



murchisonshire

Ancient land under brilliant skies

Ordinary Council Meeting

25 February 2021

Attachments

ROAD SAFETY INSPECTION

PREPARED FOR – SHIRE OF MURCHISON

PREPARED BY – TRAFFIC SAFETY CONSULTANTS

Location - Beringarra-Pindar Rd SLK311 - 313
Locality - Pindar
LGA - Shire of Murchison
Inspection Date - 14 December 2020

Inspection Team:

No.	Name	Role	Organisation
026 (S)	Franz Winkler	Team Leader	TSC
011 (S)	Theo Hazebroek	Team Member	T Hazebroek Consultants

Specialist Advisors, Stakeholders and Observers

(others present at the site inspection):

Name	Role	Organisation	Position
Bill Boehm	LGA Advisor	Shire of Murchison	CEO
William Herold	LGA Advisor	Shire of Murchison	Works Manager

Inspection Reference:	L113-01-2011
Report Issue Date:	28 December 2020

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ATTACHMENT

Corrective Action Report

1 INTRODUCTION

1.1 Site Description

(See Appendix A)

Beringarra-Pindar Rd (7050001) is a Local Distributor road providing local access to pastoral stations between Beringarra and Pindar as well as to two mines. At the location of this audit it is a wide unsealed road with a limited number of guideposts. It is listed on the MRWA website as a conditional RAV7 route accommodating multi-combination vehicles up to 36.5m in length with prior approval from the asset owner.

Wreath Flowers Access Rd (7050068) operates similar to a service road running west of the Beringarra-Pindar Rd between approximately SLK 311 and 313 and terminating at Y-junctions under Give Way control.

The surrounding area is natural vegetation.

1.2 Background Information – Reason for Audit

Wreath Flowers are a species unique to Western Australia and are found primarily in the Geraldton Sandplains and Avon Wheatbelt regions in the southwest of WA. Beringarra-Pindar Rd is particularly well known for the presence of wreath flowers and has become a significant 'resource' in terms of attracting tourists.

The main occurrence was on the verges of a short 600-700m section of the Wreath Flowers Access Rd west of the Beringarra-Pindar Rd (see Appendix A). Following an upgrade of the Beringarra-Pindar Rd, the wreath flowers appeared in the newly 'loosened' and graded shoulders, resulting in a second viewing location approximately parallel to that of the Wreath Flowers Access Rd.

During the flowering season traffic volumes dramatically increase from below 100vpd to near 600vpd (see item 1.4 below). Information supplied by the Shire of Murchison indicates that vehicles of all types, including cars, caravans and buses, stop at the site to view the flowers (see photo 1 for typical scenario on Wreath Flowers Access Rd). Whereas these were located on the Wreath Flowers Access Rd, away from the main through traffic route, they are now primarily on the Beringarra-Pindar Rd which is the main through route for vehicles including trucks and road-trains. There is no control or guidance for drivers to control where they stop. As a result vehicles of all types stop on both sides of the road, often towards the centre to avoid the crossfall or to avoid the soft shoulders and flowers. There is now an increased risk of vehicle/vehicle and vehicle/pedestrian conflict. Given the likelihood of increasing traffic volumes as the site becomes more popular, these risks are likely to increase significantly in future.

The Shire of Murchison has commissioned this Road Safety Inspection to assist in identifying potential road safety hazards and to provide recommendations on mitigating the risks.

1.3 Crash Analysis

There have not been any crashes recorded in the vicinity within the 5-year period 2015-2019.

1.4 Traffic Data during peak tourist period (Supplied by the Shire of Murchison)

Week starting	Min	Av	Max
06/08/2018	21	49	69
13/08/2018	62	101	193
20/08/2018	78	165	309
27/08/2018	9	245	441
03/09/2018	208	328	553
10/09/2018	83	353	504
17/09/2018	234	370	436
24/09/2018	249	312	500
01/10/2018	68	176	290
08/10/2018	54	84	118

1.5 Previous Road Safety Inspections

No formal Road Safety Audits or Inspections have previously been undertaken.

1.6 Road Safety Inspection

A Road Safety Inspection [formerly known in WA as a 'Road Safety Review' or 'Road Safety Audit – Existing Road'] is a formal examination of an existing road, in which an independent, qualified team reports on its crash potential and safety performance. The Auditor must be independent of the road owner/manager so that its design and operation are viewed with "fresh eyes". However, representatives from the agency that owns and/or manages the road are often beneficial team members or advisors as they may provide invaluable background information. The purpose of the report is not to rate the design, but rather to address any road safety concerns.

In reviewing the safety aspects of a road, the reporting procedure is intended to outline potential or pre-existing road safety issues and to establish a basis upon which a modification to the existing infrastructure could produce an acceptable solution to the safety problem. The recommendations may indicate the nature or direction of a solution, rather than specifying the details of how to solve the problem.

The objectives of a road safety Inspection are -

- To review the background information and form conclusions about the safety performance and crash potential of the road.
- To evaluate the road in terms of interaction with its surrounds and nearby roads, and to visualise potential impediments and conflicts for road users.
- To report on the conclusions drawn and to make recommendations regarding aspects which involve unnecessary or unreasonable hazards.

1.7 Safe System Findings

The aim of Safe System Findings is to focus the Road Safety Inspection process on considering safe speeds and by providing forgiving roads and roadsides. This is to be delivered through the Road Safety Inspection process by accepting that people will always make mistakes and by considering the known limits to crash forces the human body can tolerate. This is to be achieved by focusing the Road Safety Inspection on particular crash types that are known to result in higher severity outcomes at relatively lower speed environments to reduce the risk of fatal and serious injury crashes.

The additional annotation "IMPORTANT" shall be used to provide emphasis to any Road Safety Inspection finding that has the potential to result in fatal or serious injury, or findings that are likely to result in the following crash types above the related speed environment: head-on (>70 km/h), right angle (>50 km/h), run off road impact object (>40 km/h), and crashes involving vulnerable road users (>30 km/h), as these crash types are known to result in higher severity outcomes at relatively lower speed environments.

The exposure and likelihood of crash occurrence shall then be considered for all findings deemed "IMPORTANT" and evaluated based on the auditors professional judgement. Auditors should consider factors such as, traffic volumes and movements, speed environment, crash history and the road environment, and apply road safety engineering and crash investigation experience to determine the likelihood of crash occurrence. The likelihood of crash occurrence shall be considered either "VERY HIGH", "HIGH", "MODERATE" or "LOW" and this additional annotation shall be displayed following the "IMPORTANT" annotation on applicable findings.

1.8 Auditors and Audit Process

This report results from a Road Safety Inspection based on the general principles set out in Austroads Guidelines to Road Safety Part 6: Road Safety Audit and undertaken in accordance with the requirements contained in the Main Roads Western Australia Policy and Guidelines for Road Safety Audit.

The Audit team is listed on the front cover of this report.

The site inspection was carried out at 14:30 on 14 December 2020. Weather conditions were fine. No night inspection was undertaken as there were no features or elements related to lighting in the vicinity of the location which is the subject of this audit.

1.9 Supporting Information

Supporting information is included in the Appendices as listed under the Table of Contents.

1.10 Asset Owners to Be Informed

This report may have ramifications for the ultimate owner(s) of the asset (eg Local Authority, Main Roads Western Australia and property owners). Copies of the relevant sections of this report (and the completed Corrective Action Responses with 'proposed' actions where appropriate) must be forwarded to the relevant responsible authorities for information and consideration prior to finalising the actions.

1.11 Distribution of Information

The contents of this report are the property of the commissioning agency. Furthermore, individual sections are the property of the relevant authorities responsible for addressing the findings and recommendations.

Information within this report may be misleading if taken in isolation without reference to the follow-up actions.

No part of this report, or information derived from it, shall be released to third parties without express permission from the relevant stakeholders.

2 AUDIT FINDINGS AND RECOMMENDATIONS

COMMENT:

The audit team was informed that a proposal had been made to seal a section of one or both roads in order to provide better guidance for drivers and for the protection of the flowers. The audit team considers this to be a high-risk strategy. A sealed road encourages higher operating speeds with a correspondingly higher risk of crashes involving stopped vehicles and pedestrians. The interfaces between seal and gravel will become a hazard due to differential wear and scour unless constantly maintained. Furthermore, the problem of tourists and traffic lasts only a few weeks of the year whereas the inconsistent road environment with their inherent increased hazards will be there permanently even when there are no tourists.

2.1 Traffic Management Strategy

The current traffic management strategy increases the risk of vehicle/vehicle and vehicle/pedestrian conflict.

Analysis

(see item 1.2 above).

Uncontrolled parking on both Beringarra-Pindar Rd and Wreath Flowers Access Rd may result in vehicles parking both sides of the road, including towards the centre to avoid the steeper crossfalls at the edges (particularly for vehicles towing trailers and caravans) and to avoid the softer shoulders and flowers. Vehicles stopped on Beringarra-Pindar Rd are at increased risk of collision by trucks and road-trains, and by larger vehicles such as buses manoeuvring through parked vehicles. Pedestrians are also at increased risk of collision when crossing the road, particularly as sight lines may be blocked by parked vehicles and the possible expectation that there is unlikely to be any through traffic which may be travelling at speed.

Recommendation:

(See concept diagrams at Appendix B)

Implement a one-way pair system with Wreath Flowers Access Rd becoming northbound only and Beringarra Rd becoming southbound only, with a pseudo median between.

NOTE: This will require liaison with MRWA with respect to roadnames and RAV route designations.

- a) Modify the nose of the pseudo median at the south end to direct northbound vehicles to the left.
- b) Upgrade the 'cross tracks' between the 2 roads to allow one-way U-turns and circulation. Ensure exits are aligned so as to prevent wrong-way movements.
- c) Prohibit stopping on the right side of each carriageway (along the pseudo median).

2.2 Traffic Signs

Lack of appropriate traffic signs increases the risk of head-on, right-angle, sideswipe and pedestrian crashes.

Analysis

Without appropriate signs there is no control of directions of traffic or parking, or of warning of pedestrians crossing the road.

The existing service/information signs are incorrect as they direct traffic onto Wreath Flowers Access Rd whereas the flowers are now also prevalent on Beringarra-Pindar Rd.

Recommendation:

(See concept designs at Appendix B)

- a) Install R2-3B(L) 'KEEP LEFT' signs on the noses of the pseudo median at each end.
- b) Install R2-4B 'NO ENTRY' signs on the right-hand verge at each end.
- c) Install W4-4B 'Divided Road' signs on the north and south approaches to the pseudo median.
- d) Install W4-4B (inverted) 'End Divided Road' signs one each carriageway just prior to the end of the pseudo median.
- e) Install R2-2B(R) 'ONE WAY' signs opposite the exits of the cross tracks.
- f) Install R2-4B 'NO ENTRY' signs at the exits of the cross tracks
- g) Install G3-5B 'Intersection Direction' signs with appropriate drop tags (see Appendix B) at the cross track entries
- h) Install customised 'NO STOPPING – THIS SIDE OF ROAD OR VERGE' signs along the pseudo median at regular intervals in the vicinity of the wreath flowers. *(NOTE: the wording needs to clarify that the sign does not apply to the whole road width. The sign design should follow the principles set out in AS1742.11)*
- i) Provide suitable advance information signs to inform drivers on the options available to access the flowers. *(NOTE: A sign with a pictorial view of the road layout may be beneficial to show drivers that they can circulate through the system – see Appendix B)*
- j) Install temporary W6-1B 'Pedestrians' warning signs during periods when wreath flowers are present.

2.3 Delineation

Lack of delineation increases the risk of off-road and loss-of-control crashes.

Analysis

There are only a few widely spaced guideposts along the roads. There is no visible demarcation between the trafficable formation and the soft shoulders. There is an increased risk of vehicles entering the soft shoulders and losing control.

Recommendation:

Install additional guideposts to provide a visual guide to assist drivers to avoid the soft shoulders.

3 CONCLUSION

This audit has been carried out for the sole purpose of identifying any features of the design which could be altered or removed to improve its safety by minimising the risk of crash occurrence and/or reducing the potential crash severity. The team reviewed the documentation and inspected the site. The accompanying recommendations are forwarded for you to assess for implementation.



28 December 2020

.....
 Franz Winkler
 (Senior Road Safety Auditor #0026S)
 Principal – Traffic Safety Consultants Pty Ltd
 Mob 0418 848 700
fwinkler@smartchat.net.au

.....
 Date

DISCLAIMER

This report contains findings and recommendations based on examination of the site and/or relevant documentation. The report is based on the conditions viewed on the day of inspection and is relevant at the time of production of the report. Information and data contained within this report is prepared with due care by the Road Safety Inspection Team. While the Road Safety Inspection Team seeks to ensure accuracy of the data, it cannot guarantee its accuracy.

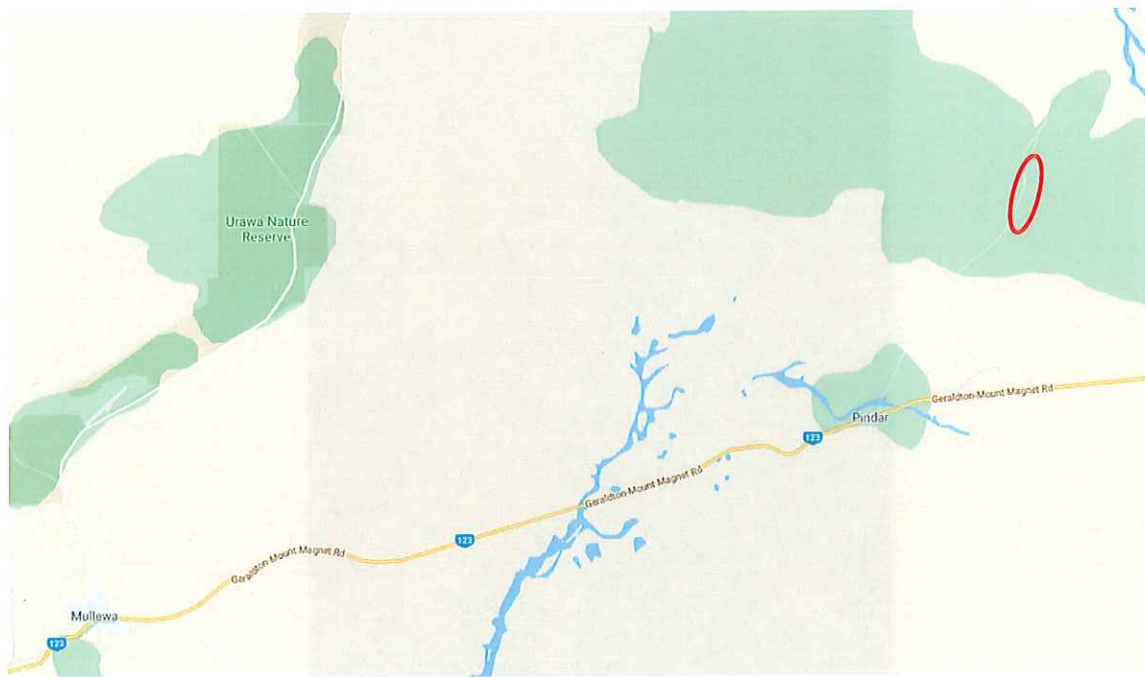
Readers should not solely rely on the contents of this report or draw inferences to other sites. Users must seek appropriate expert advice in relation to their own particular circumstances.

The Road Safety Inspection Team does not warrant, guarantee or represent that this report is free from errors or omissions or that the information is exhaustive. Information contained within may become inaccurate without notice and may be wholly or partly incomplete or incorrect. Before relying on the information in this report, users should carefully evaluate the accuracy, completeness and relevance of the data for their purposes.

Subject to any responsibilities implied in law which cannot be excluded, the Road Safety Inspection Team is not liable to any party for any losses, expenses, damages, liabilities or claims whatsoever, whether direct, indirect or consequential, arising out of or referable to the use of this report, howsoever caused whether in contract, tort, statute or otherwise.

APPENDIX A

Locality Plan & Aerial View



Locality Plan



Aerial View

APPENDIX B

Concept Drawings

KEY

- AI = Advance Information
DR = Divided Road
EDR = End Divided Road
ID = Intersection Direction (see below)
KL = KEEP LEFT
NE = NO ENTRY
NS = NO STOPPING (customised to suit)
OW = ONE WAY (Right)

G3-5



Drop tag as per AS1742.15 – 2007 Clause 2.4.3 para 3
If cross tracks can accommodate buses and trucks

or

G9-41



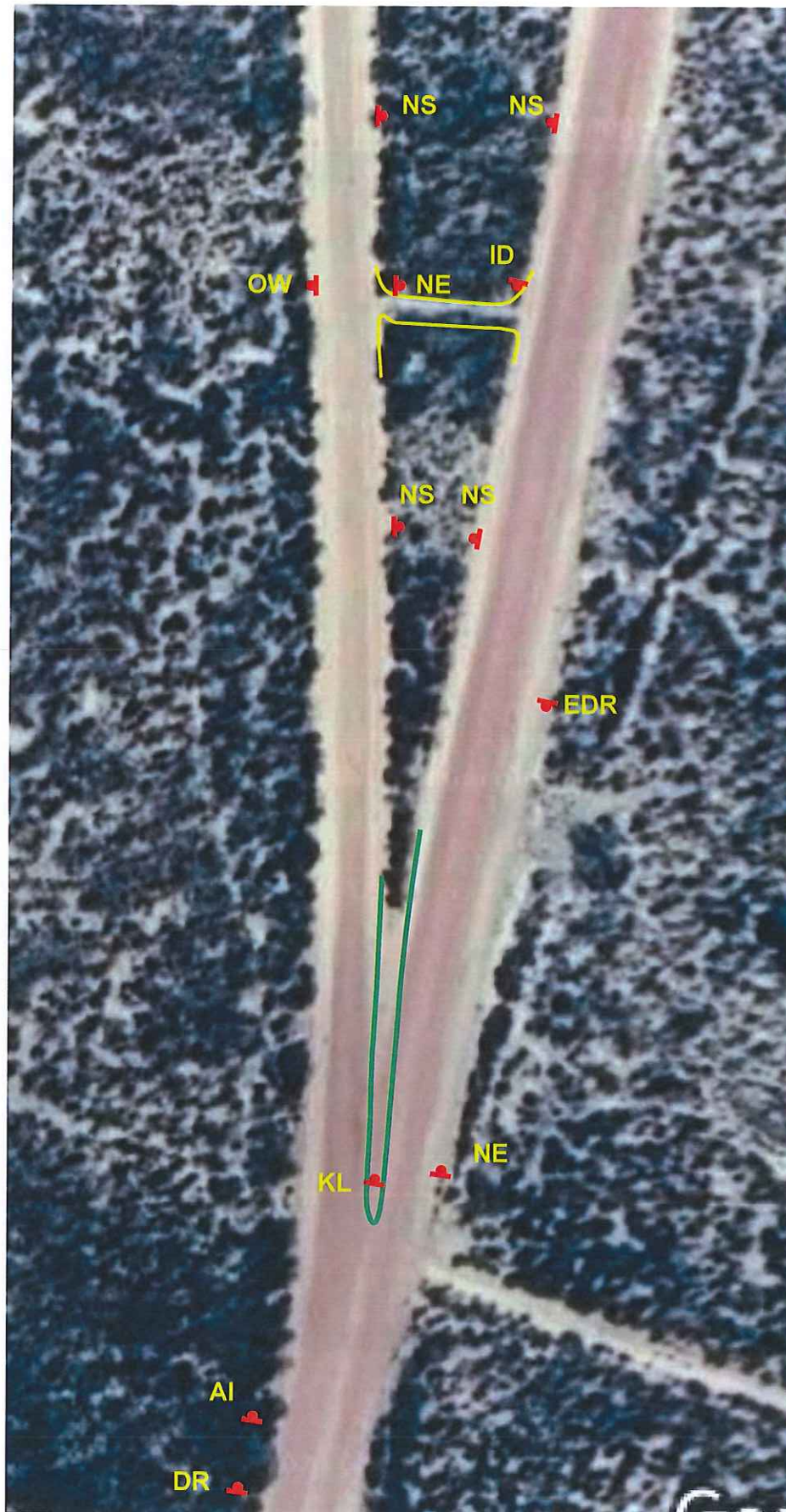
Drop tag as per AS1742.1 – 2003
If cross tracks are unsuitable for larger vehicles.

