intended to be taken in respect to matters raised within the audit report. The operating surplus ratio of the Shire of West Arthur has been below the required level for two consecutive years and therefore has been included in this year's audit report.

BACKGROUND:

In November 2017, proclamation of the *Local Government Amendment (Auditing) Act 2017* introduced a number of reforms to auditing laws. The legislation requires local governments to examine an audit report it receives and implement appropriate action in respect to the significant matters raised.

The Auditor General's Independent Auditor's Report for 2018-19 identified a significant adverse trend in the financial position of the Shire (attached). Specifically, that the Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries ("the Department") standard for the past two years.

Local governments must prepare a report addressing the significant matters identified in their audit report, which is to be considered by the local government's audit committee before being adopted by council.

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

The purpose of this ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. The Department has determined that a ratio below 0.01 (1%) is below the standard required.

The following table highlights the Shire's ratio as calculated for the last four financial years, including the figure for the 2018/19 financial year:

	2015/16	2016/17	2017/18	2018/19
Operating surplus ratio	-0.80	0.06	-0.14	-0.73

Own source operating revenue is made up of rates, fees and charges, interest income, profit on disposals of assets, reimbursements and recoveries, and other revenue. Small regional local governments are limited in their ability to increase own source revenue and are more reliant on grant funding for renewal of assets.

\$836,000 bridge expenditure was included in operating expenditure in the 2018/19 year. This income was recognised in the previous year and was reported as restricted cash. Changes in accounting regulations will now require income and expenditure to be recognised in the same year which will alleviate this timing issue in the future. Without recognition of the bridge expenditure the ratio in 2018/19 would have been -0.351, still outside the recommended standard. Council would need to increase income or decrease expenditure by a further \$809,552 to meet the recommended standard this year.

The ratio will also be affected by the timing of the Federal Assistance Grants. A substantial prepayment of the FAGS grants has been prepaid in recent years however if not consistently prepaid will influence the ratio.

A significant expense recognised in operating expenditure and included in the ratio calculation is depreciation. The depreciation expense recognised in 2018/19 was \$2,075,389 (including \$499,841 bridge depreciation).

The ratio does not recognise capital road or capital project funding and this income is specifically excluded from the ratio. Non-operating road grants from Roads to Recovery (Federal) and Regional Road Group (State) were \$779,552. These capital grants are used to fund asset renewal as recognised in the depreciation expense.

The ratio reflects a reliance on sources of funding other than Council's own source funds such as rates, to be sustainable. To have an operating surplus ratio which does not meet the minimum requirements is typical of many local governments.

CONSULTATION:

The report has been prepared in consultation with other local governments. The majority of local governments cannot meet the recommended standard.

STATUTORY ENVIRONMENT:

In November 2017, proclamation of the *Local Government Amendment (Auditing) Act 2017* introduced a number of reforms to auditing laws. The legislation requires local governments to examine an audit report it receives and implement appropriate action in respect to the significant matters raised.

POLICY IMPLICATIONS:

There are no policy implications.

FINANCIAL IMPLICATIONS:

The Operating Surplus Ratio is expected to be reported as having a significant adverse trend in the future. The ratio will continue to be monitored through the long term financial planning and budgeting process.

STRATEGIC IMPLICATIONS:

This item aligns with the community's vision and aspirations as contained in the Shire of West Arthur Corporate Plan 2019 to 2023. Specifically, it relates to the following strategy(s):

5.2 Financial management and decision making will be transparent, accountable and in an accessible format for the public

COMMENT

The Shire of West Arthur Audit Committee will review this Item at its meeting on 17 March 2020 and make a recommendation to Council from this meeting.

VOTING REQUIREMENTS:

Simple majority

COMMITTEE RECOMMENDATION – (ITEM 8.2.2)
--

To be provided

ITEM 8.2.3 – REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE
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LOCATION/ADDRESS:	N/A
NAME OF APPLICANT:	N/A
FILE REFERENCE:	
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	

SUMMARY:

The Audit Committee will review the Chief Executive Officer's report in relation to Review of Risk Management, Internal Control, and Legislative Compliance and report to Council the results of the Committee's review.

BACKGROUND:

The Local Government (Audit) Regulations require the CEO to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management.

The last review was reported to the Shire of West Arthur's Audit Committee in December 2016.

CONSULTATION:

The report has been prepared in consultation with executive management staff.

STATUTORY ENVIRONMENT:

In accordance with the Local Government (Audit) Regulations 1996 , Regulation 17, (1)The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

- (a) Risk management; and
- (b) Internal control; and
- (c) Legislative compliance.

(2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

In accordance with the Local Government (Audit) Regulations 1996, Regulation 16 (c), the Audit Committee is required to review the report and subsequently report to the Council the results of the Committee's review.

The Department of Local Government and Communities, Local Government Operational Guidelines "Audit in Local Government" includes issues that should be considered for inclusion in the review.

POLICY IMPLICATIONS:

Some policies require updating as identified in the review.

FINANCIAL IMPLICATIONS:

Depending on timelines for improvements requested by the Committee, existing resources could be used or access to external support may be required.

STRATEGIC IMPLICATIONS:

The Shire's Strategic Plan and Corporate Plan includes Outcome 5.2: ACCOUNTABLE service delivery by Council and well trained, motivated, customer focused staff.

Strategies include:

- Continuously strive to improve performance and delivery across all functions with a focus on customer service.; and
- Compliance with regulations and best practice standards will drive good decision making by staff and council.

COMMENT

The Shire of West Arthur Audit Committee will review this Item at its meeting on 17 March 2020 and make a recommendation to Council from this meeting.

VOTING REQUIREMENTS:

Simple majority

COMMITTEE RECOMMENDATION – (ITEM 8.2.3)
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To be provided.

8.3 ELECTED MEMBER REPORTS

9. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

10. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

11. CONFIDENTIAL ITEMS

12. CLOSURE OF MEETING