Typical intersection direction signs for cross tracks
Similar for southbound

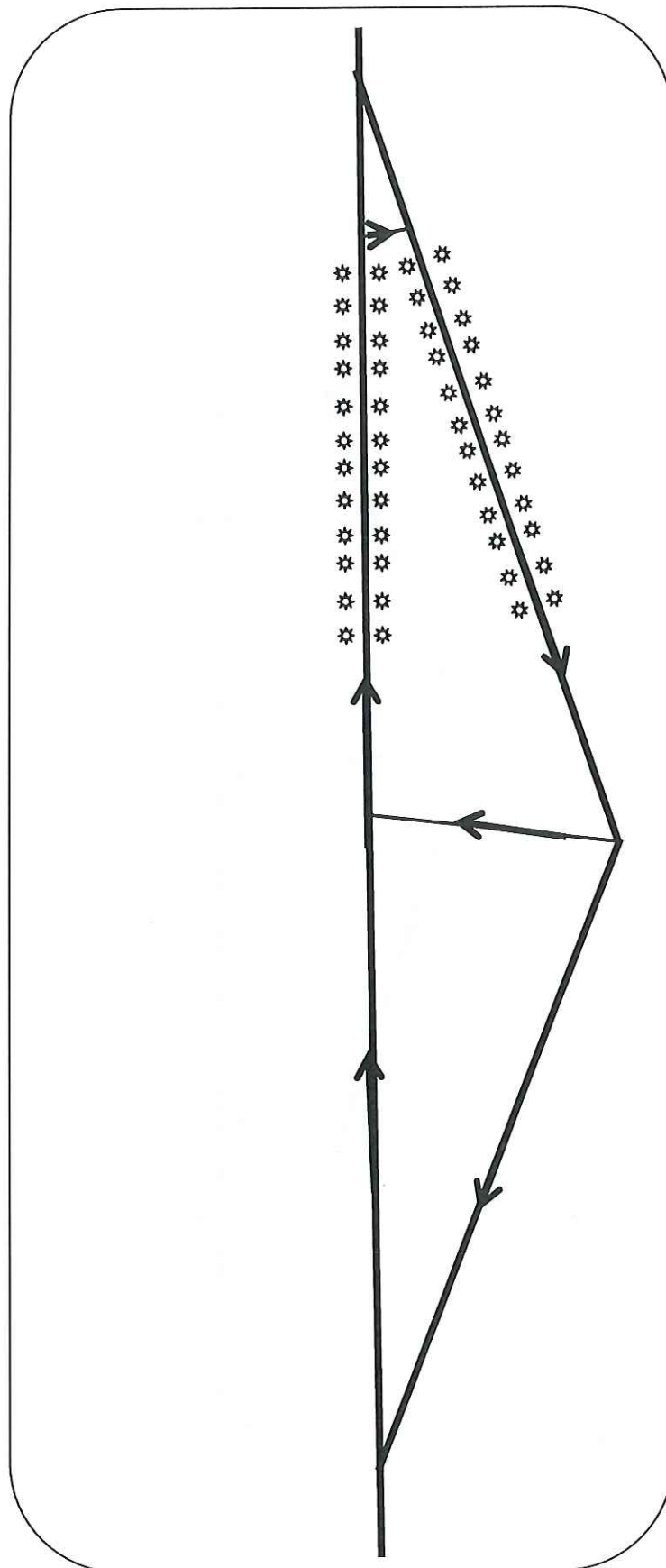
DR

AI

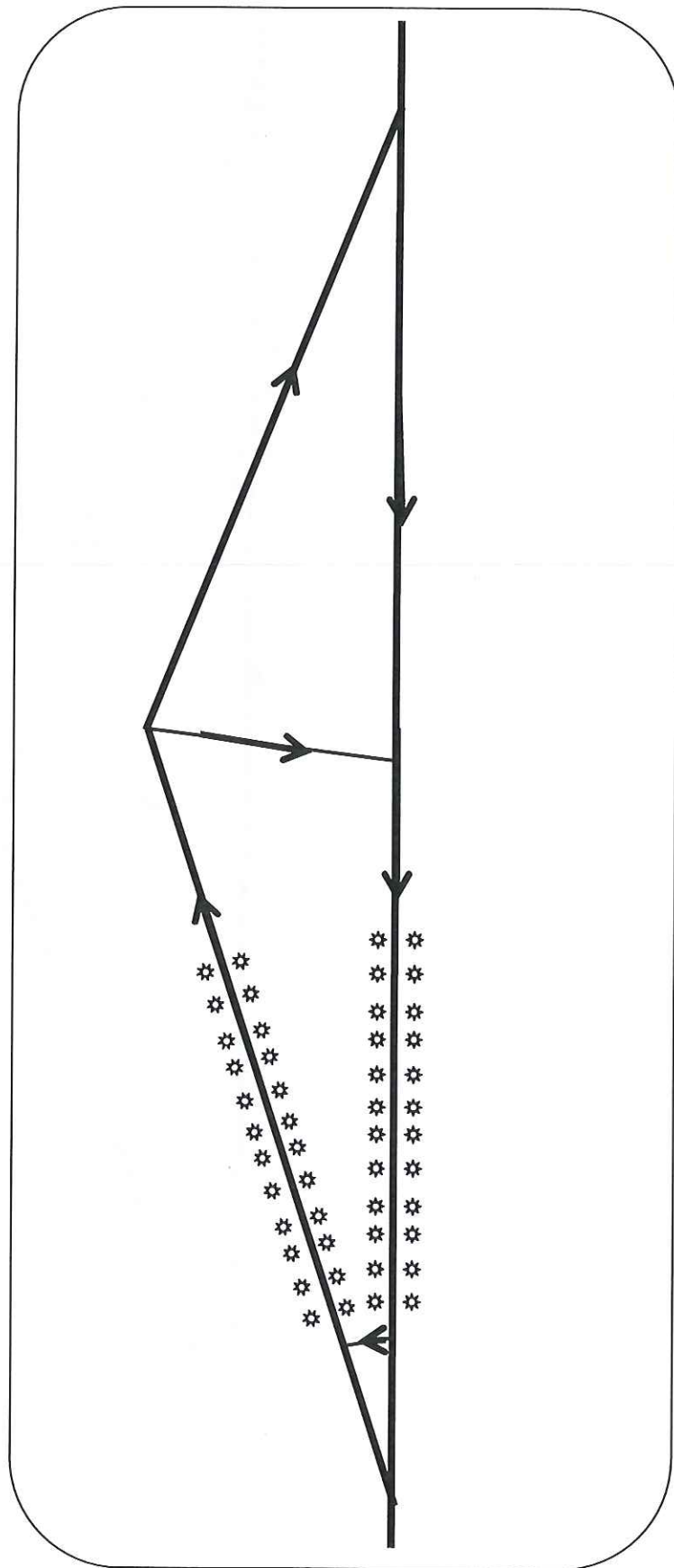




NS signs to be repeated as far as required



Concept of pictorial road layout sign (north end)



Concept of pictorial road layout sign (south end)

APPENDIX C

Photos



PHOTO 1

Wreath Flowers Access Rd

Typical situation with vehicles parked both sides away from shoulder



PHOTO 2

Beringarra Rd facing north – Wreath Flowers Access Rd to the left
Service/information sign is inappropriate

Corrective Action Report

**Beringarra-Pindar Rd SLK311 – 313, Pindar
Road Safety Inspection**

Audit Findings and Recommendations	Project Manager		
	Agree / Disagree	Reason if Disagreeing	Proposed Action and Comments

NOTE:

THE FOLLOWING FINDINGS AND RECOMMENDATIONS ARE PRESENTED IN AN ABBREVIATED FORM IN THIS CAR: THEY MUST BE READ IN CONJUNCTION WITH THE FULL REPORT AND SHALL NOT BE CONSIDERED IN ISOLATION.

<p>2.1 Traffic Management Strategy: The current traffic management strategy increases the risk of vehicle/vehicle and vehicle/pedestrian conflict.</p>			
<p>Recommendation: a) Modify the nose of the pseudo median at the south end to direct northbound vehicles to the left. b) Upgrade the 'cross tracks' between the 2 roads to allow one-way U-turns and circulation. Ensure exits are aligned so as to prevent wrong-way movements. c) Prohibit stopping on the right side of each carriageway (along the pseudo median).</p>			

**Beringarra-Pindar Rd SLK311 – 313, Pindar
Road Safety Inspection**

Audit Findings and Recommendations	Project Manager		
	Agree / Disagree	Reason if Disagreeing	Proposed Action and Comments
<p>2.2 Traffic Signs: Lack of appropriate traffic signs increases the risk of head-on, right-angle, sideswipe and pedestrian crashes.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> a) Install R2-3B(L) 'KEEP LEFT' signs on the noses of the pseudo median at each end. b) Install R2-4B 'NO ENTRY' signs on the right-hand verge at each end. c) Install W4-4B 'Divided Road' signs on the north and south approaches to the pseudo median. d) Install W4-4B (inverted) 'End Divided Road' signs one each carriageway just prior to the end of the pseudo median. e) Install R2-2B(R) 'ONE WAY' signs opposite the exits of the cross tracks. f) Install R2-4B 'NO ENTRY' signs at the exits of the cross tracks g) Install G3-5B 'Intersection Direction' signs with appropriate drop tags (see Appendix B) at the cross track entries. h) Install customised 'NO STOPPING – THIS SIDE OF ROAD OR VERGE' signs along the pseudo median at regular intervals in the vicinity of the wreath flowers. <i>(NOTE: the wording needs to clarify that the sign does not apply to the whole road width. The sign design should follow the principles set out in AS1742.11)</i> i) Provide suitable advance information signs to inform drivers on the options available to access the flowers. <i>(NOTE: A sign with a pictorial view of the road layout may be beneficial to show drivers that they can circulate through the system – see Appendix B)</i> j) Install temporary W6-1B 'Pedestrians' warning signs during periods when wreath flowers are present. 			

**Beringarra-Pindar Rd SLK311 – 313, Pindar
Road Safety Inspection**

Audit Findings and Recommendations	Project Manager		
	Agree / Disagree	Reason if Disagreeing	Proposed Action and Comments
2.3 Delineation: Lack of delineation increases the risk of off-road and loss-of-control crashes. Recommendation: Install additional guideposts to provide a visual guide to assist drivers to avoid the soft shoulders.			

Beringarra-Pindar Rd SLK311 – 313, Pindar
Road Safety Inspection

NOTE

- This corrective Action Report is to be read in conjunction with the full Road Safety Audit Report and its findings and recommendations.
- The asset owners (MRWA and/or LGA) must be informed of these findings, recommendations and proposed actions.
- Items not under the responsibility of this project representative must be forwarded to the persons / agencies who are responsible.

These findings and recommendations have been considered, and the actions listed will be taken accordingly.

..... <i>Responsible project representative</i> <i>Company/Agency/Division</i> <i>Position</i> <i>Date</i>
..... <i>Asset Owner representative</i> <i>MRWA / LGA / Other</i> <i>Position</i> <i>Date</i>

Murchison Shire 2020/21 Road Construction Program Update – February 2021

Road	Program	Details	Update
2020/21 Budget Program			
Carnarvon-Mullewa	General Council	(SLK 101.42 to 102.42) Final preparation and seal 1.0km at Curbur	No change
Carnarvon-Mullewa	General Council	(SLK 261.91 to 266.60) Rebuild and Reshape North of Bullardoo	Extent of works varied according to available budget and potential change in design curve at the Pinegrove turnoff
Carnarvon-Mullewa	Roads to Recovery	(SLK 266.40 to 270.35) Box & resheet around 3.9km around Bullardoo	No change but this section is part of a successful MRWA funding bid for 2020/21/22.
Carnarvon-Mullewa	MRWA / Council	(SLK 271.50 to 278.85) Resheet around 7km around Bullardoo	No change
Carnarvon-Mullewa	LRCIP / Council	(SLK 261.91 to 266.60). <i>(Construction above)</i> (SLK 269.70 to 270.35). <i>(Already sheeted)</i> (SLK 271.50 to 278.85). <i>(Construction above)</i> Seal approx 12.69 km at 7.2m width at above following locations. <i>Extent and form of seal (primerseal or two coat seal), dependent on funds available and tender prices received.</i>	Two coat seal 266.40 to 278.85 and some construction works assisted by LRCIP ~ Phase 1 funding of \$602,556 to be completed by 30/6/21 ~ Phase 2 funding of \$405,889 to be completed by 31/12/21
Beringarra-Cue	General Council	Construct and seal selected floodways. Convert section of seal to gravel.	Defer till 2020/21
Beringarra-Pindar	General Council	(SLK 188.46 to 201.22) Resheet & Bunding	No change
Carnarvon-Mullewa	General Council Potential MRWA	(SLK 266.40 to 270.35) MRWA Regional Road Group Funding Application to box resheet and seal around 3.9km.	Application successful but construction already completed
Carnarvon- Mullewa	General Council Potential MRWA	(SLK 0.0) MRWA Regional Road Group Funding Application for Bilung Creek Crossing replacement. Survey design and tendering. Construction early 2021/22	MRWA Funding Application unsuccessful National Flood Mitigation Infrastructure Program Application Pending

Road	Program	Details	Update
2021/22 Preliminary Program			
Council is in the process of complete list of capital road works over and above that will be funded in 2020/21 so that as circumstances alter the program can vary. The list below starts the process leading to an eventual three (3) year rolling program which it is envisaged will be adopted formally by Council			
Carnarvon-Mullewa	General Council Potential MRWA	(SLK 266.40 to 270.35) Box resheet and seal around 3.9km.	Application successful but construction already completed Allocation can be spent on sealing and or construction works on another section
Carnarvon- Mullewa	General Council Potential MRWA	(SLK 0.0) Bilung Creek Crossing replacement.	National Flood Mitigation Infrastructure Program Application Pending Project deferred till outcome known
Beringarra-Pindar	General Council	SLK 208.92 to 223.75) Resheet & Bunding	No change
Sealing General	Road to Recovery	Annual sealing program (2020/21 deferred by one year)	No change
Butchers Track	General Council	Various Locations Works heavily on local water being available which is highly cyclic dependent on the season	No change
Others	General	To be developed	No change

SHIRE OF MURCHISON			
PAYMENT OF ACCOUNTS PRESENTED AT THE ORDINARY MEETING OF COUNCIL HELD ON			
Thursday, 25 February 2021			
<p>The following schedule of accounts has been paid under delegation, by the Chief Executive Officer since the previous Council meeting. Trust were \$0.00, Reserve Bank account \$0.00,CSIRO Road Account \$0.00, Oasis Roadhouse -\$32.00, Municipal Short Term \$0.00, Murchison Community Trust Fund \$0.00, Municipal Cheques and direct payments totalling -\$2,034,615.86, Credit card payments totalling -\$1,501.02, making a Grand Payment total of -\$2,036,148.88 submitted to each member of the Council on 25/02/2021, have been checked and are fully supported by vouchers and duly certified invoices with checks being carried out as to prices, computations and costing.</p>			
Date	Description	Credit	Num
MUNICIPAL CASH AT BANK			
Opening Balance at 1 December 2020		199,275.24	
01/12/2020	MONTHLY PLAN FEE	-20.00	302
01/12/2020	PAYMENT BY AUTHORITY TO ANZ BANK MERCHANT FEE	-123.84	302
03/12/2020	PAYMENT BY AUTHORITY TO CBA MERCHANT FEE 5353109692605327	-20.00	302
03/12/2020	PAYMENT BY AUTHORITY TO CBA MERCHANT FEE 5353109692602498	-21.06	302
03/12/2020	Greenfield Technical Services: AGRN863 SMU Flood Damage Supervision Package 2	-26272.96	EFT5302
03/12/2020	Squires Resources Pty Ltd: AGRN863 Cycle 9 of Equipment and Labour for Flood Damage Repairs 12.11.2020 to 25.11.2020 Beringarra-Pindar Rd	-354351.25	EFT5303
03/12/2020	Them Earthmoving Pty Ltd: AGRN863 Supply Equipment & Labour for Flood Damage Repairs 5.11.2020 to 18.11.2020 Carnarvon-Mullewa Road 7050043, Muggon Road 7050013	-248825.50	EFT5304
09/12/2020	Western Australian Treasury Corporation: Dolly Loan Repayment	-852.39	EFT5305
09/12/2020	AGFIX Multitrades: Construction of an extention to existing carport at CEO house	-23788.00	EFT5306
09/12/2020	Peter Troy: Reimbursement for National Police Clearance Certificate	-55.80	EFT5307
10/12/2020	Greenfield Technical Services: AGRN863 SMU Flood Damage Construction Management Package 1	-26201.45	EFT5308
10/12/2020	Them Earthmoving Pty Ltd: AGRN863 Supply of Equipment and Labour for flood damage repair 19.11.2020 to 25.11.2020	-255222.00	EFT5309
15/12/2020	Foxtel Business: Foxtel subscption for December 2020	-1500.00	EFT5311
15/12/2020	Telstra: Telephone services and charges - Usage to 24 Nov & services and equipment rental to 24 Dec 2020	-1248.65	EFT5312
15/12/2020	Marketforce: Advertising in West Australian 2/11/2020 - 2020 Ordinary Council Meetings - November amended date	-729.76	EFT5313
15/12/2020	Tyrepower Geraldton: Various tyres, wheel alignment, wheel balance	-12985.00	EFT5314
15/12/2020	activ8me: Activ8me SMP-200 1/12/20 to 31/12/20	-134.95	EFT5315
15/12/2020	Jenkin Manufacturing: 5 X Complete Cattle Grid Crossings	-24475.00	EFT5316
15/12/2020	Midwest Freight: Weekly pickup & delivery service November x 4	-7216.00	EFT5317
15/12/2020	Catwest Pty Ltd: 5 x 200 Litre Drums of Emulsion	-1925.00	EFT5318
15/12/2020	Abrolhos Steel: 3000mm x 1500mm Gate with chain and dropbolt for 8 Mulga	-3120.48	EFT5319
15/12/2020	Hosken Electrical: Labour and Materials to install new Shire Generators and decommission old ones	-43576.00	EFT5320
15/12/2020	Murchison Oasis Roadhouse and Caravan Park. (Peter & Nicole Mahony): Morning tea & lunch November's Council meeting	-187.50	EFT5321
15/12/2020	Greenfield Technical Services: AGRN863 SMU Flood Damage Supervision - Package 1 5.11.20-18.11.20	-17930.55	EFT5322
15/12/2020	Greydon Mead: 4 Donkeys shot Bullardoo homestead	-80.00	EFT5323
15/12/2020	Great Southern Fuel Supplies: 89.98L Diesel CEO Prado, 169.64L Diesel DCEO Prado, 130.85L Diesel Mechanic Truck	-474.04	EFT5324
15/12/2020	Perfect Computer Solutions Pty Ltd: CPO save & send JPG files, update PLAY account, added Depot account to CSO machine and Depot as delegate for finance mailbox, Mechanic given ability to scan to network folder from printer, monthly fee for Daily Monitoring, Management and Resolution of Disaster Recovery Options at site - November	-1232.50	EFT5325
15/12/2020	Bernadette Peirl: Diesel fuel purchased from Caltex Sunset Beach to travel to Murchison for training	-122.72	EFT5326
15/12/2020	Mullewa Farm: Supplies Hydraulic Hoses and parts as required for urgent repairs to Grader	-299.73	EFT5327
15/12/2020	AGFIX Multitrades: Deposit for extension room at 10A Kurara Way	-12500.00	EFT5328
15/12/2020	Justin Borg: 113 donkeys shot Manfred Station & 4 Camels shot Mount Dugel Well	-3120.00	EFT5329
15/12/2020	Blackwoods: 4 x Footvalves with Galvanised Dock	-800.01	EFT5330
15/12/2020	Pinpoint Cleaning Solutions: Stripping, resealing and polishing floors at 14 Mulga and travel	-1420.00	EFT5331

<p style="text-align: center;">SHIRE OF MURCHISON PAYMENT OF ACCOUNTS PRESENTED AT THE ORDINARY MEETING OF COUNCIL HELD ON Thursday, 25 February 2021</p>			
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Date	Description	Credit	Num
15/12/2020	UDLA: For landscape architectural consultancy services associated with Murchison Settlement Master Plan. Complete desktop review, scenario development (50%) & attend site & workshop	-8800.00	EFT5332
15/12/2020	Afgri Equipment: Airconditioner Compressor Reciever Dryer and Drive Belt	-803.14	EFT5333
15/12/2020	CJD Equipment Pty Ltd: Service on Air con repairs on Kenworth 000MU	-1315.62	EFT5334
15/12/2020	Department of Fire & Emergency Services (DFES): 2020/21 ESLB 2nd Quarter Contribution	-932.40	EFT5335
15/12/2020	Geraldton Fuel Co: 2 x AAL Kero Solvent 200 Litres	-1300.00	EFT5336
15/12/2020	Geraldton TV & Radio Services Co: GME UHF Twin Pack (5 watt) Hand Held Two Ways, GME UHF Twin Pack (5 watt) Hand Held Two Ways	-1158.00	EFT5337
15/12/2020	Purcher International: 60,000 km service on Mechanics Truck	-2207.77	EFT5338
15/12/2020	Totally Workwear Geraldton: 6 x work shirts for works supervisor	-362.74	EFT5339
15/12/2020	Moore Australia (WA) Pty Ltd: Compilation of Statements of Financial Activity for August & September 2020	-4620.00	EFT5340
15/12/2020	Westrac: 2 x Batteries	-668.93	EFT5341
15/12/2020	Yuin Pastoral: Pouring and Finishing 100mm Slab for extension to 10A Kurara, mould bolts for shire's grid moulds	-3286.80	EFT5342
15/12/2020	Kerry Marriott: Books x 2 - Á Matriarch and the Murchison and "Cathedrals of Corrugated Iron"	-50.00	EFT5343
18/12/2020	Westpac Credit Card: See below	-1501.02	EFT5344
31/12/2020	Squires Resources Pty Ltd: AGRN863 Cycle 10 Supply of Equipment and Labour for Flood Damage 5.12.2020 to 16.12.2020	-223279.10	EFT5345
31/12/2020	Them Earthmoving Pty Ltd: AGRN863 Supply of Equipment and Labour for Flood Damage 3.12.2020 to 16.12.2020	-320520.75	EFT5346
31/12/2020	Carnarvon Rangelands Biosecurity Association: Contribution to Large Herbivore program in Murchison Shire area	-5500.00	EFT5347
31/12/2020	Compac Sales Pty Ltd: Monthly online service fees November 2020	-126.50	EFT5348
31/12/2020	Abrolhos Steel: Zinalume & frames for cover over records container	-4907.10	EFT5349
31/12/2020	Murchison Oasis Roadhouse and Caravan Park. (Peter & Nicole Mahony): Fuel Commission for November 2020, 11337.73L @ 0.05cpl, morning tea & lunch for December council meeting, contractor meals, MEG lunch 7 December, retainer 20-26.11.2021	-1466.89	EFT5350
31/12/2020	Winc Australia Pty Ltd: Meter charges 2537 Black & White copies, 3042 Colour copies 20/10/20 to 16/11/20, stationery, paper	-605.38	EFT5351
31/12/2020	Murchison Gas & Plumbing: Supply and installation of pipework in laundry and connection of gas stove	-1314.50	EFT5352
31/12/2020	AGFIX Multitrades: Various repairs & upgrade to 12B Kurara Way as per quote 6802	-24645.00	EFT5353
31/12/2020	Quality Builders Pty Ltd: Refurbishment to 14 Mulga Cr as per quote 9/11/2020	-96790.00	EFT5354
31/12/2020	UDLA: Landscape architectural consultancy services associated with the Murchison Settlement Master Plan	-12069.20	EFT5355
31/12/2020	Australia Post: Postal service charges November 2020	-4.22	EFT5356
31/12/2020	Bunnings Pty Ltd: Shelving for Archive Sea Container, tools for farewell present, shade sails at community centre, maintenance consumables	-2561.15	EFT5357
31/12/2020	Canine Control: Ranger services 7 & 8 December 2020. Attend Murchison Settlement & Pia Wadjarri - Feral cats & 1 dog destroyed.	-2145.00	EFT5358
31/12/2020	Foulkes-Taylor Rossco: Quarterly Council Meeting Attendance Fee, Quarterly Presidents Allowance, Travel Allowance: Murchison Country Zone 27/11/2020, Quarterly Telecommunications Allowance	-7373.07	EFT5359
31/12/2020	Geraldton Ag Services: V- Belts for workshop drill press	-21.80	EFT5360
31/12/2020	Geraldton Auto Wholesalers: Ball joint upper & lower, air conditioner blower motor, master vac brake booster P028	-1434.17	EFT5361
31/12/2020	Great Northern Rural Services: Assorted sprinkler parts for regular upkeep of the settlement gardens & lawns	-174.43	EFT5362

SHIRE OF MURCHISON			
PAYMENT OF ACCOUNTS PRESENTED AT THE ORDINARY MEETING OF COUNCIL HELD ON			
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Date	Description	Credit	Num
31/12/2020	Hitachi Construction Machinery (Aus) Pty: Fuel Filter Spin On x 10 ,Fuel Filter Water Sep Spin On x 10 , Lube Filter Spin On F/Flow settlement generators	-1908.42	EFT5363
31/12/2020	Mitchell & Brown: LG 9 kg front loader washing machine , Westinghouse 54 cm Duel fuel upright cooker for 12B Kurara	-2050.00	EFT5364
31/12/2020	Oiltech Wholesale: Diesel 7,650L@\$1.1836 Roadhouse, 28,361L@\$1.1836 Depot, 10,954L@\$1.1836	-77491.93	EFT5365
31/12/2020	Reece Pty Ltd: Parafix Clear Bathroom and Kitchen Silicone , 15 mm M& F socket , 40 mm DWV Bend , 50 mm Double Bowl Connector , 1 Length of 50 mm DWV Pipe , Caulking Gun for 14 Mulga	-144.85	EFT5366
31/12/2020	Squires Resources Pty Ltd: Supply of equipment & labour for Extra Works Cycle 17.12.2020 to 14.12.2020	-38783.80	EFT5367
31/12/2020	Them Earthmoving Pty Ltd: Supply of equipment and labour for Extra Works 3.12.2020 to 7.12.2020	-26600.75	EFT5368
31/12/2020	Moore Australia (WA) Pty Ltd: Compilation of Statements of Financial Activity for October & November 2020, including end of month review service	-4620.00	EFT5369
01/12/2020	Department of Transport: Special Plates - Tessa Mitchell - 089MU, 085MU	-400.00	400285
08/12/2020	Payroll Direct Debit Of Net Pays	-41026.62	PAY 2105
22/12/2020	Payroll Direct Debit Of Net Pays	-38812.67	PAY 2108
Total of Payments		- 2,034,615.86	
Total of Transfers		1,230,000.00	
Total of Deposits		645,414.64	
Closing Balance		40,074.02	
Check to General Ledger Account		40,074.02	
MUNICIPAL SHORT TERM INVESTMENT			
Opening Balance at 1 December 2020		651,655.39	
Total of Payments		-	
Total of Transfers		- 650,000.00	
Total of Deposits		4.02	
Closing Balance		1,659.41	
Check to General Ledger Account		1,659.41	
RESERVE BANK ACCOUNT			
Opening Balance at 1 July 2020		4,898,445.04	
Total of Payments		-	
Total of Deposits		-	
Closing Balance		4,898,445.04	
Check to General Ledger Account		4,898,445.04	

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Date	Description	Credit	Num
MURCHISON OASIS ROADHOUSE			
Opening Balance at 1 December 2020		5,304.38	
01/12/2020	MONTHLY PLAN FEE	-10.00	6*146
01/12/2020	PAYMENT BY AUTHORITY TO MURCHISON FUEL MERCH FEE 007081563	-22.00	6*146
Total of Payments		- 32.00	
Total of Transfers		-	
Total of Deposits		92.21	
Closing Balance		5,364.59	
Check to General Ledger Account		5,364.59	
CSIRO ROAD ACCOUNT			
Opening Balance at 1 December 2020		87,367.74	
Total of Payments		-	
Total of Transfers		- 80,000.00	
Total of Deposits		2.65	
Closing Balance		87,370.39	
Check to General Ledger Account		7,370.39	
TRUST CASH AT BANK			
Opening Balance at 1 December 2020		1,801.94	
Total of Payments		-	
Total of Deposits		-	
Closing Balance		1,801.94	
Check to General Ledger Account		1,801.94	

Murchison Community Trust Fund Account			
Opening Balance at 1 December 2020		415,045.93	
Total of Payments		-	
Total of Transfers		-	
Total of Deposits		17.62	
Closing Balance		415,063.55	
Check to General Ledger Account		415,063.55	

SHIRE OF MURCHISON			
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Date	Description	Credit	Num
Murchison Community Fund Trust Term Deposit			
Opening Balance at 1 December 2020		-	5,874.13
Total of Payments		-	
Total of Deposits		-	
Closing Balance		-	5,874.13
Check to General Ledger Account		-	5,874.13

Total Payments	-	2,036,148.88
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CREDIT CARD TRANSACTIONS			
Opening Balance at 1 December 2020		776.25	
02/12/2020	Woolworths - Water, tea bags, coffee, biscuits, councillor refreshments, christmas lights	233.20	78048655
8/12/2020	Rokeby Florist - Flowers for S Fowler	132.81	2139940
9/12/2020	Woolworths - Supplies for toolbox meeting, Christmas Tree and staff party, toilet brush set & shower curtain, insect killer, fertilizer, cleaning cloths, clipboard for SafeWA register	162.96	78472878
11/12/2020	Mitre 10 - Paint for M2OFF	41.80	10203291
11/12/2020	Geraldton Appliance Repair - Oven door Hinge for 14 Mulga	154.00	7981
16/12/2020	Woolworths - Sugar, milk, batteries, SMOHS supplies, supplies for staff christmas function	154.49	78906617*
23/12/2020	Woolworths - Water, sugar, tea bags, coffee and milk	62.40	79361076*
29/12/2020	Bunnings - M2OFF painting supplies - paving paint, roller kit, sandpaper, paint brush	152.99	027762*
Total of Purchases		1,094.65	
Total of Payments made through Municipal account		-	1,501.02
Closing Balance		369.88	*



murchisonshire

Ancient land under brilliant skies

Ordinary Council Meeting

25 February 2021

Financial Attachments

SHIRE OF MURCHISON

MONTHLY FINANCIAL REPORT

(Containing the Statement of Financial Activity)

For the period ending 31 December 2020

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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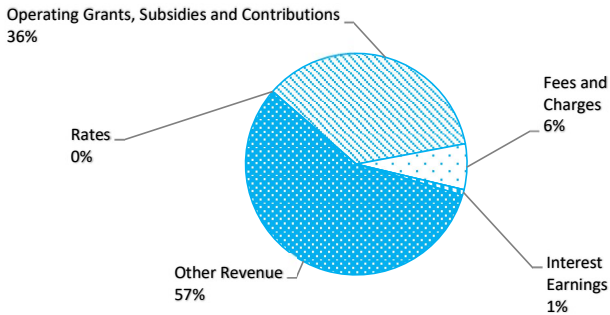
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MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

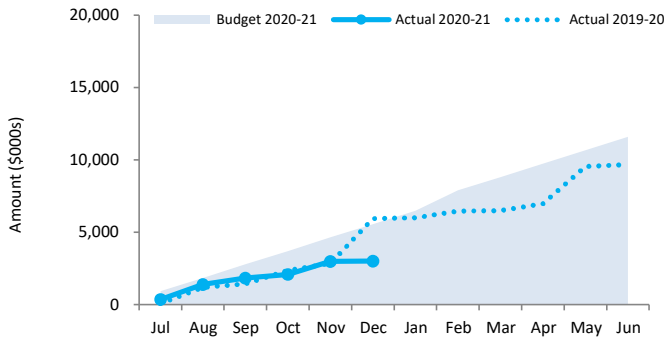
SUMMARY INFORMATION - GRAPHS

OPERATING ACTIVITIES

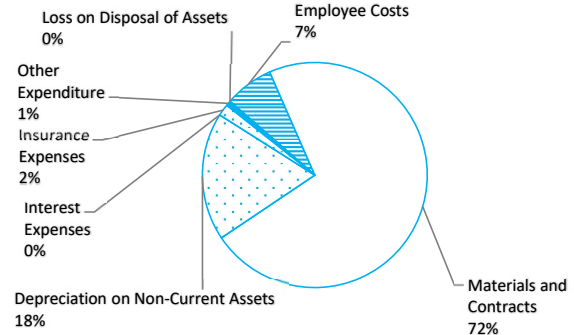
OPERATING REVENUE



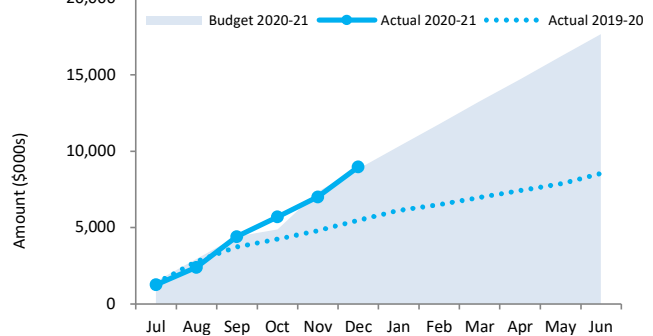
Budget Operating Revenues -v- Actual



OPERATING EXPENSES



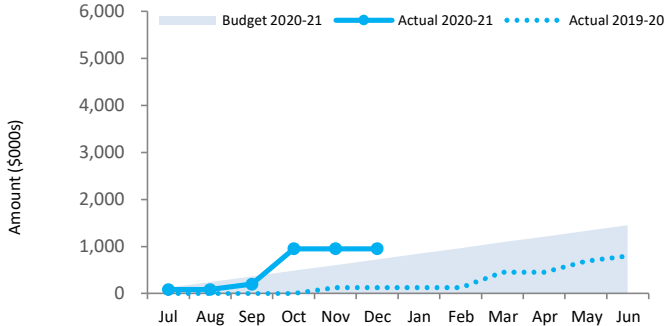
Budget Operating Expenses -v- YTD Actual



INVESTING ACTIVITIES

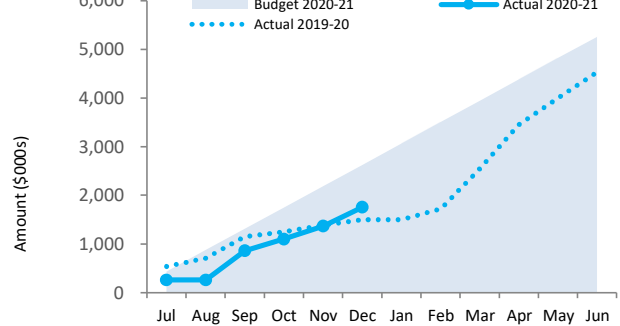
CAPITAL REVENUE

Budget Capital Revenue -v- Actual



CAPITAL EXPENSES

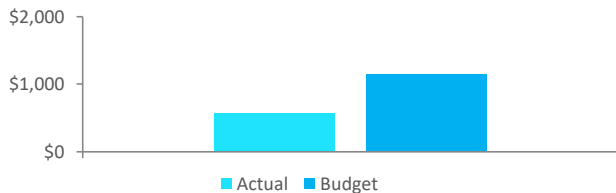
Budget Capital Expenses -v- Actual



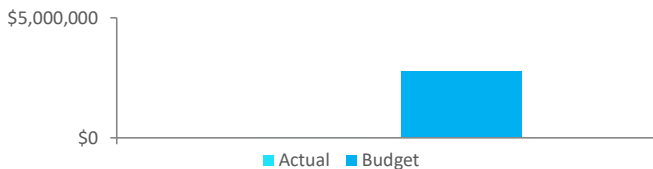
FINANCING ACTIVITIES

BORROWINGS

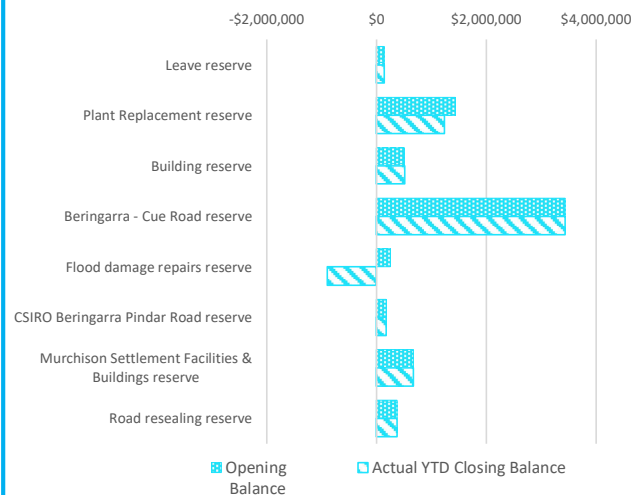
Principal Repayments



Principal Outstanding



RESERVES



MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

EXECUTIVE SUMMARY

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.96 M	\$3.96 M	\$3.91 M	(\$0.05 M)
Closing	\$0.00 M	\$1.30 M	\$0.13 M	(\$1.17 M)
Refer to Statement of Financial Activity				

Cash and cash equivalents		
	\$5.67 M	% of total
Unrestricted Cash	\$0.77 M	13.6%
Restricted Cash	\$4.90 M	86.4%
Refer to Note 2 - Cash and Financial Assets		

Payables		
	\$1.33 M	% Outstanding
Trade Payables	\$0.50 M	
30 to 90 Days		7.7%
Over 90 Days		0.2%
Refer to Note 5 - Payables		

Receivables		
	\$0.84 M	% Collected
Rates Receivable	\$0.19 M	7.1%
Trade Receivable	\$0.84 M	% Outstanding
30 to 90 Days		15.1%
Over 90 Days		69.0%
Refer to Note 3 - Receivables		

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.84 M)	(\$1.82 M)	(\$4.31 M)	(\$2.49 M)
Refer to Statement of Financial Activity			

Rates Revenue		
YTD Actual	\$0.00 M	% Variance
YTD Budget	\$0.23 M	(100.0%)
Refer to Note 6 - Rate Revenue		

Operating Grants and Contributions		
YTD Actual	\$1.07 M	% Variance
YTD Budget	\$1.00 M	7.4%
Refer to Note 12 - Operating Grants and Contributions		

Fees and Charges		
YTD Actual	\$0.20 M	% Variance
YTD Budget	\$0.13 M	59.3%
Refer to Statement of Financial Activity		

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$3.80 M)	(\$1.94 M)	(\$0.81 M)	\$1.13 M
Refer to Statement of Financial Activity			

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.03 M	0.0%
Refer to Note 7 - Disposal of Assets		

Asset Acquisition		
YTD Actual	\$1.76 M	% Spent
Adopted Budget	\$5.25 M	33.5%
Refer to Note 8 - Capital Acquisition		

Capital Grants		
YTD Actual	\$0.95 M	% Received
Adopted Budget	\$1.42 M	67.0%
Refer to Note 8 - Capital Acquisition		

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$2.68 M	\$1.10 M	\$1.34 M	\$0.24 M
Refer to Statement of Financial Activity			

Borrowings	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.02 M
Refer to Note 9 - Borrowings	

Reserves	
Reserves balance	\$5.65 M
Interest earned	\$0.01 M
Refer to Note 10 - Cash Reserves	

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 DECEMBER 2020

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide the decision-making framework to facilitate allocation of scarce resources.

Administration and operation of facilities and services to members of Council. Other costs that relate to the task of assisting elected members and electors on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision of various by-laws, fire prevention and animal control.

HEALTH

To provide an operational framework for environmental and community health.

Monitor health control standards within the community, provide support and assistance with airstrips to enable all residents access to the Royal Flying Doctor for regular and emergency health services.

EDUCATION AND WELFARE

To provide services to disadvantaged persons. The elderly, children and youth.

Support of education facilities within the Shire and of any external resources necessary to assist with the education programmes for all residents.

HOUSING

To provide and maintain staff housing.

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

To provide services required by the community.

Maintain a refuse site for the settlement.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Provide a library and museum and operation thereof. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, drainage works and traffic signs.
Maintenance of the settlement air-strip.

ECONOMIC SERVICES

To help promote the shire and its economic well being.

Building control, provision of power and water supplies. Supply and maintenance of television re-broadcasting installation. Provision of radio communication. Maintenance of caravan park. Vermin control and area promotion.

OTHER PROPERTY AND SERVICES

To monitor and control Shire's overheads operating accounts.

Private works operation, plant repair and operation costs.

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	3,958,749	3,958,749	3,909,004	(49,745)	(1.26%)	
Revenue from operating activities							
Governance		12,500	6,246	6,942	696	11.14%	
General purpose funding - general rates	6	465,397	232,698	0	(232,698)	(100.00%)	▼
General purpose funding - other		1,874,884	937,416	872,403	(65,013)	(6.94%)	
Law, order and public safety		19,844	9,912	4,977	(4,935)	(49.79%)	
Housing		5,400	2,670	2,145	(525)	(19.66%)	
Recreation and culture		1,750	864	2,503	1,639	189.70%	
Transport		8,882,485	4,441,230	1,912,257	(2,528,973)	(56.94%)	▼
Economic services		242,000	120,996	195,466	74,470	61.55%	▲
Other property and services		94,544	47,268	8,533	(38,735)	(81.95%)	▼
		11,598,804	5,799,300	3,005,226	(2,794,074)		
Expenditure from operating activities							
Governance		(640,322)	(342,896)	(129,889)	213,007	62.12%	▲
General purpose funding		(40,322)	(20,154)	(11,087)	9,067	44.99%	
Law, order and public safety		(118,350)	(70,786)	(49,777)	21,009	29.68%	▲
Health		(53,840)	(26,898)	(9,331)	17,567	65.31%	▲
Housing		(24,000)	(23,758)	(35,151)	(11,393)	(47.95%)	▼
Community amenities		(119,152)	(44,610)	(54,380)	(9,770)	(21.90%)	
Recreation and culture		(343,676)	(174,484)	(156,694)	17,790	10.20%	▲
Transport		(15,382,909)	(8,026,850)	(8,036,195)	(9,345)	(0.12%)	
Economic services		(974,521)	(545,454)	(289,469)	255,985	46.93%	▲
Other property and services		0	0	(198,503)	(198,503)	0.00%	▼
		(17,697,092)	(9,275,890)	(8,970,476)	305,414		
Non-cash amounts excluded from operating activities	1(a)	3,261,358	1,652,628	1,651,464	(1,164)	(0.07%)	
Amount attributable to operating activities		(2,836,930)	(1,823,962)	(4,313,786)	(2,489,824)		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	13	1,420,779	690,378	952,186	261,808	37.92%	▲
Proceeds from disposal of assets	7	30,000	0	0	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(5,254,558)	(2,627,173)	(1,758,474)	868,699	33.07%	▲
Amount attributable to investing activities		(3,803,779)	(1,936,795)	(806,288)	1,130,507		
Financing Activities							
Proceeds from new debentures	9	2,750,000	0	0	0	0.00%	
Transfer from reserves	10	1,113,884	1,113,884	1,351,555	237,671	21.34%	▲
Repayment of debentures	9	(1,138)	(564)	(564)	0	0.00%	
Transfer to reserves	10	(1,180,786)	(10,082)	(10,082)	0	0.00%	
Amount attributable to financing activities		2,681,960	1,103,238	1,340,909	237,671		
Closing funding surplus / (deficit)	1(c)	0	1,301,230	129,839			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 14 for an explanation of the reasons for the variance.

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

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

KEY TERMS AND DESCRIPTIONS**FOR THE PERIOD ENDED 31 DECEMBER 2020****REVENUE****RATES**

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers 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 identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

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.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

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

Shortfall between the value of assets received over the net book value for assets on their disposal.

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, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	3,958,749	3,958,749	3,909,004	(49,745)	(1.26%)	
Revenue from operating activities							
Rates	6	465,397	232,698	0	(232,698)	(100.00%)	▼
Operating grants, subsidies and contributions	12	1,997,228	998,598	1,072,414	73,816	7.39%	
Fees and charges		251,750	125,856	200,498	74,642	59.31%	▲
Interest earnings		121,500	60,738	23,347	(37,391)	(61.56%)	▼
Other revenue		8,762,929	4,381,410	1,708,967	(2,672,443)	(61.00%)	▼
		11,598,804	5,799,300	3,005,226	(2,794,074)		
Expenditure from operating activities							
Employee costs		(1,310,475)	(691,986)	(631,450)	60,536	8.75%	
Materials and contracts		(12,841,441)	(6,789,760)	(6,471,944)	317,816	4.68%	
Depreciation on non-current assets		(3,227,546)	(1,635,726)	(1,651,464)	(15,738)	(0.96%)	
Interest expenses		(567)	0	(350)	(350)	0.00%	
Insurance expenses		(159,668)	(79,740)	(150,817)	(71,077)	(89.14%)	▼
Other expenditure		(123,583)	(61,776)	(64,451)	(2,675)	(4.33%)	
Loss on disposal of assets	7	(33,812)	(16,902)	0	16,902	100.00%	▲
		(17,697,092)	(9,275,890)	(8,970,476)	305,414		
Non-cash amounts excluded from operating activities	1(a)	3,261,358	1,652,628	1,651,464	(1,164)	(0.07%)	
Amount attributable to operating activities		(2,836,930)	(1,823,962)	(4,313,786)	(2,489,824)		
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	13	1,420,779	690,378	952,186	261,808	37.92%	▲
Proceeds from disposal of assets	7	30,000	0	0	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(5,254,558)	(2,627,173)	(1,758,474)	868,699	33.07%	▲
Amount attributable to investing activities		(3,803,779)	(1,936,795)	(806,288)	1,130,507		
Financing Activities							
Proceeds from new debentures	9	2,750,000	0	0	0	0.00%	
Transfer from reserves	10	1,113,884	1,113,884	1,351,555	237,671	21.34%	▲
Repayment of debentures	9	(1,138)	(564)	(564)	0	0.00%	
Transfer to reserves	10	(1,180,786)	(10,082)	(10,082)	0	0.00%	
Amount attributable to financing activities		2,681,960	1,103,238	1,340,909	237,671		
Closing funding surplus / (deficit)	1(c)	0	1,301,230	129,839	(1,171,391)		

KEY INFORMATION

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

Refer to Note 14 for an explanation of the reasons for the variance.

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

MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

BASIS OF PREPARATION

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 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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 17 February 2021

SIGNIFICANT ACCOUNTING POLICIES

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

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.

ROUNDING OFF FIGURES

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

NOTE 1
STATEMENT OF FINANCIAL ACTIVITY INFORMATION

(a) Non-cash items excluded from operating activities

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

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Add: Loss on asset disposals	7	33,812	16,902	0
Add: Depreciation on assets		3,227,546	1,635,726	1,651,464
Total non-cash items excluded from operating activities		3,261,358	1,652,628	1,651,464

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

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

		Last Year Closing 30 June 2020	This Time Last Year 31 December 2019	Year to Date 31 December 2020
Adjustments to net current assets				
Less: Reserves - restricted cash	10	(6,989,920)	(7,363,449)	(5,648,447)
Add: Borrowings	9	1,138	(229)	574
Add: Provisions - employee		78,668	78,668	78,668
Total adjustments to net current assets		(6,910,114)	(7,285,010)	(5,569,205)

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

Current assets

Cash and cash equivalents	2	8,805,802	3,437,760	5,671,526
Financial assets at amortised cost	2	2,500,000	7,287,548	0
Rates receivables	3	206,328	49,172	191,696
Receivables	3	145,472	62,506	839,096
Other current assets	4	368,651	475,241	404,251

Less: Current liabilities

Payables	5	(1,127,329)	(289,091)	(1,328,283)
Borrowings	9	(1,138)	229	(574)
Provisions	11	(78,668)	(78,668)	(78,668)

Less: Total adjustments to net current assets	1(b)	(6,910,114)	(7,285,010)	(5,569,205)
Closing funding surplus / (deficit)		3,909,004	3,659,687	129,839

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 31 DECEMBER 2020

OPERATING ACTIVITIES

NOTE 2

CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash on hand								
Municipal Cash at Bank	Cash and cash equivalents	(152,305)	0	(152,305)	0	Westpac	0.01	Nil
Muni Short Term Investment	Cash and cash equivalents	1,659	0	1,659	0	Westpac	0.05	Nil
Murchison Oasis Roadhouse (Fuel ATM)	Cash and cash equivalents	5,365	0	5,365	0	Westpac	Nil	Nil
CSIRO Road Account Bank	Cash and cash equivalents	7,370	0	7,370	0	Westpac	0.05	Nil
Trust Cash at Bank	Cash and cash equivalents	1,802	0	1,802	0	Westpac	Nil	Nil
Murchison Community Trust Fund	Cash and cash equivalents	415,064	0	415,064	0	Westpac	0.05	Nil
Murchison Community Fund Trust	Cash and cash equivalents	(5,874)	0	(5,874)	0	Westpac	1.33	Nil
Muni Cash - Term Deposits	Cash and cash equivalents	500,000	0	500,000	0	Westpac	0.90	Apr-21
Reserve Funds	Cash and cash equivalents	0	4,894,524	4,894,524	0	Westpac	N/A	N/A
Reserve Funds	Cash and cash equivalents	0	3,921	3,921	0	Westpac	0.01	Nil
Total		773,081	4,898,445	5,671,526	0			
Comprising								
Cash and cash equivalents		773,081	4,898,445	5,671,526	0			
		773,081	4,898,445	5,671,526	0			

KEY INFORMATION

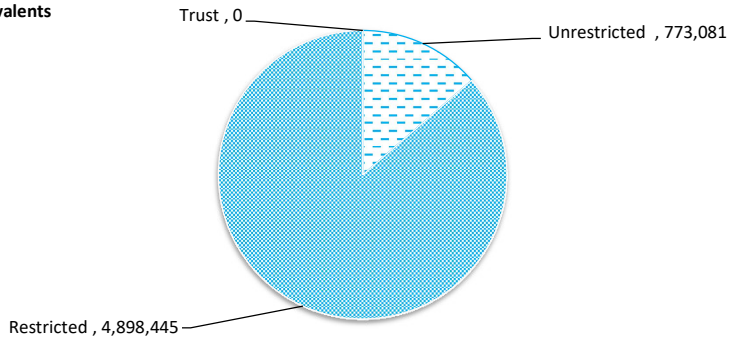
Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to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

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

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

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

Cash and Cash Equivalents



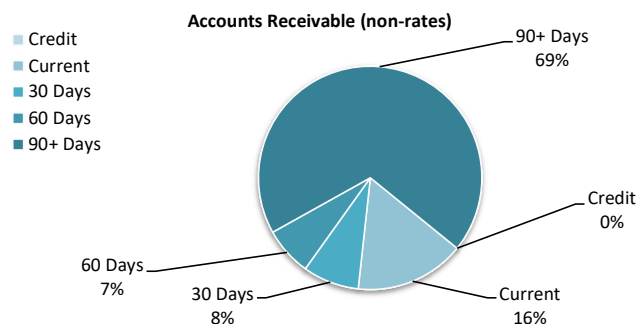
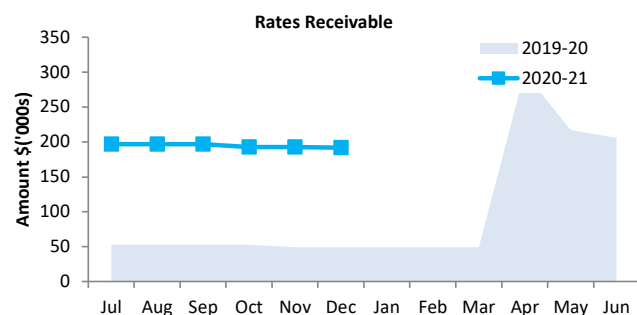
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

Rates receivable	30 Jun 2020	31 Dec 2020
	\$	\$
Opening arrears previous years	53,215	206,328
Rates, instalment charges and interest levied	465,397	0
Less - collections to date	(312,284)	(14,632)
Equals current outstanding	206,328	191,696
Net rates collectable	206,328	191,696
% Collected	60.2%	7.1%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	520	266	229	2,254	3,269
Percentage	0.0%	15.9%	8.1%	7.0%	69.0%	
Balance per trial balance						
Sundry receivable						3,269
GST receivable						835,827
Total receivables general outstanding						839,096
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 impairment of receivables is raised when there is objective evidence that they will not be collectible.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

OPERATING ACTIVITIES
NOTE 4
OTHER CURRENT ASSETS

	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 31 December 2020
Other current assets	\$	\$	\$	\$
Inventory				
Fuel, oil and materials on hand	(12,886)	500,824	(465,224)	22,714
Contract assets				
Contract assets	381,537	0	0	381,537
Total other current assets	368,651	500,824	(465,224)	404,251

KEY INFORMATION

Inventory

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

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

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 31 DECEMBER 2020

OPERATING ACTIVITIES

NOTE 5

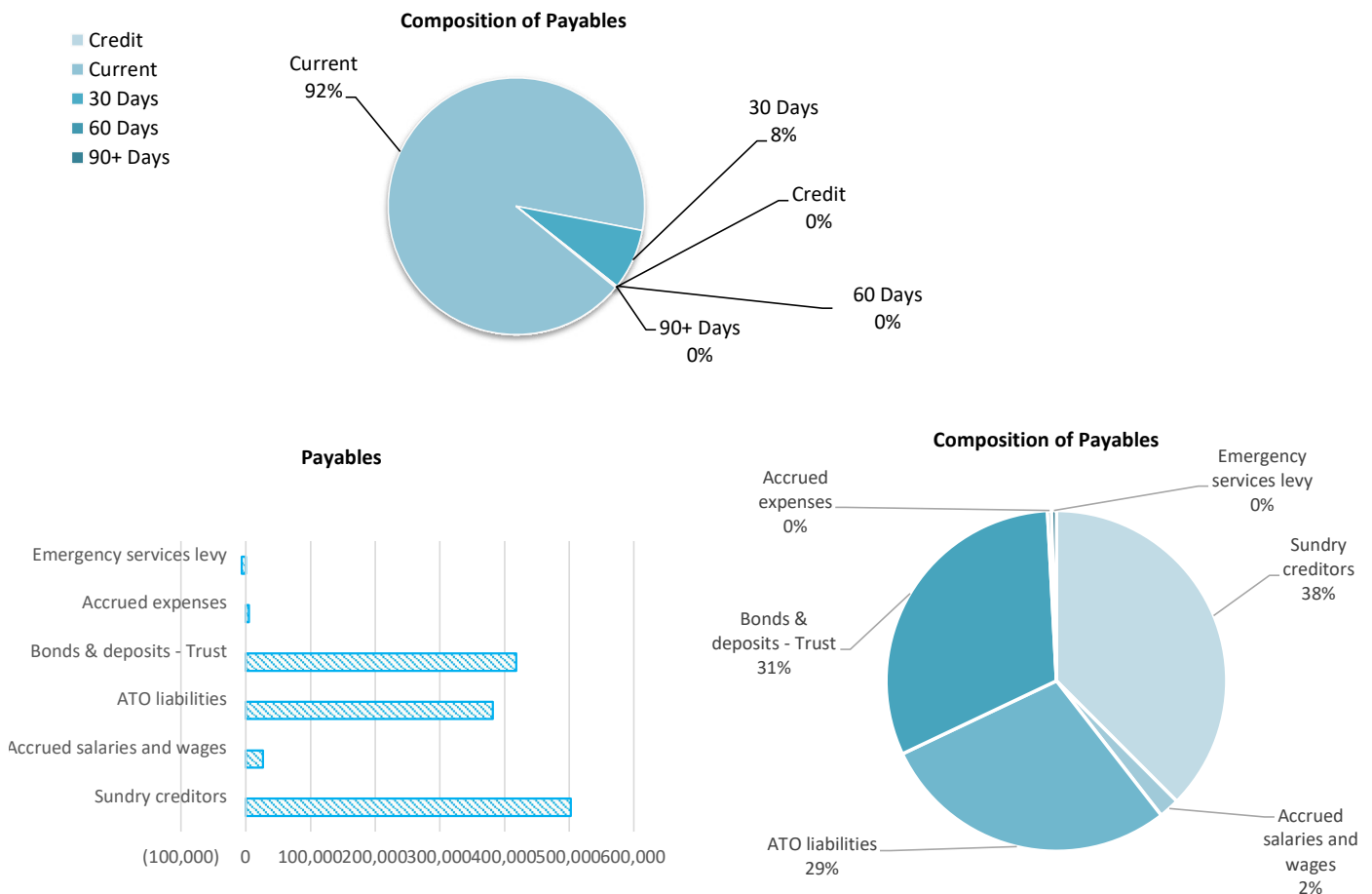
Payables

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(645)	463,767	38,543	0	817	502,482
Percentage	(0.1%)	92.3%	7.7%	0.0%	0.2%	
Balance per trial balance						
Sundry creditors						502,482
Accrued salaries and wages						26,360
ATO liabilities						382,217
Bonds & deposits - Trust						418,375
Accrued expenses						4,942
Emergency services levy						(6,093)
Total payables general outstanding						1,328,283

Amounts shown above include GST (where applicable)

KEY INFORMATION

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

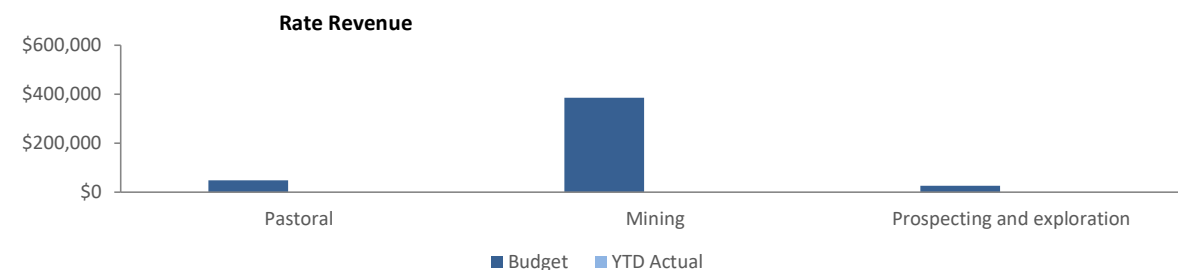


NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

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				\$	\$	\$	\$	\$	\$	\$	\$
Unimproved value											
Pastoral	0.032950	23	1,459,657	48,096	0	0	48,096	0	0	0	0
Mining	0.279400	11	1,375,054	384,190	1,380	0	385,570	0	0	0	0
Prospecting and exploration	0.080150	25	321,413	25,761	0	0	25,761	0	0	0	0
Sub-Total		59	3,156,124	458,047	1,380	0	459,427	0	0	0	0
Minimum payment	Minimum \$										
Unimproved value											
Pastoral	320	6	13,263	1,920	0	0	1,920	0	0	0	0
Prospecting and exploration	450	9	37,212	4,050	0	0	4,050	0	0	0	0
Sub-total		15	50,475	5,970	0	0	5,970	0	0	0	0
Total general rates							465,397				0

KEY INFORMATION

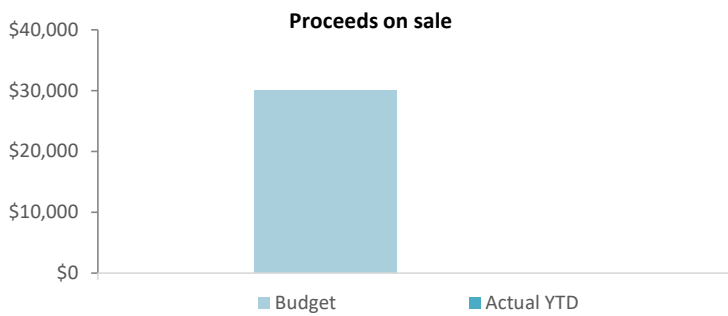
Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

OPERATING ACTIVITIES
NOTE 7
DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Transport								
	P033 - Genset Maintenance 13KVA	1,186	0	0	(1,186)	0	0	0	0
	P064 - Isuzu FRR500 5-Tonne Truck MU14I	43,504	22,000	0	(21,504)	0	0	0	0
	P16075 Kubota Tractor B2301	19,122	8,000	0	(11,122)	0	0	0	0
		63,812	30,000	0	(33,812)	0	0	0	0



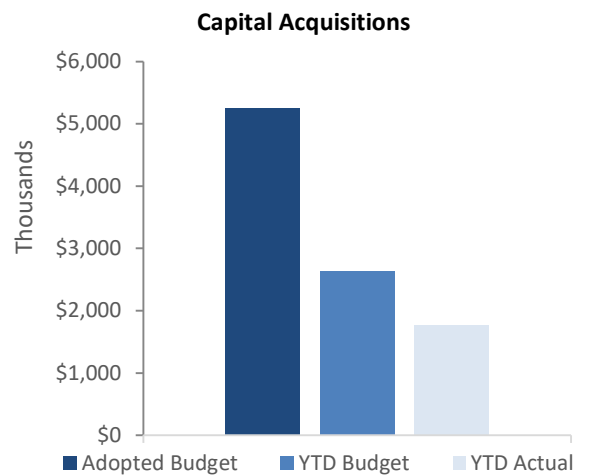
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings & Improvements	2,278,528	1,139,247	625,877	(513,370)
Other Buildings & Improvements	169,000	84,500	0	(84,500)
Furniture & Equipment	71,000	35,493	14,626	(20,867)
Plant & Equipment - Major	403,500	201,750	219,293	17,543
Roads	2,332,530	1,166,183	898,678	(267,505)
Payments for Capital Acquisitions	5,254,558	2,627,173	1,758,474	(868,699)
Total Capital Acquisitions	5,254,558	2,627,173	1,758,474	(868,699)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	1,420,779	690,378	952,186	261,808
Borrowings	2,750,000	0	0	0
Other (disposals & C/Fwd)	30,000	0	0	0
Cash backed reserves				
Plant Replacement reserve	207,000	207,000	200,000	(7,000)
Building reserve	31,000	0	0	0
Beringarra - Cue Road reserve	325,884	0	0	0
Flood damage repairs reserve	150,000	150,000	1,151,555	1,001,555
Murchison Settlement Facilities & Buildings reserve	400,000	0	0	0
Contribution - operations	(60,105)	1,579,795	(545,267)	(2,125,062)
Capital funding total	5,254,558	2,627,173	1,758,474	(868,699)

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.

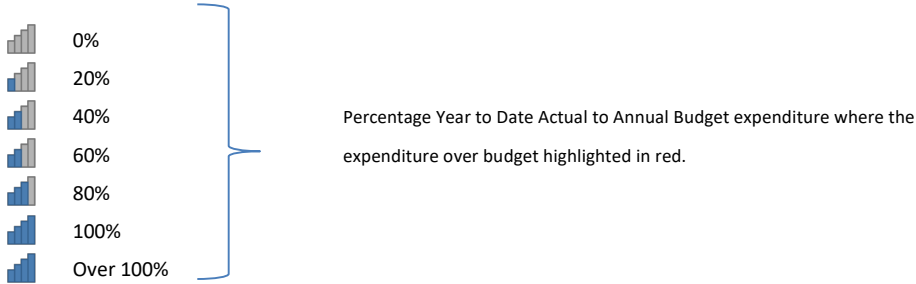


NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS (CONTINUED)

Capital expenditure total

Level of completion indicators



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

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

			Adopted		Year to Date Actual	Variance (Under)/Over
Account Description			Current Budget	Year to Date Budget		
Capital Expenditure						
Buildings & Improvements						
09134	Cap-Ex - Buildings & Improvements - Staff Housing		772,528	386,245	585,271	199,026
14515	Cap Ex - Purchase Buildings & Improvements - Administr		5,000	2,502	7,848	5,346
11607	CapEx - Purchase Buildings & Improvements - Other Cult		776,000	388,000	18,985	(369,015)
12109	Cap-Ex - Purchase Buildings & Imp - Roads, Bridges, Depo		725,000	362,500	13,774	(348,726)
Buildings & Improvements Total			2,278,528	1,139,247	625,877	(513,370)
Other Buildings & Improvements						
10770	Cap-Ex - Other Buildings & Imp - Other Community Amer		30,000	15,000	0	(15,000)
12670	Cap-Ex - Other Buildings & Improvements - Airport		9,000	4,500	0	(4,500)
13617	Cap-Ex - Other Buildings & Improvements - Other Econo		130,000	65,000	0	(65,000)
Other Buildings & Improvements Total			169,000	84,500	0	(84,500)
Furniture & Equipment						
14561	Cap-Ex - Purchase Furn & Equipment - Admin		20,000	9,996	14,626	4,630
04116	Cap-Ex- Purchase Furniture & Equipment		16,014	8,007	0	(8,007)
13610	Cap-Ex - Purchase Furniture & Equipment - Other Econo		34,986	17,490	0	(17,490)
Furniture & Equipment Total			71,000	35,493	14,626	(20,867)
Plant & Equipment - Major						
12302	Cap-Ex - Purchase Major Plant & Equipment - Road Plant		227,000	113,500	16,174	(97,326)
13616	Cap-Ex - Purchase Major Plant - Other Economic Services		24,000	12,000	193,084	181,084
13652	New kVA Generator		150,000	75,000	0	(75,000)
05104	Cap-Ex - Purchase Plant Fire Prevention		2,500	1,250	0	(1,250)
12313	Cap-Ex - Purchase Major Plant - New Works Caravan		0	0	10,035	10,035
Plant & Equipment - Major Total			403,500	201,750	219,293	17,543
Roads						
12101	Cap-Ex - Roads Construction		1,203,102	601,523	148,348	(453,175)
12103	Cap-Ex - MRWA Project Construction		517,515	258,732	701,310	442,578
12104	Cap-Ex - Roads to Recovery Construction		286,029	142,998	49,020	(93,978)
12180	Cap-Ex - Roads Construction - Road Contributions		325,884	162,930	0	(162,930)
Roads Total			2,332,530	1,166,183	898,678	(267,505)
Grand Total			5,254,558	2,627,173	1,758,474	(868,699)

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

FINANCING ACTIVITIES

NOTE 9

BORROWINGS

Repayments - borrowings

Information on borrowings		Principal	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2020	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Transport										
Purchase of road plant	285	17,315	0	0	564	1,138	16,751	16,177	350	567
Economic services										
COVID-19 General		0	0	2,000,000	0	0	0	2,000,000	0	0
COVID-19 Solar Power		0	0	750,000	0	0	0	750,000	0	0
Total		17,315	0	2,750,000	564	1,138	16,751	2,766,177	350	567
Current borrowings		1,138					574			
Non-current borrowings		16,177					16,177			
		17,315					16,751			

All debenture repayments were financed by general purpose revenue.

KEY INFORMATION

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

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	138,380	1,980	482	2,170	0	0	0	142,530	138,862
Plant Replacement reserve	1,433,553	20,509	4,408	600,000	0	(207,000)	(200,000)	1,847,062	1,237,961
Building reserve	512,797	7,336	1,786	0	0	(31,000)	0	489,133	514,583
Beringarra - Cue Road reserve	3,430,426	49,077	0	0	0	(325,884)	0	3,153,619	3,430,426
Flood damage repairs reserve	255,503	3,655	466	0	0	(150,000)	(1,151,555)	109,158	(895,586)
CSIRO Beringarra Pindar Road reserve	175,053	2,504	609	0	0	0	0	177,557	175,662
Murchison Settlement Facilities & Buildings	669,208	9,574	2,331	0	0	(400,000)	0	278,782	671,539
Road resealing reserve	375,000	5,365	0	478,616	0	0	0	858,981	375,000
	6,989,920	100,000	10,082	1,080,786	0	(1,113,884)	(1,351,555)	7,056,822	5,648,447

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

OPERATING ACTIVITIES

NOTE 11

OTHER CURRENT LIABILITIES

Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 31 December 2020
		\$	\$	\$	\$
Provisions					
Annual leave		51,656	0	0	51,656
Long service leave		27,012	0	0	27,012
Total Provisions		78,668	0	0	78,668
Total other current liabilities		78,668	0	0	78,668
Amounts shown above include GST (where applicable)					

KEY INFORMATION

Provisions

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

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

Employee benefits**Short-term employee benefits**

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

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

Other long-term employee benefits

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

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Operating grants, subsidies and contributions revenue

Provider	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$
Operating grants and subsidies			
General purpose funding			
Grants Commission Grant Received - General	1,357,977	678,984	647,908
Grants Commission Grant Received- Roads	394,907	197,448	201,148
Law, order, public safety			
Income Relating to Fire Prevention	19,344	9,666	4,978
Transport			
Grant - MRWA Direct	225,000	112,500	218,380
	1,997,228	998,598	1,072,414

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

NOTE 13

NON-OPERATING GRANTS AND CONTRIBUTIONS

Non operating grants, subsidies and contributions revenue

Provider	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$
Non-operating grants and subsidies			
Recreation and culture			
Other Recreation & Sport Capital Grants	40,000	0	0
Transport			
Grant - MRWA Specific	213,333	106,662	85,333
Grant - Roads to Recovery	565,000	282,498	565,630
Grant - MRWA Blackspot	602,446	301,218	0
Grant - Local Roads & Community Infrastructure	0	0	301,223
	1,420,779	690,378	952,186

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

**NOTE 14
EXPLANATION OF MATERIAL VARIANCES**

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

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

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance	
	\$	%			
Revenue from operating activities					
General purpose funding - rates	(232,698)	(100.00%)	▼ Timing	To be raised	N -100% ▼
Transport	(2,528,973)	(56.94%)	▼ Timing	DRFAWA slow to reimburse flood damage works.	N -56.94% ▼
Economic services	74,470	61.55%	▲ Timing		N 61.55% ▲
Other property and services	(38,735)	(81.95%)	▼ Timing		N -81.95% ▼
Expenditure from operating activities					
Governance	213,007	62.12%	▲ Timing	To be reviewed as part of budget review.	N 62.12% ▲
Law, order and public safety	21,009	29.68%	▲ Timing	To be reviewed as part of budget review.	N 29.68% ▲
Health	17,567	65.31%	▲ Timing	To be reviewed as part of budget review.	N 65.31% ▲
Housing	(11,393)	(47.95%)	▼ Timing	To be reviewed as part of budget review.	N -47.95% ▼
Recreation and culture	17,790	10.20%	▲ Timing	To be reviewed as part of budget review.	N 10.2% ▲
Economic services	255,985	46.93%	▲ Timing	To be reviewed as part of budget review.	N 46.93% ▲
Other property and services	(198,503)	0.00%	▼ Timing	To be reviewed as part of budget review.	N 0% ▼
Investing activities					
Proceeds from non-operating grants, subsidies and contributions	261,808	37.92%	▲ Timing	To be reviewed as part of budget review.	N 37.92% ▲
Payments for property, plant and equipment and infrastructure	868,699	33.07%	▲ Timing	Flood damage works.	33.07% ▲
Financing activities					
Transfer from reserves	237,671	21.34%	▲ Timing	Greater reliance on reserves to cover extended periods between reimbursement from DRFAWA.	N 21.34% ▲

KEY INFORMATION

Schedule 2 — Model standards for CEO recruitment, performance and termination

[r. 18FA]

Division 1 — Preliminary provisions

1. Citation

These are the *[insert name of local government] Standards for CEO Recruitment, Performance and Termination*.

2. Terms used

(1) In these standards —

Act means the *Local Government Act 1995*;

additional performance criteria means performance criteria agreed by the local government and the CEO under clause 16(1)(b);

applicant means a person who submits an application to the local government for the position of CEO;

contract of employment means the written contract, as referred to in section 5.39 of the Act, that governs the employment of the CEO;

contractual performance criteria means the performance criteria specified in the CEO's contract of employment as referred to in section 5.39(3)(b) of the Act;

job description form means the job description form for the position of CEO approved by the local government under clause 5(2);

local government means the *[insert name of local government]*;

selection criteria means the selection criteria for the position of CEO determined by the local government under clause 5(1) and set out in the job description form;

selection panel means the selection panel established by the local government under clause 8 for the employment of a person in the position of CEO.

(2) Other terms used in these standards that are also used in the Act have the same meaning as they have in the Act, unless the contrary intention appears.

Division 2 — Standards for recruitment of CEOs

3. Overview of Division

This Division sets out standards to be observed by the local government in relation to the recruitment of CEOs.

4. Application of Division

- (1) Except as provided in subclause (2), this Division applies to any recruitment and selection process carried out by the local government for the employment of a person in the position of CEO.
- (2) This Division does not apply —
 - (a) if it is proposed that the position of CEO be filled by a person in a class prescribed for the purposes of section 5.36(5A) of the Act; or
 - (b) in relation to a renewal of the CEO's contract of employment, except in the circumstances referred to in clause 13(2).

5. Determination of selection criteria and approval of job description form

- (1) The local government must determine the selection criteria for the position of CEO, based on the local government's consideration of the knowledge, experience, qualifications and skills necessary to effectively perform the duties and responsibilities of the position of CEO of the local government.
- (2) The local government must, by resolution of an absolute majority of the council, approve a job description form for the position of CEO which sets out —
 - (a) the duties and responsibilities of the position; and
 - (b) the selection criteria for the position determined in accordance with subclause (1).

6. Advertising requirements

- (1) If the position of CEO is vacant, the local government must ensure it complies with section 5.36(4) of the Act and the *Local Government (Administration) Regulations 1996* regulation 18A.
- (2) If clause 13 applies, the local government must advertise the position of CEO in the manner referred to in the *Local Government (Administration) Regulations 1996* regulation 18A as if the position was vacant.

7. Job description form to be made available by local government

If a person requests the local government to provide to the person a copy of the job description form, the local government must —

- (a) inform the person of the website address referred to in the *Local Government (Administration) Regulations 1996* regulation 18A(2)(da); or
- (b) if the person advises the local government that the person is unable to access that website address —
 - (i) email a copy of the job description form to an email address provided by the person; or

- (ii) mail a copy of the job description form to a postal address provided by the person.

8. Establishment of selection panel for employment of CEO

- (1) In this clause —
independent person means a person other than any of the following —
 - (a) a council member;
 - (b) an employee of the local government;
 - (c) a human resources consultant engaged by the local government.
- (2) The local government must establish a selection panel to conduct the recruitment and selection process for the employment of a person in the position of CEO.
- (3) The selection panel must comprise —
 - (a) council members (the number of which must be determined by the local government); and
 - (b) at least 1 independent person.

9. Recommendation by selection panel

- (1) Each applicant's knowledge, experience, qualifications and skills must be assessed against the selection criteria by or on behalf of the selection panel.
- (2) Following the assessment referred to in subclause (1), the selection panel must provide to the local government —
 - (a) a summary of the selection panel's assessment of each applicant; and
 - (b) unless subclause (3) applies, the selection panel's recommendation as to which applicant or applicants are suitable to be employed in the position of CEO.
- (3) If the selection panel considers that none of the applicants are suitable to be employed in the position of CEO, the selection panel must recommend to the local government —
 - (a) that a new recruitment and selection process for the position be carried out in accordance with these standards; and
 - (b) the changes (if any) that the selection panel considers should be made to the duties and responsibilities of the position or the selection criteria.
- (4) The selection panel must act under subclauses (1), (2) and (3) —
 - (a) in an impartial and transparent manner; and
 - (b) in accordance with the principles set out in section 5.40 of the Act.

- (5) The selection panel must not recommend an applicant to the local government under subclause (2)(b) unless the selection panel has —
 - (a) assessed the applicant as having demonstrated that the applicant's knowledge, experience, qualifications and skills meet the selection criteria; and
 - (b) verified any academic, or other tertiary level, qualifications the applicant claims to hold; and
 - (c) whether by contacting referees provided by the applicant or making any other inquiries the selection panel considers appropriate, verified the applicant's character, work history, skills, performance and any other claims made by the applicant.
- (6) The local government must have regard to, but is not bound to accept, a recommendation made by the selection panel under this clause.

10. Application of cl. 5 where new process carried out

- (1) This clause applies if the local government accepts a recommendation by the selection panel under clause 9(3)(a) that a new recruitment and selection process for the position of CEO be carried out in accordance with these standards.
- (2) Unless the local government considers that changes should be made to the duties and responsibilities of the position or the selection criteria —
 - (a) clause 5 does not apply to the new recruitment and selection process; and
 - (b) the job description form previously approved by the local government under clause 5(2) is the job description form for the purposes of the new recruitment and selection process.

11. Offer of employment in position of CEO

Before making an applicant an offer of employment in the position of CEO, the local government must, by resolution of an absolute majority of the council, approve —

- (a) the making of the offer of employment to the applicant; and
- (b) the proposed terms of the contract of employment to be entered into by the local government and the applicant.

12. Variations to proposed terms of contract of employment

- (1) This clause applies if an applicant who is made an offer of employment in the position of CEO under clause 11 negotiates with the local government a contract of employment (the *negotiated contract*) containing terms different to the proposed terms approved by the local government under clause 11(b).

- (2) Before entering into the negotiated contract with the applicant, the local government must, by resolution of an absolute majority of the council, approve the terms of the negotiated contract.

13. Recruitment to be undertaken on expiry of certain CEO contracts

- (1) In this clause —
commencement day means the day on which the *Local Government (Administration) Amendment Regulations 2021* regulation 6 comes into operation.
- (2) This clause applies if —
 - (a) upon the expiry of the contract of employment of the person (the *incumbent CEO*) who holds the position of CEO —
 - (i) the incumbent CEO will have held the position for a period of 10 or more consecutive years, whether that period commenced before, on or after commencement day; and
 - (ii) a period of 10 or more consecutive years has elapsed since a recruitment and selection process for the position was carried out, whether that process was carried out before, on or after commencement day;
 - and
 - (b) the incumbent CEO has notified the local government that they wish to have their contract of employment renewed upon its expiry.
- (3) Before the expiry of the incumbent CEO's contract of employment, the local government must carry out a recruitment and selection process in accordance with these standards to select a person to be employed in the position of CEO after the expiry of the incumbent CEO's contract of employment.
- (4) This clause does not prevent the incumbent CEO's contract of employment from being renewed upon its expiry if the incumbent CEO is selected in the recruitment and selection process referred to in subclause (3) to be employed in the position of CEO.

14. Confidentiality of information

The local government must ensure that information provided to, or obtained by, the local government in the course of a recruitment and selection process for the position of CEO is not disclosed, or made use of, except for the purpose of, or in connection with, that recruitment and selection process.

Division 3 — Standards for review of performance of CEOs**15. Overview of Division**

This Division sets out standards to be observed by the local government in relation to the review of the performance of CEOs.

16. Performance review process to be agreed between local government and CEO

- (1) The local government and the CEO must agree on —
 - (a) the process by which the CEO's performance will be reviewed; and
 - (b) any performance criteria to be met by the CEO that are in addition to the contractual performance criteria.
- (2) Without limiting subclause (1), the process agreed under subclause (1)(a) must be consistent with clauses 17, 18 and 19.
- (3) The matters referred to in subclause (1) must be set out in a written document.

17. Carrying out a performance review

- (1) A review of the performance of the CEO by the local government must be carried out in an impartial and transparent manner.
- (2) The local government must —
 - (a) collect evidence regarding the CEO's performance in respect of the contractual performance criteria and any additional performance criteria in a thorough and comprehensive manner; and
 - (b) review the CEO's performance against the contractual performance criteria and any additional performance criteria, based on that evidence.

18. Endorsement of performance review by local government

Following a review of the performance of the CEO, the local government must, by resolution of an absolute majority of the council, endorse the review.

19. CEO to be notified of results of performance review

After the local government has endorsed a review of the performance of the CEO under clause 18, the local government must inform the CEO in writing of —

- (a) the results of the review; and
- (b) if the review identifies any issues about the performance of the CEO — how the local government proposes to address and manage those issues.

Division 4 — Standards for termination of employment of CEOs

20. Overview of Division

This Division sets out standards to be observed by the local government in relation to the termination of the employment of CEOs.

21. General principles applying to any termination

- (1) The local government must make decisions relating to the termination of the employment of a CEO in an impartial and transparent manner.
- (2) The local government must accord a CEO procedural fairness in relation to the process for the termination of the CEO's employment, including —
 - (a) informing the CEO of the CEO's rights, entitlements and responsibilities in relation to the termination process; and
 - (b) notifying the CEO of any allegations against the CEO; and
 - (c) giving the CEO a reasonable opportunity to respond to the allegations; and
 - (d) genuinely considering any response given by the CEO in response to the allegations.

22. Additional principles applying to termination for performance-related reasons

- (1) This clause applies if the local government proposes to terminate the employment of a CEO for reasons related to the CEO's performance.
- (2) The local government must not terminate the CEO's employment unless the local government has —
 - (a) in the course of carrying out the review of the CEO's performance referred to in subclause (3) or any other review of the CEO's performance, identified any issues (the *performance issues*) related to the performance of the CEO; and
 - (b) informed the CEO of the performance issues; and
 - (c) given the CEO a reasonable opportunity to address, and implement a plan to remedy, the performance issues; and
 - (d) determined that the CEO has not remedied the performance issues to the satisfaction of the local government.
- (3) The local government must not terminate the CEO's employment unless the local government has, within the preceding 12-month period, reviewed the performance of the CEO under section 5.38(1) of the Act.

23. Decision to terminate

Any decision by the local government to terminate the employment of a CEO must be made by resolution of an absolute majority of the council.

24. Notice of termination of employment

- (1) If the local government terminates the employment of a CEO, the local government must give the CEO notice in writing of the termination.
- (2) The notice must set out the local government's reasons for terminating the employment of the CEO.

N. HAGLEY, Clerk of the Executive Council.



Department of
Local Government, Sport
and Cultural Industries

17.1.1 - February 2021



Local Government
Act 1995 Review
agile • smart • inclusive



LOCAL GOVERNMENT ACT REVIEW ►► DELIVERING FOR THE COMMUNITY

Guidelines for Local Government CEO Recruitment and Selection, Performance Review and Termination

***Local Government (Administration) Amendment
Regulations 2021***

February 2021

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Preface

The *Local Government Legislation Amendment Act 2019* includes a requirement for model standards covering the recruitment and selection, performance review and termination of employment of local government Chief Executive Officers (CEOs). These reforms are intended to ensure best practice and greater consistency in these processes between local governments.

The accompanying guidelines outline the recommended practice for local governments in undertaking these processes. These guidelines will assist local governments in meeting the model standards prescribed in the *Local Government (Administration) Amendment Regulations 2021*.

The standards and guidelines have been developed by the Department of Local Government, Sport and Cultural Industries (Department), in consultation with representatives from the Public Sector Commission, the Ombudsman, the Western Australian Local Government Association (WALGA) and Local Government Professionals WA (LGPro). The Department gratefully acknowledges the participation and contribution of these representatives.

The Department notes that the content of these guidelines does not necessarily reflect the views or policies of the organisations or individuals that have been consulted.

Part 1 – Recruitment and Selection

One of the fundamental roles of the council is the employment of the local government's CEO. The CEO is responsible for implementing the council's strategic vision and leading the local government administration.

Principles

A local government must select a CEO in accordance with the principles of merit, equity and transparency. A local government must not exercise nepotism, bias or patronage in exercising its powers. Additionally, a local government must not unlawfully discriminate against applicants. Section 5.40 of the *Local Government Act 1995* (Act) lists a number of general principles of employment that apply to local governments.

Recruitment and Selection Standard

The minimum standard for recruitment and selection will be met if:

- S1.1** The council has identified and agreed to the qualifications and selection criteria necessary to effectively undertake the role and duties of the CEO within that particular local government context.
- S1.2** The council has approved, by absolute majority, the Job Description Form (JDF) which clearly outlines the qualifications, selection criteria and responsibilities of the position. The JDF is made available to all applicants.
- S1.3** The local government has established a selection panel to conduct the recruitment and selection process. The panel must include at least one independent person who is not a current elected member, human resources consultant, or staff member of the local government.
- S1.4** The local government attracts applicants through a transparent, open and competitive process (this is not necessary for vacancies of less than one year). The local government must advertise a vacancy for the position of CEO in the manner prescribed.
- S1.5** The local government has assessed the knowledge, experience, qualifications and skills of all applicants against the selection criteria.
- S1.6** The local government has verified the recommended applicant's work history, qualifications, referees and claims made in their job application.
- S1.7** The appointment is merit-based, with the successful applicant assessed as clearly demonstrating how their knowledge, skills and experience meet the selection criteria.

Recruitment and Selection Standard cont.

- S1.8** The appointment is made impartially and free from nepotism, bias or unlawful discrimination.
- S1.9** The council has endorsed by absolute majority the final appointment.
- S1.10** The council has approved the employment contract by absolute majority.
- S1.11** The local government re-advertises the CEO position and undertakes a recruitment and selection process after each instance where a person has occupied the position for ten (10) consecutive years.

Guidelines

Recruitment and selection process

The council of the local government should act collectively throughout the recruitment and selection process. To uphold the integrity of the process, the council must resist any attempt to influence the outcome through canvassing or lobbying.

The local government should carefully consider the role of the CEO. This includes the CEO's legislated powers and functions and their role as the head of the administrative arm of the local government. In determining the selection criteria for the position of CEO, it will be important for a local government to consider the needs of the community and the specific skills and experience that will be required of the CEO in that particular local government. The competencies the council looks for in its CEO should reflect the council's strategic community plan.

Once the essential skills and experience which form the selection criteria for the position have been established, the local government must set out the selection criteria (essential and desirable) and the responsibilities of the position in a Job Description Form (JDF). If emphasis is placed on certain selection criteria, this should be highlighted in the JDF so that applicants are aware of this. For example, some level of project management experience will usually be an important criterion, but if the local government is undertaking a major development such as a new recreation centre, added emphasis may need to be given to this criterion.

The JDF must be approved by an absolute majority of the council.

Advertising

The local government should ensure that applicants are clearly informed about the application process, such as the application requirements, the closing date for applications and how applications are to be submitted. It is essential that this process is transparent and that each step in the process is documented. Associated records must be kept in a manner consistent with the *State Records Act 2000* (WA).

It is a requirement that a local government is to give Statewide public notice if the position of CEO becomes vacant. Statewide public notice must contain:

- details of the remuneration and benefits offered;
- details of the place where applications are to be submitted;
- the date and time applications close;
- the duration of the proposed contract;
- a web address where the JDF can be accessed;
- contact details for a person who can provide further information; and
- any other relevant information.

In order to attract the best possible pool of applicants for the position of CEO, it is recommended that local governments use a diverse range of advertising methods, mediums and platforms (in addition to the advertising requirement under section 5.36(4) of the Act). For example:

- advertising on the local government's website;
- posting on online jobs boards (e.g. SEEK);
- sharing the advertisement via professional networks; and
- undertaking an executive search.

A local government must publicly advertise the CEO position if the same person has remained in the job for 10 consecutive years. This requirement does not prevent the incumbent CEO from being employed for another term, provided they are selected in accordance with the standards for recruitment and selection.

Selection panel and independent person

Local governments are required to establish a selection panel to conduct and facilitate the recruitment and selection process. The selection panel should be made up of elected members (the number of which is determined by the council) and must include at least one independent person. The independent person cannot be a current elected member, human resources consultant, or staff member of the local government. Examples of who the independent person could be include:

- former elected members or staff members of the local government;
- former or current elected members (such as a Mayor or Shire President) or staff members of *another* local government;
- a prominent or highly regarded member of the community; or
- a person with experience in the recruitment of CEOs and senior executives.

The panel are responsible for assessing applicants and making a recommendation to council regarding the most suitable applicant or applicants. The essence of the role of an independent panel member is to bring an impartial perspective to the process and reduce any perception of bias or nepotism.

It is essential that prior to a person's appointment to a selection panel they are informed of the duties and responsibilities of their role and that of the panel. It is recommended that local governments develop a policy or terms of reference to facilitate this process that incorporate the standards for recruitment at Division 2 of the *Local Government (Administration) Amendment Regulations (No.2) 2020*. A policy should include important information that outlines:

- The primary functions of the panel;
- Roles and responsibilities panel members;
- Composition of the panel;
- Duration of term;
- Desirable criteria for appointment to the panel;
- A requirement that panel members sign a confidentially agreement and agree to the duties and responsibilities of their role; and
- Any other information the local government deems necessary for the panel to effectively carry out their role.

Independent human resources consultant

A local government should seek independent advice from a human resources consultant where the council lacks the capacity or expertise to facilitate the recruitment and selection process (or any aspect of it). A member of the human resources team within a local government must not be involved in the recruitment of a new CEO.

The consultant should not be associated with the local government or any of its council members. The consultant can be an independent human resources professional, recruitment consultant, or recruitment agency.

An independent human resources consultant can provide advice to the selection panel on how to conduct the recruitment process, or a local government may engage a consultant to support it in undertaking certain aspects of the recruitment process, such as one or more of the following:

- development or review of the JDF;
- development of selection criteria;
- development of assessment methods in relation to the selection criteria;
- drafting of the advertisement;
- executive search;
- preliminary assessment of the applications;
- shortlisting;
- drafting questions for interview;
- coordinating interviews;
- preparing the selection summary assessment and recommendation;

- arranging for an integrity check and/or police clearance; and
- assisting the council in preparing the employment contract.

The consultant is not to be directly involved in determining which applicant should be recommended for the position, their role is not one of decision-maker.

It is recommended that rigorous checks be conducted on any independent consultants before they are engaged to ensure they have the necessary skills and experience to effectively assist the council. Local government recruitment experience may be beneficial but is not a requirement.

The independent human resources consultant must be able to validate their experience in senior executive recruitment and appointments. It is important to note that if the local government uses a consultant or agency to assist in finding applicants, they will require an employment agent licence under the *Employment Agents Act 1976* (WA).

A good independent human resources consultant will bring expertise, an objective perspective and additional human resources to what is a complex and time-consuming process. Given the time and effort involved in finding a competent CEO, and the cost of recruiting an unsuitable CEO, there can be a good business case for spending money on a human resources consultant.

If a decision is made to engage an independent human resources consultant, it is imperative that the council maintains a high level of involvement in the process and enters into a formal agreement (contract) with them. In order to manage the contract efficiently, and ensure an effective outcome, regular contact with the consultant is required during the recruitment process. As with any contractor engagement, the local government must ensure their procurement and tender processes comply with the Act and the procurement policy of the local government.

Council's responsibilities

A human resources consultant cannot undertake the tasks for which the council is solely responsible. An independent consultant cannot and should not be asked to:

- Conduct interviews: This should be done by the selection panel. However, council may decide to interview applicants recommended by the selection panel. A consultant can provide support with interviews, providing advice on the recruitment and selection process and writing up recommendations. The consultant may also arrange referee reports and checks of applicants.
- Make the decision about who to appoint to the position of CEO: Only the council can make this decision, drawing upon advice from the selection panel.
- Negotiate the terms and conditions of employment: Noting that the consultant should be able to provide advice on remuneration constraints and other terms and conditions.

Creating Diversity

In order to ensure all applicants are given an equal opportunity for success, selection methods need to be consistent and objective. In a structured interview, each applicant should have the opportunity to answer the same primary questions with follow-up questions used to illicit further detail or clarification. Behavioural-based interview

questions are objective and gauge the applicants' suitability, reducing biases in assessment (see examples below).

Basing a selection decision on the results of a number of selection methods can help to reduce procedural shortcomings and ensure the best applicant is chosen. Psychometric, ability and aptitude testing are considered to be valid, reliable and objective. While applicants with extensive experience and reputable education may appear to be more qualified, an objective assessment of each person's ability and personal traits can help to provide a clearer picture of the applicant.

Where possible, it is recommended that local governments ensure diversity on the selection panel. This may be achieved by ensuring gender, ethnicity, age and experiential diversity is represented on the panel. Diversity is also a consideration when selecting an independent person for the selection panel, particularly where there is a lack of diversity on the council. A diverse selection panel will assist in making quality decisions regarding suitable applicants.

Individuals are often unaware of biases they may have. For this reason, it is helpful for the selection panel to undertake training about unconscious biases. Awareness of unconscious biases assists individuals in preventing those biases from interfering in their decision making. For example, if there are considerable discrepancies in the assessment scores between two panel members, discussion will be required to ensure bias has not influenced these scores. Allowing team members to acknowledge and recognise prejudices is essential to managing those biases. The following biases should be addressed:

- "Similar-to-me" effect - if interviewers share the same characteristics with the applicants or view those characteristics positively, they are more likely to score them highly;
- "Halo" effect – interviewers may let one quality (such as race, gender, looks, accent, experience, etc.) positively or negatively affect the assessment of the applicant's other characteristics.

Due Diligence

It is essential that the local government ensures that the necessary due diligence is undertaken to verify an applicant's qualifications, experience and demonstrated performance. This includes:

- verifying an applicant's qualifications such as university degrees and training certificates;
- verifying the applicant's claims (in relation to the applicant's character, details of work experience, skills and performance) by contacting the applicant's referees. Referee reports should be in writing in the form of a written report, or recorded and verified by the referee;
- requesting that an applicant obtains a national police clearance as part of the application process; and
- ensuring no conflicts of interests arise by looking to outside interests such as board membership and secondary employment.

A council may wish to contact a person who is not listed as an applicant's referee,

such as a previous employer. This may be useful in obtaining further information regarding an applicant's character and work experience, and verifying related claims. The applicant should be advised of this and be able to provide written comments to the council.

A search of social media and whether an applicant has an online presence may also assist in identifying potential issues. For example, an applicant may have expressed views which are in conflict with the local government's values. This should be made clear in the application information. To ensure the integrity of the recruitment process, a council must act collectively when performing due diligence.

Selection

Once the application period closes, the selection panel, or consultant on behalf of the selection panel, must assess applications and identify a shortlist of applicants to be interviewed.

In shortlisting applicants for the interview phase, the selection panel should consider the transferable skills of applicants and how these would be of value in the role of CEO. The selection panel should not overlook applicants who do not have experience working in the local government sector.

It is important that the assessment process is consistent for all applicants. For example, each applicant is asked the same interview questions which are related to the selection criteria and each are provided with the same information and undertake the same assessments.

Elected members should declare any previous association with an applicant or any potential conflict of interest at the time of shortlisting if they are part of the selection panel. Similarly, if the interviews involve the full council, the elected member should make an appropriate declaration before the interviews commence. If the potential conflict of interest is significant or a member's relationship with an applicant may result in claims of nepotism, patronage or bias, the council may need to consider whether to exclude the elected member from the process. The decision should be documented and recorded for future reference.

Selecting an applicant should be based on merit; that is, choosing an applicant that is best suited to the requirements of the position and the needs of the local government. This involves the consideration and assessment of applicants' skills, knowledge, qualifications and experience against the selection criteria required for the role. As part of the selection process, a council may consider it appropriate for each of the preferred candidates to do a presentation to council.

The appointment decision by the council should be based on the assessment of all measures used, including:

- assessment technique(s) used (e.g. interview performance);
- quality of application;
- referee reports;
- verification and sighting of formal qualifications and other claims provided by the applicant; and
- other vetting assessments used (e.g. police checks, integrity checks, etc.).

Employment contract

In preparing the CEO's employment contract, the council must ensure the contract includes the necessary provisions required under section 5.39 of the Act and associated regulations.

Section 5.39 of the Act provides that a CEO's employment contract must not be for a term exceeding five years. The term of a contract for an acting or temporary position cannot exceed one year.

Further, the employment contract is of no effect unless it contains:

- the expiry date of the contract;
- the performance review criteria; and
- as prescribed under regulation 18B of the Administration Regulations, the maximum amount of money (or a method of calculating such an amount) to which the CEO is to be entitled if the contract is terminated before the expiry date. The amount is not to exceed whichever is the lesser of:
 - the value of one year's remuneration under the contract; or
 - the value of the remuneration that the CEO would have been entitled to, had the contract not been terminated.

It is recommended that the council seeks independent legal advice to ensure that the contract is lawful and able to be enforced. In particular, advice should be sought if there is any doubt as to the meaning of the provisions of the contract.

Councils should be aware that CEO remuneration is determined by the Salaries and Allowances Tribunal and the remuneration package may not fall outside the band applicable to the particular local government.

The CEO's employment contract should clearly outline grounds for termination and the termination process in accordance with the standards in regulations.

The council of the local government must approve, by absolute majority, the employment contract and the person they appoint as CEO.

Appointment

A decision to make an offer of employment to a preferred applicant must be made by an absolute majority of council. If the preferred applicant accepts the offer and the proposed terms of the contract without negotiation, there is no further requirement for council to endorse the applicant and the contract. However, if there is a process of negotiation to finalise the terms and conditions of the contract, council is required to endorse the appointment and approve the CEO's employment contract by absolute majority. In both instances, the employment contract must be signed by all parties.

The council should notify both the successful individual and the remaining unsuccessful applicants as soon as possible before publicly announcing the CEO appointment.

The successful applicant should not commence duties with the local government as CEO until the employment contract has been signed.

The unsuccessful applicants (including those not interviewed) should be notified of the outcome of their application. It is recommended that the local government creates a template letter for unsuccessful applicants that can be easily personalised with the applicants' details and sent out quickly.

The council should keep a record of their assessment of the unsuccessful applicant(s) and provide the unsuccessful applicant(s) with the opportunity to receive feedback on their application, or interview performance if they were granted an interview. Should an unsuccessful applicant request feedback, it is recommended that a member of the selection panel provides this. If a recruitment consultant is used, they may undertake this task.

Confidentiality

The local government should ensure that all information produced or obtained during the recruitment and selection process is kept confidential. This includes applicants' personal details, assessment details, the selection report and outcome of the process. This ensures privacy requirements are met and maintains the integrity of the process. It is recommended that selection panel members and councillors sign a confidentiality agreement to ensure that they are aware of their obligations.

CEO induction

Local governments should ensure that they provide the CEO with all of the necessary information on the local government's processes, policies, procedures and systems at the commencement of the CEO's employment.

New CEOs are eligible to participate in the Local Government CEO Support Program which is a joint initiative of the Department and LG Pro to provide mentoring and general support to those appointed to the position of CEO in a local government for the first time. The program runs for six to nine months from the time a CEO is appointed and involves the CEO being matched with a mentor that best meets their needs.

The program provides the CEO with an opportunity (through meetings and on-going correspondence) to discuss a wide range of issues with their appointed mentor in the strictest confidence. The program is aimed at addressing the individual needs of the CEO. Examples of issues that may be covered include the following:

- Role of the CEO
- Governance
- Strategic and long-term planning
- Legislative framework
- Relationships and dealing with council members
- Risk management
- Resource management
- Managing the business of Council
- Family considerations

Part 2 – Performance Review

Principles

The standards regarding CEO performance review are based on the principles of fairness, integrity and impartiality.

Performance Review Standards

The minimum standard for performance review will be met if:

- S2.1** Performance criteria is specific, relevant, measurable, achievable and time-based.
- S2.2** The performance criteria and the performance process are recorded in a written document, negotiated with and agreed upon by the CEO and council.
- S2.3** The CEO is informed about how their performance will be assessed and managed and the results of their performance assessment.
- S2.4** The collection of evidence regarding performance outcomes is thorough and comprehensive.
- S2.5** Assessment is made free from bias and based on the CEO's achievements against documented performance criteria, and decisions and actions are impartial and transparent.
- S2.6** The council has endorsed the performance review assessment by absolute majority.

Guidelines

Section 5.38 of the Act provides that, for a CEO who is employed for a term of more than one year, the performance of a CEO is to be reviewed formally at least once in every year of their employment.

In addition to this minimum requirement, it is recommended that the council engages in regular discussions with the CEO regarding their performance against the performance criteria, including progress and ways that the CEO can be supported. Any changes to the CEO's performance agreement such as changes to the performance criteria should also be discussed, and agreed to, between the council and the CEO, as the matter arises.

Employment contract and performance agreement

Section 5.39, of the Act requires the employment contract to specify the performance criteria for the purpose of reviewing the CEO's performance. This will include ongoing permanent performance criteria. A local government may wish to have a separate additional document called a "performance agreement" which includes the

performance review criteria in the employment contract, additional criteria (e.g. the performance indicators in relation to specific projects) and how the criteria will be assessed. The performance agreement should be negotiated and agreed upon by the CEO and the council. The performance agreement may also set out the CEO's professional development goals and outline a plan to achieve these goals.

Performance Criteria

Setting the performance criteria is an important step. One of the CEO's key responsibilities is to oversee the implementation of council's strategic direction, and so it is important to align the CEO's performance criteria to the goals contained in the council's Strategic Community Plan and Corporate Business Plan. Accordingly, as these plans are updated, the CEO's performance criteria should be updated to reflect the changes.

In leading the administrative arm of a local government, the CEO is responsible for undertaking core tasks, the achievement of which will contribute to the effectiveness of the council. It is important that the outcomes associated with these tasks are measurable and clearly defined. These could be in relation to:

- service delivery targets from the council's Strategic Community Plan;
- budget compliance;
- organisational capability;
- operational and project management;
- financial performance and asset management;
- timeliness and accuracy of information and advice to councillors;
- implementation of council resolutions;
- management of organisational risks;
- leadership (including conduct and behaviour) and human resource management; and
- stakeholder management and satisfaction.

Performance criteria should focus on the priorities of the council and, if appropriate, can be assigned priority weighting in percentages. The council and CEO should set goals related to target outcomes for future achievement in the performance criteria. Goals should be specific, measurable, achievable, relevant and time-based.

Following the determination of the performance criteria and goals, the council will need to determine how to measure the outcomes of each criteria. It is important to relate performance indicators to the selection criteria used in selecting the CEO. For example, if the CEO has been selected due to their financial experience and ability to improve the local government's finances, indicators regarding improved revenue and reduced expenses are obvious starting points.

Considering the context within which the local government is operating is important. For example, if a significant financial event occurs, such as a downturn in the economy, financial performance indicators will likely need to be adjusted. It is important that such contextual factors are given appropriate weighting and that goals are flexible to allow regular adjustment. Adjustments may be initiated by either the CEO or the council. Councils need to be realistic in terms of their expectations of a CEO's performance and provide appropriate resources and support to facilitate the

achievement of performance criteria.

Performance review panel

It is recommended that the council delegates the CEO performance review to a panel (e.g. comprising certain council members and an independent observer). The panel has a duty to gather as much evidence as possible upon which to base their assessments. The role of the review panel includes developing the performance agreement in the first instance, conducting the performance review and reporting on the findings and recommendations of the review to council. It is also recommended that council develop a policy to guide the performance review process. A policy might include the composition of the panel, primary functions, the role and appointment of an independent consultant, and the responsibilities of review panel members.

Independent consultant

If a council lacks the resources and expertise to meet the expected standard of performance review, the council should engage an external facilitator to assist with the process of performance appraisal and the development of the performance agreement. The local government should ensure that the consultant has experience in performance review and, if possible, experience in local government or dealing with the performance review of senior executives. The consultant should not have any interest in, or relationship with, the council or the CEO.

With guidance from the performance review panel, a consultant can facilitate the following tasks:

- setting performance criteria;
- preparing the performance agreement;
- collecting performance evidence;
- writing the performance appraisal report;
- facilitating meetings between the performance review panel;
- assisting with the provision of feedback to the CEO;
- formulating plans to support improvement (if necessary); and
- providing an objective view regarding any performance management-related matters between the concerned parties.

Assessing performance

It is a requirement of the regulations that the process by which the CEO's performance will be reviewed is documented and agreed to by both parties. Council and the CEO must also agree on any performance criteria that is in addition to what is specified in the CEO's contract of employment. The option to include additional criteria for performance review purposes by agreement provides a degree of flexibility for both parties in response to changing circumstances and priorities.

It is essential that CEO performance is measured in an objective manner against the performance criteria alone. It is important that reviews are impartial and not skewed by personal relationships between the review panel and the CEO. Close personal relationships between the panel members and the CEO can be just as problematic as extremely poor relationships. Evidence of CEO performance may come from an array of sources, many of which the CEO themselves can and should provide to the

council as part of regular reporting. These sources include:

- achievement of key business outcomes;
- interactions with the council and progress that has been made towards implementing the council's strategic vision;
- audit and risk committee reports;
- workforce metrics (e.g. the average time to fill vacancies, retention rate, information about why people leave the organisation and staff absence rate);
- incident reports (e.g. results of occupational health and safety assessments, the number and nature of occupational health and safety incident reports, and the number and nature of staff grievances);
- organisational survey results;
- relationships (e.g. with relevant organisations, stakeholder groups, and professional networks); and
- insights from key stakeholders (this could be done by way of a survey to obtain stakeholder input).

It is important that, in addition to looking at the achievement of key performance indicators (KPIs), the council considers the following:

- How the CEO has achieved the outcomes. In particular, whether or not their methods are acceptable and sustainable.
- The extent to which current performance is contingent upon current circumstances. Has the CEO demonstrated skills and behaviours to address and manage changes in circumstances which have affected his or her performance? (for example, the impact of COVID-19.)
- What the CEO has done to ensure the wellbeing of staff and to maintain trust in the local government.

The council should consider the attention the CEO has given to ensuring equal employment opportunity, occupational health and safety, privacy, managing potential conflicts of interest, and complying with procurement process requirements.

Addressing performance issues

Once the CEO's performance has been assessed, it is essential that any areas requiring attention or improvement are identified, discussed with the CEO and a plan is agreed and put in place to address these. The plan should outline the actions to be taken, who is responsible for the actions and an agreed timeframe.

The performance review panel must decide on an appropriate course of action that will address the performance issue. This may include professional development courses, training, counselling, mediation, mentoring or developing new work routines to ensure specific areas are not neglected. The performance review panel should then arrange for regular discussion and ongoing feedback on the identified performance issues, ensuring improvements are being made.

It is important to keep in mind that a local government falling short of its goals is not always attributable to the CEO. External factors may have resulted in initial performance expectations becoming unrealistic. Failure to meet performance criteria does not necessarily mean the CEO has performed poorly and, for this reason,

performance and outcome should be considered separately. Where ongoing issues have been identified, the council will need to take a constructive approach and seek to develop the CEO's competency in that area.

While there are obligations on the council to manage the CEO in regard to their performance, when it extends into potential wrongdoing (misconduct), the council should be referring the matter to the Public Sector Commission or Corruption and Crime Commission. This provides an independent process to follow and ensures probity, natural justice and oversight of allegations.

Confidentiality

The council must ensure that accurate and comprehensive records of the performance management process are created. Any information produced must be kept confidential.

Part 3 – Termination

Principles

The standards for the termination of a local government CEO's employment (other than for reasons such as voluntary resignation or retirement) are based on the principles of fairness and transparency. Procedural fairness is a principle of common law regarding the proper and fair procedure that should apply when a decision is made that may adversely impact upon a person's rights or interests.

Termination Standards

The minimum standards for the termination of a CEO's contract will be met if:

- S3.1** Decisions are based on assessment of the CEO's performance as measured against the documented performance criteria in the CEO's contract.
- S3.2** Performance issues have been identified as part a performance review (conducted within the preceding 12 months) and the CEO has been informed of the issues. The council has given the CEO a reasonable opportunity to improve and implement a plan to remedy the performance issues, but the CEO has not subsequently remedied these issues to the satisfaction of the local government.
- S3.3** The principle of procedural fairness is applied. The CEO is informed of their rights, entitlements and responsibilities in the termination process. This includes the CEO being provided with notice of any allegations against them, given a reasonable opportunity to respond to those allegations or decisions affecting them, and their response is genuinely considered.
- S3.4** Decisions are impartial and transparent.
- S3.5** The council of the local government has endorsed the termination by absolute majority.
- S3.6** The required notice of termination (which outlines the reasons for termination) is provided in writing.

Guidelines

Reasons for termination

The early termination of a CEO's employment may end due to:

- poor performance;
- misconduct; or
- non-performance or repudiation of contract terms.

There is a difference between poor performance and serious misconduct. Poor performance is defined as an employee not meeting the required performance criteria or demonstrating unacceptable conduct and behaviour at work, it includes:

- not carrying out their work to the required standard or not doing their job at all;
- not following workplace policies, rules or procedures;
- unacceptable conduct and behaviour at work;
- disruptive or negative behaviour at work;
- not meeting the performance criteria set out in the employment contract and/or performance agreement unless these are outside the CEO's control;
- not complying with an agreed plan to address performance issues;
- failing to comply with the provisions of the *Local Government Act 1995* and other relevant legislation;
- failing to follow council endorsed policies.

Serious misconduct can include when an employee:

- causes serious and imminent risk to the health and safety of another person or to the reputation or revenue of the local government; or
- behaves unlawfully or corruptly; or
- deliberately behaves in a way that's inconsistent with continuing their employment.

Examples of serious misconduct can include:

- matters arising under section 4(a), (b) and (c) of the *Corruption, Crime and Misconduct Act 2003*;
- theft;
- fraud;
- assault;
- falsification of records;
- being under the influence of drugs or alcohol at work; or
- refusing to carry out appropriate and lawful resolutions of council.

Misconduct is also defined in section 4 of the *Corruption, Crime and Misconduct Act 2003* (WA). Under this Act, misconduct can be either serious or minor and the obligation to notify the Public Sector Commission (PSC) or the Corruption and Crime Commission (CCC) is paramount.

Termination on the basis of misconduct is covered by employment law. A local government should seek independent legal, employment or industrial relations advice prior to a termination. A council should also seek independent advice during the termination process including advice on the relevant employment legislation affecting CEO employment and the application of that legislation to their specific circumstances. This will ensure that a council complies with employment law during the entire termination process.

A local government is required to endorse the decision to terminate a CEO's employment by way of an absolute majority decision. A local government must certify that the termination was in accordance with the adopted standards in regulations.

Opportunity to improve and mediation

If a CEO is deemed to have been performing poorly, the council must be transparent and inform the CEO of this. It is important that the CEO is given an opportunity to remedy the issues within a reasonable timeframe as agreed between the CEO and the council. The council should clearly outline the areas in need of improvement, and with the CEO's input, determine a plan to address any issues. If a plan for improvement is put in place and the CEO's performance remains poor, then termination may be necessary. If a local government decides to terminate the employment of the CEO it must have conducted a performance review in the previous 12 months in accordance with section 5.38 of the Act.

Where the concerns or issues relate to problematic working relationships or dysfunctional behaviour, it is recommended that a council engages an independent accredited mediator to conduct a mediation between the parties. A mediation session may be useful in assisting parties to understand and address issues before the situation escalates to a breakdown in the working relationship (which affects the ability of the CEO to effectively perform their duties) and the subsequent termination of the CEO's employment.

Termination report

The council should prepare a termination report which outlines the reasons for termination, the opportunities and assistance provided to the CEO to remedy any issues, and an explanation of the CEO's failure to do so. Council must provide prior opportunities and support to the CEO to assist them in remedying the issues which form the basis of the termination. It is a requirement of the regulations that council must provide written notice to the CEO outlining the reasons for their decision to terminate. In addition, council must certify that the termination of the CEO's employment was carried out in accordance with the standards set out in regulations.

Confidentiality

Local governments should ensure that the termination process is kept confidential. The CEO is to be informed of their rights and entitlements. Notice of termination of employment is required to be given in writing. Where possible, the news of termination of employment should also be delivered in person. The CEO should be provided with a letter outlining the reasons for, and date of, the termination of their employment.

Before making any public announcements on the termination of the CEO, a council should ensure that the entire termination process is complete, including that the CEO has been informed in writing of the termination.

Disclaimer

It is outside the scope of these guidelines to provide legal advice, and local governments should seek their own legal advice where necessary. Guidance as to legal requirements and compliance in relation to the termination of employment is provided by the Fair Work Commission at www.fwc.gov.au, the Fair Work Ombudsman at www.fairwork.gov.au and the Western Australian Industrial Relations Commission at www.wairc.wa.gov.au.

LOCAL GOVERNMENT (ADMINISTRATION) AMENDMENT REGULATIONS 2021 – EXPLANATORY NOTES

CEO Standards Explanatory Notes

Section in Amendment Act	Explanation
<p><i>Local Government Legislation Amendment Act 2019.</i></p> <p>Section 22 – Sections 5.39A, 5.39B & 5.39C.</p>	<p>The <i>Local Government (Administration) Amendment Regulations 2021</i> brings into effect Section 22 of the <i>Local Government Legislation Amendment Act 2019</i> (the Amendment Act).</p> <p>5.39A - Model standards for CEO recruitment, performance and termination. 5.39B - Adoption of Model Standards 5.39C - Policy for temporary employment or appointment of CEO.</p>

	Regulation	Explanation
1	Citation	This provision sets out the citation title of the instrument.
2	Commencement	<p>These regulations come into effect as follows –</p> <ul style="list-style-type: none"> Regulations 1 & 2 – on the day on which they are published in the <i>Gazette</i> (2 February 2021); The rest of the regulations – on the day on which the <i>Local Government Legislation Amendment Act 2019</i> section 22 comes into effect (3 February 2021).
3	Regulations amended	These regulations amend the <i>Local Government (Administration) Regulations 1996</i> (Administration Regulations).

	Regulation	Explanation
4	<p>Regulation 18A amended</p> <p>Regulation 18A – Vacancy in position of CEO or senior employee to be advertised (Act s.5.36(4) and 5.37(3)).</p>	<p>Regulation 18A(1) is being amended to align with the new State-wide public notice provisions. If the position of CEO, or of a senior employee, becomes vacant the local government must give State-wide public notice of the position in accordance with the requirements of the Local Government Act (sections 5.36(4) and 5.37(3)).</p> <p>Regulation 18A(2)(da) provides that the State-wide public notice must include a website address where the job description form (JDF) for the position can be accessed.</p>
5	<p>Regulation 18C and 18D deleted</p> <p>Regulation 18C – Selection and appointment process for CEOs</p> <p>Regulation 18D – Performance review of CEO, local government's duties as to</p>	<p>Regulation 18C is repealed. The prescribed model standards for CEO recruitment and appointment outlined at Schedule 2 (Clauses 3-14) of the <i>Local Government (Administration) Amendment Regulations 2021</i> replace 18C.</p> <p>Local governments are required to determine the selection criteria for the position of CEO prior to a recruitment process being undertaken. The local government must approve by a resolution of an absolute majority of council, a job description form which sets out the duties and responsibilities of the position (5(2)(a)) and details the selection criteria (5(2)(b)).</p> <p>A position vacancy must be advertised in accordance with 5.36(4) of the <i>Local Government Act</i> and 18A of the <i>Local Government (Administration) Regulations 1996</i>. A JDF form must also be made available on the local government's official website.</p> <p>As part of the process of selection, a panel must be established to conduct the recruitment and selection for appointment to CEO. The selection panel must be</p>

	Regulation	Explanation
		<p>made up of council members and at least one independent person who is not a current councillor, human resources consultant, or employee of the local government. The independent person should have experience in the recruitment and selection of CEO's and / or senior executives. It is the role of the selection panel to recommend one or more suitable applicants to the position of CEO based on the selection criteria outlined in the JDF.</p> <p>A final decision to make an offer of appointment to the position of CEO must be made by an absolute majority of council. The resolution must also approve the proposed terms of the contract.</p> <p>Regulation 18D is repealed. The prescribed model standards for performance review outlined at Division 3 of the of the <i>Local Government (Administration) Amendment Regulations 2021</i> (clauses 15-19) replace 18D.</p> <p>Local governments are required to review the performance of a CEO annually in accordance with section 5.38 of the Act. Division 3 sets out the process for performance review, including establishing the performance criteria upon which to base the review and the requirement to endorse the performance review assessment by absolute majority on its completion.</p> <p>The CEO must be notified of the results of the performance review, including any issues identified in relation to the performance of the CEO, and how the local government proposes to address and manage those issues.</p>
6	Regulations 18FA to 18FC inserted	Regulation 18FA sets out the model standards for local governments in relation to the recruitment, performance review and termination of employment of a local government CEO.

	Regulation	Explanation
	<p>Regulation 18FA – Prescribed model standards for CEO recruitment, performance and termination (Act s.5.39A(1)).</p> <p>Regulation 18FB – Certification of compliance with adopted standards for CEO recruitment (Act s.5.39B(7))</p> <p>Regulation 18FC – Certification of compliance with adopted standards for CEO termination (Act s.5.39B(7)).</p>	<p>Regulation 18FB requires local governments to certify that they have complied with the adopted standards under section 5.39B(7)(a) of the Act. 18FB applies in relation to the recruitment and appointment of a local government CEO. As soon as practicable after a person is employed as CEO, the local government (council), must by resolution of an absolute majority, certify the appointment was made in accordance with the adopted standards.</p> <p>A copy of the resolution to appoint the CEO must be provided to the Department of Local Government, Sport and Cultural Industries (DLGSC) within 14 days of the resolution being passed.</p> <p>Regulation 18FC requires a local government to certify that they have complied with the adopted the standards under section 5.39B(7)(a) of the Act. 18FC applies in relation to the termination of a CEO's employment contract.</p> <p>If a local government makes the decision to terminate the employment of the CEO, they must certify that the termination was carried out in accordance with the adopted standards for termination by a resolution of an absolute majority. A copy of the resolution must be provided to DLGSC within 14 days of the resolution being passed.</p>
7	Schedule 2 inserted – Model Standards for CEO recruitment, performance and termination	Schedule 2 inserts the model standards for CEO recruitment, performance and termination of employment.
	Division 1 – Preliminary provisions	

	Regulation	Explanation
1.	Citation	<p>New section 5.39B of the Amendment Act requires local governments to adopt the Model Standards within three months of these Regulations coming into operation. The Model Standards, as drafted, provide a template for local governments to adopt the Standards as their own by inserting their local government name.</p> <p>In accordance with section 5.39B, local governments can include additional provisions provided they are consistent with the model standards.</p> <p>To adopt the standards, a resolution needs to be passed by an absolute majority. Once the standards are adopted, it must be published on the local government's website.</p>
2.	Terms used	<p>This clause defines <i>Act</i>, <i>additional performance criteria</i>, <i>applicant</i>, <i>contract of employment</i>, <i>contractual performance criteria</i>, <i>job description form</i>, <i>local government</i>, <i>selection criteria</i> and <i>selection panel</i>. All other terms used have the same meaning as in the Act unless the contrary intention appears.</p>
	Division 2 – Standards for recruitment of CEO's	
3.	Overview of Division	<p>Clause 3 sets out the standards to be observed by the local government in relation to the recruitment of CEOs.</p>
4.	Application of Division	<p>Regulation 18C of the <i>Local Government (Administration) Regulations 1996</i> is repealed. Instead, clause 4 applies in relation to Division 2 - the recruitment and selection process for a local government CEO.</p>

	Regulation	Explanation
		<p>Division 2 does not apply in the event that the position of CEO is to be filled by a person in a prescribed class or in relation to the renewal of the CEO's contract, unless the CEO has been employed for a period of 10 or more consecutive years and a period of 10 or more years has elapsed since a selection and recruitment process was carried out.</p> <p>For the purposes of 5.36(5)(a), a person in a prescribed class includes a person who is and will continue to be employed by another local government and is contracted for a period of less than five years, or the person will be acting in the position of CEO for a period of less than one year.</p>
5.	Determination of selection criteria and approval of job description form	<p>Clause 5 deals with determining the selection criteria for the position of CEO. It is a requirement that the local government base the selection criteria on the necessary skills, knowledge, experience and qualifications necessary to effectively perform the role and responsibilities associated with the position.</p> <p>The local government must approve (by absolute majority) a job description form (JDF) that sets out the duties and responsibilities of the position and the selection criteria.</p>
6.	Advertising requirements	<p>Clause 6 deals with advertising the position of CEO where the position becomes vacant or the incumbent has held the position for 10 or more consecutive years. It is a requirement of the Local Government Act (s 5.36(4)) that upon the position of CEO becoming vacant, it must be advertised in a manner prescribed.</p> <p>Regulation 18A of the <i>Local Government (Administration) Regulations 1996</i> sets out the requirements for State-wide advertising.</p>

	Regulation	Explanation
7.	Job description form to be made available by local government	Clause 7 requires a local government to provide a copy of the JDF to a person upon request. The local government must either provide the web address where the JDF can be downloaded, or alternatively if the person is unable to access the website, email a copy, or send a hard copy in the post.
8.	Establishment of selection panel for employment of CEO	<p>Clause 8 requires a local government to establish a selection panel to conduct the selection and recruitment process for appointment of a person to the position of CEO.</p> <p>The selection panel must be comprised of council members and at least one independent person. The independent person (or persons) must not be:</p> <ul style="list-style-type: none"> • a councillor; • a human resources consultant; or • an employee of the local government; <p>It is recommended that an independent person have relevant experience in the recruitment and selection of CEO's and / or senior executives. It is the role of the selection panel to recommend one or more suitable applicants to the position of CEO based on the selection criteria outlined in the JDF.</p> <p>It is at the discretion of the local government to determine the number of people on the selection panel.</p>
9.	Recommendation by selection panel	It is the role of the selection panel to recommend a preferred applicant, or applicants, for appointment to the position of CEO. Clause 9 requires an assessment to be made of each applicant's ability to perform the role of CEO

	Regulation	Explanation
		<p>based on their knowledge, experience, qualifications and skills as measured against the selection criteria outlined in the JDF.</p> <p>The selection panel is required to provide a summary of assessment of each applicant, along with the panel's recommendation as to which applicant, or applicants, are suitable to be employed in the position of CEO.</p> <p>If the selection panel considers none of the applicants suitable for appointment, they must recommend to the local government that a new recruitment and selection process be carried out. The selection panel may also recommend changes be made to the duties and responsibilities of the position, or the selection criteria.</p> <p>The selection panel must act in an impartial and transparent manner and in accordance with the principles set out in section 5.40 of the Act.</p> <p>The selection panel is responsible for ensuring that any applicant, or applicants, they recommend for appointment have demonstrated they meet the selection criteria and have had their qualifications verified. The selection panel must exercise due diligence in verifying referees, work history, skills and any other claims made by the applicant.</p> <p>The local government must have regard to, but is not bound to accept, a recommendation made by the selection panel.</p>
10.	Application of clause 5 where new process carried out	<p>If the selection panel finds that none of the applicants are suitable to be appointed to the position of CEO, they must advise the local government in accordance with 9(3)(a).</p>

	Regulation	Explanation
		<p>Clause 10 requires the recruitment and selection process to be undertaken again if the selection panel advises the local government it considers none of the applicants to be suitable for appointment to the position of CEO.</p> <p>Unless the selection panel recommends changes be made to the duties and responsibilities of the position, or the selection criteria, clause 5 does not apply. In this instance, the original JDF previously approved by the local government (under clause 5) is the JDF form for the purposes of the new recruitment and selection process.</p>
11.	Offer of employment in position of CEO	<p>Clause 11 requires the decision to make an offer of employment to an applicant to the position of CEO is made by an absolute majority of council.</p> <p>The council must approve making the offer of employment to the preferred applicant and the proposed terms of the contract to be entered into.</p>
12.	Variations to proposed terms of contract of employment	<p>Clause 12 applies where the contract terms of the CEO's employment are amended from the original contract offer as a result of negotiations between the successful applicant and the local government.</p> <p>It is a requirement that council approve the terms of the negotiated contract by an absolute majority decision.</p>
13.	Recruitment to be undertaken on expiry of certain CEO contracts	<p>Clause 13 applies if a local government CEO has held the position for a period of 10 or more consecutive years upon expiry of the CEO's contract. Regulation</p>

	Regulation	Explanation
		<p>13 also applies if a period of 10 or more consecutive years has elapsed since a recruitment and selection process for the position has occurred and the incumbent CEO has notified the local government that they wish to have their contract of employment renewed upon its expiry.</p> <p>Subclause 13(2)(a)(ii) is drafted to allow for the possibility that a CEO who has, for example, held office for 10 years and has their contract renewed for another 5-year term following the recruitment and selection process. In this instance, clause 13(2)(a)(ii) will operate to ensure that another 10 years can pass before another recruitment process is required. In the absence of clause 13(2)(a)(ii), when the renewed term came to an end, the CEO would have held the position for 15 consecutive years and clause 13(2)(a)(i) would operate to require a new process be undertaken.</p> <p>The local government must carry out the recruitment and selection process before expiry of the incumbent CEO's contract.</p> <p>The incumbent CEO may have their contract of employment renewed upon expiry if they are selected in accordance with the recruitment and selection process at subclause (3).</p>
14.	Confidentiality of information	<p>Clause 14 requires confidentiality to be observed by the local government as part of the process of recruitment and selection. Information obtained as part of this process must only be used for, or in connection with, recruitment and selection.</p>

	Regulation	Explanation
	Division 3 – Standards for review of performance of CEOs	
15.	Overview of Division	<p>Regulation 18D is repealed. Division 3 effectively deals with the requirement to consider the performance review of the CEO in accordance with section 5.38 of the Act.</p> <p>Division 3 sets out the standards to be observed by the local government in relation to the review of the performance of the CEO.</p>
16.	Performance review process to be agreed between local government and CEO	<p>Clause 16 requires the local government and the CEO to agree on the process for performance review and any performance criteria that are additional to those specified in the contract. For example, the local government and the CEO may wish to include additional performance criteria after 1 or 2 years into a contract term as circumstances and priorities change.</p> <p>The process for performance review must be consistent with clauses 17 (Carrying out a performance review), 18 (Endorsement of the performance review) and 19 (CEO to be notified of the results of the performance review).</p> <p>The process for performance review and the selection criteria upon which the review will be based must be set out in a written document.</p>
17.	Carrying out a performance review	Clause 17 deals with how a review of a CEO's performance must be carried out.

	Regulation	Explanation
		A performance review must be carried out in an impartial and transparent manner. It must also be comprehensive, and evidence based. The CEO's performance must be measured against the performance criteria as specified in the CEO's contract and any other performance criteria as agreed to and set out in the documented process for performance review.
18.	Endorsement of performance review by local government	Clause 18 requires that a performance review is endorsed by an absolute majority of council upon completion.
19.	CEO to be notified of results of performance review	<p>Clause 19(a) requires a local government to notify the CEO of the results of the performance review in writing. If the review identifies any performance issues, the local government must outline how it proposes to address and manage those issues.</p> <p>The local government must notify the CEO of the results of the performance review after it has been endorsed by an absolute majority of council.</p>
	Division 4 – Standards for termination of employment of CEO's	
20.	Overview of Division	Clause 20 sets out the standards to be observed by the local government in relation to the termination of employment of a CEO.
21.	General principles applying to any termination	Clause 21 outlines the general principles that must apply to any termination of a CEO's employment contract. Decisions relating to termination of employment must be made in an impartial and transparent manner.

	Regulation	Explanation
		<p>A CEO must be afforded procedural fairness in relation to the process for termination of employment, this includes:</p> <ul style="list-style-type: none"> a) being informed of their rights, entitlements and responsibilities; b) notification of any allegations against the CEO; c) being given a reasonable opportunity to respond to the allegations; d) and genuinely considering any response provided by the CEO to the allegations.
22.	Additional principles applying to termination for performance-related reasons	<p>Clause 22(1) applies if the local government proposes to terminate the employment of a CEO based on the CEO's work-related performance.</p> <p>Subclauses 22(2)(a)-(d) and 22(3) require that a CEO's employment must not be terminated unless the local government has:</p> <ul style="list-style-type: none"> • previously identified any issues with the CEO's performance as part of the performance review process; • informed the CEO of the performance issues; • given the CEO reasonable opportunity to address and implement a plan to remedy the performance issues; • determined that the CEO has not remedied the performance issues to the satisfaction of the local government; and • 22(3) reviewed the performance of the CEO within the preceding 12 months in accordance with 5.38(1) of the Local Government Act.
23.	Decision to terminate	<p>Clause 23 requires that a decision to terminate the employment of a CEO must be made by an absolute majority of council.</p>

	Regulation	Explanation
24.	Notice of termination of employment	Clause 24 requires that a local government must provide notice in writing of the decision to terminate the employment of a CEO. Written notice must include the local government's reasons for termination.

Chief Executive Officer Standards

Mandatory minimum standards for the recruitment, selection, performance review and termination of employment.

On 3 February 2021, the Local Government (Administration) Amendment Regulations 2021 (CEO Standards) introduced mandatory minimum standards for the recruitment, selection, performance review and termination of employment in relation to local government Chief Executive Officers (CEOs). The aim of the CEO Standards is to provide local government with a consistent and equitable process for CEO recruitment, performance review and termination across all local governments, in accordance with the principles of merit, equity and transparency.

It is a requirement that local governments prepare and adopt the CEO Standards within three months of the CEO Standards coming into operation (by 3 May 2021). Until such time as a local government prepares and adopts its own CEO Standards, the model CEO Standards in regulations apply. It is important to note that local governments may introduce additional standards where appropriate, however, any additional standards must be consistent with the model standards in the Local Government (Administration) Amendment Regulations 2021.

The need for CEO Standards

Stakeholder consultation with the local government sector and the community as part of the Local Government Act Review identified the need for reform in the area of CEO recruitment and performance review.

Required actions for local governments

Local governments must prepare and adopt the CEO Standards within three months of the Local Government (Administration) Amendment Regulations 2021 coming into effect.

The standards prescribed under Schedule 2 of the CEO Standards are deemed a local government's standards until such time as the Model CEO Standards are formally adopted by the council.

As a minimum, a local government can adopt the CEO Standards by the council resolving to insert the name of the local government into a copy of the CEO Standards.

If considered appropriate, a local government may elect to include additional standards that reflect their specific needs when the council adopts the CEO Standards. The local government must ensure that any additional standards are consistent with the CEO Standards.

Priority actions for local governments

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Local governments must become familiar with the requirements of the CEO Standards and take steps to adopt them within three months, particularly if the council is planning to recruit a new CEO or renew an existing CEO's contract.

Local governments should review their CEO's contract expiry date at their earliest convenience to determine whether the CEO will have provided ten or more consecutive years of service on expiry of the contract.

Where a current CEO will have provided ten or more consecutive years of service on expiry of their contract, the local government is required to undertake a new recruitment process for the position. The incumbent CEO must also apply for the position, in accordance with the Model Standards, if they are seeking further tenure.

If the CEO's contract has recently been renewed and the CEO has already completed ten or more consecutive years of service, the mandatory requirement to undertake a recruitment process will apply on expiry of their current contract.

Local governments should also review their current process for performance review at the earliest possible opportunity to ensure it meets the requirements of the Model CEO Standards.

Implications for CEO recruitment commenced prior to 3 February 2021

Local governments are encouraged to contact the Department of Local Government, Sport and Cultural Industries if there was a CEO recruitment process already in train on 3 February 2021. The department will provide advice specific to the local government's circumstances based on the point where they are at in the recruitment and selection process.

Recruiting and selecting a CEO

Local governments must decide on the selection criteria for the position of CEO prior to a recruitment process being undertaken. A job description form (JDF) which sets out the duties and responsibilities of the position (5(2)(a)) and details the selection criteria (5(2)(b)) must be prepared by the local government and approved by an absolute majority of the council.

Local governments must advertise the vacancy in accordance with section 5.36(4) of the Act and regulation 18A of the Local Government (Administration) Regulations 1996. The key change here is that state-wide notice advertising the position must also include a website address where a JDF for the position can be accessed.

Local governments are required to establish a selection panel to conduct the recruitment and selection process. The selection panel must be made up of council members and at least one independent person(s) who is not a current council member, human resources consultant, or employee of the local government. The independent person(s) should have experience in the recruitment and selection of CEO's and/or senior executives.

It is the role of the selection panel to recommend one or more suitable applicants based on the selection criteria. The selection panel provides an advisory role to the council; however, the ultimate decision-making authority remains with the council of the local government. The council must give due consideration to the recommendations provided by the selection panel.

It is open to local governments to determine the most appropriate and effective process for establishing a selection panel, provided the composition of the panel reflects the requirements in CEO Standards.

Local governments are encouraged to establish a policy for establishing a selection panel that outlines the panel's terms of reference, timeframes for recruitment and details the roles and responsibilities of panel members. It is recommended that panel members sign a confidentiality agreement prior to accepting a position on the selection panel.

The Model CEO Standards Guidelines provide further details on establishing a selection panel and the scope of the panel's role and responsibilities.

CEO performance reviews

The council of a local government is already required to undertake an annual review of the CEO's performance in accordance with section 5.38 of the Local Government Act 1995 (Act). A performance review carried out in an objective and comprehensive manner can facilitate a good understanding between the council and the CEO on the progress and achievement of council priorities.

Local governments should review their current process for performance review in consultation with the CEO and make any changes required to ensure that the process meets the requirements set out under Division 3 of the CEO Standards.

The CEO Standards require the council and the CEO to agree on the process for performance review and any performance criteria additional to those specified in the CEO's contract of employment. Local governments must ensure that the process for performance review is documented. Following a review of the CEO's performance, the council must formally endorse the outcomes of the review.

More detailed information can be found in the Guidelines on the CEO Standards.



[CEO Standards and Guidelines \(pdf\) 399 KB >](#)

Termination of employment of a CEO

The requirements in the CEO Standards regarding termination of employment are based on the principles of procedural fairness. Any decision to terminate a CEO's contract of employment must be compliant with the CEO Standards and consistent with employment and contract law.

The CEO Standards provide that before a decision is made to terminate the employment of a CEO, the council must have conducted a CEO performance review within the preceding twelve months (in accordance with section 5.38 of the Act). As a part of that process, the performance review must have identified any relevant performance issues that needed to be addressed by the CEO, informed the CEO of the issues and provided the CEO with a reasonable opportunity to address those issues in accordance with a performance management plan.

Local governments are encouraged to consider seeking independent legal advice when considering whether to terminate the employment of their CEO.

Policy for temporary employment or appointment of an acting CEO required

Where the role of CEO is not fulfilled for a significant period, this leads to increased risk to the operations and governance of the local government. Therefore, local governments are required to develop and implement a policy that outlines the arrangements to temporarily replace a CEO for any period less than twelve months, for example, when a CEO is on planned or unplanned leave. The policy must include the decision-maker(s) for appointing an acting CEO.

As an example, the policy may include employee position titles, specifying that the Council considers a person holding these positions to be suitably qualified and experienced for the position of CEO. In addition, the policy should also include a methodology for the CEO to appoint an Acting CEO from the listed positions for a period of absence of up to four weeks; however any decision regarding the appointment of an Acting CEO for any period exceeding four weeks must be made by the council.

The policy must be made available on the local government's official website.

Impact of the COVID-19 pandemic on these requirements

Local governments play a vital role in local communities, and CEOs fulfill a key leadership role in local governments. The CEO Standards aim to support local governments to recruit and manage CEOs and therefore, it is not anticipated that the requirements of the CEO Standards will be affected by the pandemic.

Local governments should review their current arrangements for CEO recruitment, performance review and termination and seek to adopt the CEO Standards within the next three months (by 3 May 2021). If a local government has any CEO recruitment or management processes already underway, the local government is encouraged to contact the department for advice specific to their situation.

Further information and support available

Further information can be found on the department's website including a copy of the **regulations, detailed explanatory notes and guidelines** ([/local-government/strengthening-local-government/public-consultations/local-government-act-review/priority-reforms](https://local-government/strengthening-local-government/public-consultations/local-government-act-review/priority-reforms)). Local governments can also contact the department directly at actreview@dlgsc.wa.gov.au (<mailto:actreview@dlgsc.wa.gov.au>) with any queries in relation to the CEO Standards.

Related information

- **Local Government Act Review** ([/local-government/strengthening-local-government/public-consultations/local-government-act-review](https://local-government/strengthening-local-government/public-consultations/local-government-act-review))
- **Reforms introduced** ([/local-government/strengthening-local-government/public-consultations/local-government-act-review/priority-reforms](https://local-government/strengthening-local-government/public-consultations/local-government-act-review/priority-reforms))



Western Australia

Local Government Act 1995

Local Government (Model Code of Conduct) Regulations 2021

Western Australia

Local Government (Model Code of Conduct) Regulations 2021

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Local Government Act 1995

Local Government (Model Code of Conduct) Regulations 2021

Part 1 — Preliminary

1. Citation

These regulations are the *Local Government (Model Code of Conduct) Regulations 2021*.

2. Commencement

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day on which the *Local Government Legislation Amendment Act 2019* sections 48 to 51 come into operation.

Part 2 — Model code of conduct

3. Model code of conduct (Act s. 5.103(1))

The model code of conduct for council members, committee members and candidates is set out in Schedule 1.

Part 3 — Repeal and consequential amendments

Division 1 — Repeal

4. ***Local Government (Rules of Conduct) Regulations 2007***
repealed

The *Local Government (Rules of Conduct) Regulations 2007* are repealed.

Division 2 — Other regulations amended

5. ***Local Government (Administration) Regulations 1996***
amended

- (1) This regulation amends the *Local Government (Administration) Regulations 1996*.
- (2) After regulation 34C insert:

Part 9A — Minor breaches by council members

34D. **Contravention of local law as to conduct**
(Act s. 5.105(1)(b))

- (1) In this regulation —
local law as to conduct means a local law relating to the conduct of people at council or committee meetings.
- (2) The contravention of a local law as to conduct is a minor breach for the purposes of section 5.105(1)(b) of the Act.

Local Government (Model Code of Conduct) Regulations 2021**Part 3** Repeal and consequential amendments**Division 2** Other regulations amended**r. 6**

6. Local Government (Audit) Regulations 1996 amended

- (1) This regulation amends the *Local Government (Audit) Regulations 1996*.
- (2) In regulation 13 in the Table:
- (a) under the heading “**Local Government Act 1995**” delete “s. 5.103” and insert:

s. 5.104

- (b) delete:

Local Government (Rules of Conduct) Regulations 2007		
r. 11		

7. Local Government (Constitution) Regulations 1998 amended

- (1) This regulation amends the *Local Government (Constitution) Regulations 1998*.
- (2) In Schedule 1 Form 7 delete “*Local Government (Rules of Conduct) Regulations 2007*.” and insert:

code of conduct adopted by the ³ under section 5.104 of the *Local Government Act 1995*.

Schedule 1 — Model code of conduct

[r. 3]

Division 1 — Preliminary provisions

1. Citation

This is the *[insert name of local government] Code of Conduct for Council Members, Committee Members and Candidates*.

2. Terms used

(1) In this code —

Act means the *Local Government Act 1995*;

candidate means a candidate for election as a council member;

complaint means a complaint made under clause 11(1);

publish includes to publish on a social media platform.

(2) Other terms used in this code that are also used in the Act have the same meaning as they have in the Act, unless the contrary intention appears.

Division 2 — General principles

3. Overview of Division

This Division sets out general principles to guide the behaviour of council members, committee members and candidates.

4. Personal integrity

(1) A council member, committee member or candidate should —

(a) act with reasonable care and diligence; and

(b) act with honesty and integrity; and

(c) act lawfully; and

(d) identify and appropriately manage any conflict of interest; and

(e) avoid damage to the reputation of the local government.

Local Government (Model Code of Conduct) Regulations 2021**Schedule 1** Model code of conduct**Division 2** General principles**cl. 5**

- (2) A council member or committee member should —
- (a) act in accordance with the trust placed in council members and committee members; and
 - (b) participate in decision-making in an honest, fair, impartial and timely manner; and
 - (c) actively seek out and engage in training and development opportunities to improve the performance of their role; and
 - (d) attend and participate in briefings, workshops and training sessions provided or arranged by the local government in relation to the performance of their role.

5. Relationship with others

- (1) A council member, committee member or candidate should —
- (a) treat others with respect, courtesy and fairness; and
 - (b) respect and value diversity in the community.
- (2) A council member or committee member should maintain and contribute to a harmonious, safe and productive work environment.

6. Accountability

A council member or committee member should —

- (a) base decisions on relevant and factually correct information; and
- (b) make decisions on merit, in the public interest and in accordance with statutory obligations and principles of good governance and procedural fairness; and
- (c) read all agenda papers given to them in relation to council or committee meetings; and
- (d) be open and accountable to, and represent, the community in the district.

Division 3 — Behaviour

7. Overview of Division

This Division sets out —

- (a) requirements relating to the behaviour of council members, committee members and candidates; and
- (b) the mechanism for dealing with alleged breaches of those requirements.

8. Personal integrity

(1) A council member, committee member or candidate —

- (a) must ensure that their use of social media and other forms of communication complies with this code; and
- (b) must only publish material that is factually correct.

(2) A council member or committee member —

- (a) must not be impaired by alcohol or drugs in the performance of their official duties; and
- (b) must comply with all policies, procedures and resolutions of the local government.

9. Relationship with others

A council member, committee member or candidate —

- (a) must not bully or harass another person in any way; and
- (b) must deal with the media in a positive and appropriate manner and in accordance with any relevant policy of the local government; and
- (c) must not use offensive or derogatory language when referring to another person; and
- (d) must not disparage the character of another council member, committee member or candidate or a local government employee in connection with the performance of their official duties; and
- (e) must not impute dishonest or unethical motives to another council member, committee member or candidate or a local

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government employee in connection with the performance of their official duties.

10. Council or committee meetings

When attending a council or committee meeting, a council member, committee member or candidate —

- (a) must not act in an abusive or threatening manner towards another person; and
- (b) must not make a statement that the member or candidate knows, or could reasonably be expected to know, is false or misleading; and
- (c) must not repeatedly disrupt the meeting; and
- (d) must comply with any requirements of a local law of the local government relating to the procedures and conduct of council or committee meetings; and
- (e) must comply with any direction given by the person presiding at the meeting; and
- (f) must immediately cease to engage in any conduct that has been ruled out of order by the person presiding at the meeting.

11. Complaint about alleged breach

- (1) A person may make a complaint, in accordance with subclause (2), alleging a breach of a requirement set out in this Division.
- (2) A complaint must be made —
 - (a) in writing in the form approved by the local government; and
 - (b) to a person authorised under subclause (3); and
 - (c) within 1 month after the occurrence of the alleged breach.
- (3) The local government must, in writing, authorise 1 or more persons to receive complaints and withdrawals of complaints.

12. Dealing with complaint

- (1) After considering a complaint, the local government must, unless it dismisses the complaint under clause 13 or the complaint is

withdrawn under clause 14(1), make a finding as to whether the alleged breach the subject of the complaint has occurred.

- (2) Before making a finding in relation to the complaint, the local government must give the person to whom the complaint relates a reasonable opportunity to be heard.
- (3) A finding that the alleged breach has occurred must be based on evidence from which it may be concluded that it is more likely that the breach occurred than that it did not occur.
- (4) If the local government makes a finding that the alleged breach has occurred, the local government may —
 - (a) take no further action; or
 - (b) prepare and implement a plan to address the behaviour of the person to whom the complaint relates.
- (5) When preparing a plan under subclause (4)(b), the local government must consult with the person to whom the complaint relates.
- (6) A plan under subclause (4)(b) may include a requirement for the person to whom the complaint relates to do 1 or more of the following —
 - (a) engage in mediation;
 - (b) undertake counselling;
 - (c) undertake training;
 - (d) take other action the local government considers appropriate.
- (7) If the local government makes a finding in relation to the complaint, the local government must give the complainant, and the person to whom the complaint relates, written notice of —
 - (a) its finding and the reasons for its finding; and
 - (b) if its finding is that the alleged breach has occurred — its decision under subclause (4).

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13. Dismissal of complaint

- (1) The local government must dismiss a complaint if it is satisfied that —
 - (a) the behaviour to which the complaint relates occurred at a council or committee meeting; and
 - (b) either —
 - (i) the behaviour was dealt with by the person presiding at the meeting; or
 - (ii) the person responsible for the behaviour has taken remedial action in accordance with a local law of the local government that deals with meeting procedures.
- (2) If the local government dismisses a complaint, the local government must give the complainant, and the person to whom the complaint relates, written notice of its decision and the reasons for its decision.

14. Withdrawal of complaint

- (1) A complainant may withdraw their complaint at any time before the local government makes a finding in relation to the complaint.
- (2) The withdrawal of a complaint must be —
 - (a) in writing; and
 - (b) given to a person authorised under clause 11(3).

15. Other provisions about complaints

- (1) A complaint about an alleged breach by a candidate cannot be dealt with by the local government unless the candidate has been elected as a council member.
- (2) The procedure for dealing with complaints may be determined by the local government to the extent that it is not provided for in this Division.

Division 4 — Rules of conduct

Notes for this Division:

1. Under section 5.105(1) of the Act a council member commits a minor breach if the council member contravenes a rule of conduct. This

extends to the contravention of a rule of conduct that occurred when the council member was a candidate.

2. A minor breach is dealt with by a standards panel under section 5.110 of the Act.

16. Overview of Division

- (1) This Division sets out rules of conduct for council members and candidates.
- (2) A reference in this Division to a council member includes a council member when acting as a committee member.

17. Misuse of local government resources

- (1) In this clause —
electoral purpose means the purpose of persuading electors to vote in a particular way at an election, referendum or other poll held under the Act, the *Electoral Act 1907* or the *Commonwealth Electoral Act 1918*;
resources of a local government includes —
 - (a) local government property; and
 - (b) services provided, or paid for, by a local government.
- (2) A council member must not, directly or indirectly, use the resources of a local government for an electoral purpose or other purpose unless authorised under the Act, or by the local government or the CEO, to use the resources for that purpose.

18. Securing personal advantage or disadvantaging others

- (1) A council member must not make improper use of their office —
 - (a) to gain, directly or indirectly, an advantage for the council member or any other person; or
 - (b) to cause detriment to the local government or any other person.
- (2) Subclause (1) does not apply to conduct that contravenes section 5.93 of the Act or *The Criminal Code* section 83.

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19. Prohibition against involvement in administration

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

20. Relationship with local government employees

- (1) In this clause —
local government employee means a person —
 - (a) employed by a local government under section 5.36(1) of the Act; or
 - (b) engaged by a local government under a contract for services.
- (2) A council member or candidate must not —
 - (a) direct or attempt to direct a local government employee to do or not to do anything in their capacity as a local government employee; or
 - (b) attempt to influence, by means of a threat or the promise of a reward, the conduct of a local government employee in their capacity as a local government employee; or
 - (c) act in an abusive or threatening manner towards a local government employee.
- (3) Subclause (2)(a) does not apply to anything that a council member does as part of the deliberations at a council or committee meeting.
- (4) If a council member or candidate, in their capacity as a council member or candidate, is attending a council or committee meeting or other organised event (for example, a briefing or workshop), the council member or candidate must not orally, in writing or by any other means —
 - (a) make a statement that a local government employee is incompetent or dishonest; or
 - (b) use an offensive or objectionable expression when referring to a local government employee.

- (5) Subclause (4)(a) does not apply to conduct that is unlawful under *The Criminal Code* Chapter XXXV.

21. Disclosure of information

- (1) In this clause —
- closed meeting** means a council or committee meeting, or a part of a council or committee meeting, that is closed to members of the public under section 5.23(2) of the Act;
- confidential document** means a document marked by the CEO, or by a person authorised by the CEO, to clearly show that the information in the document is not to be disclosed;
- document** includes a part of a document;
- non-confidential document** means a document that is not a confidential document.
- (2) A council member must not disclose information that the council member —
- (a) derived from a confidential document; or
 - (b) acquired at a closed meeting other than information derived from a non-confidential document.
- (3) Subclause (2) does not prevent a council member from disclosing information —
- (a) at a closed meeting; or
 - (b) to the extent specified by the council and subject to such other conditions as the council determines; or
 - (c) that is already in the public domain; or
 - (d) to an officer of the Department; or
 - (e) to the Minister; or
 - (f) to a legal practitioner for the purpose of obtaining legal advice; or
 - (g) if the disclosure is required or permitted by law.

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22. Disclosure of interests

- (1) In this clause —
interest —
- (a) means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest; and
 - (b) includes an interest arising from kinship, friendship or membership of an association.
- (2) A council member who has an interest in any matter to be discussed at a council or committee meeting attended by the council member must disclose the nature of the interest —
- (a) in a written notice given to the CEO before the meeting; or
 - (b) at the meeting immediately before the matter is discussed.
- (3) Subclause (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4) Subclause (2) does not apply if a council member fails to disclose an interest because the council member did not know —
- (a) that they had an interest in the matter; or
 - (b) that the matter in which they had an interest would be discussed at the meeting and the council member disclosed the interest as soon as possible after the discussion began.
- (5) If, under subclause (2)(a), a council member discloses an interest in a written notice given to the CEO before a meeting, then —
- (a) before the meeting the CEO must cause the notice to be given to the person who is to preside at the meeting; and
 - (b) at the meeting the person presiding must bring the notice and its contents to the attention of the persons present immediately before any matter to which the disclosure relates is discussed.
- (6) Subclause (7) applies in relation to an interest if —
- (a) under subclause (2)(b) or (4)(b) the interest is disclosed at a meeting; or

(b) under subclause (5)(b) notice of the interest is brought to the attention of the persons present at a meeting.

(7) The nature of the interest must be recorded in the minutes of the meeting.

23. Compliance with plan requirement

If a plan under clause 12(4)(b) in relation to a council member includes a requirement referred to in clause 12(6), the council member must comply with the requirement.

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Notes

This is a compilation of the *Local Government (Model Code of Conduct) Regulations 2021*. For provisions that have come into operation see the compilation table.

Compilation table

Citation	Published	Commencement
<i>Local Government (Model Code of Conduct) Regulations 2021</i>	SL 2021/15 2 Feb 2021	Pt. 1: 2 Feb 2021 (see r. 2(a)); Regulations other than Pt. 1: 3 Feb 2021 (see r. 2(b) and SL 2021/13 cl. 2)

Defined terms

[This is a list of terms defined and the provisions where they are defined.

The list is not part of the law.]

Defined term	Provision(s)
Act.....	Sch. 1 cl. 2(1)
candidate.....	Sch. 1 cl. 2(1)
closed meeting	Sch. 1 cl. 21(1)
complaint	Sch. 1 cl. 2(1)
confidential document.....	Sch. 1 cl. 21(1)
document.....	Sch. 1 cl. 21(1)
electoral purpose	Sch. 1 cl. 17(1)
interest.....	Sch. 1 cl. 22(1)
local government employee	Sch. 1 cl. 20(1)
non-confidential document	Sch. 1 cl. 21(1)
publish.....	Sch. 1 cl. 2(1)
resources of a local government.....	Sch. 1 cl. 17(1)



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Guidelines on the Model Code of Conduct for Council Members, Committee Members and Candidates

February 2021

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Model Code of Conduct

Introduction

Local government is vital for the delivery of key services and infrastructure in the community. Individuals who are, or seek to be, members of local councils and council committees are entrusted by their community to represent local views, make sound decisions, and utilise public funds effectively to deliver services and amenities for their community. As such, a high standard of professional and ethical conduct is expected of council members and committee members in local governments, as well as candidates in local government elections.

A review of the *Local Government Act 1995* (Act), including consultation with community and sector stakeholders, led to the implementation of priority reforms under the *Local Government Amendment Act 2019* (Amendment Act).

The Amendment Act was developed in response to stakeholder feedback that there was a need for governance reforms, including a Code of Conduct for council members, committee members and candidates that clearly reflects community expectations of behaviour and supports consistency between local governments in relation to the overall process for managing alleged breaches of that Code.

As a result, key reforms under the Amendment Act include the introduction of a Model Code of Conduct (Model Code) that must be adopted by local governments and applied to council members, committee members and candidates; as well as a separate Code of Conduct for Employees.

The Model Code replaces the previous statutory requirement for local governments to develop and implement an individual code of conduct for their council members, committee members and employees.

The *Model Code of Conduct Regulations 2021* (Regulations) have been developed to give effect to the Amendment Act, and provide for:

- overarching principles to guide behaviour;
- behaviours and complaints which are managed by local governments; and
- rules of conduct, contraventions of which are considered by the independent Local Government Standards Panel (Standards Panel) where appropriate.

Definitions

The Model Code defines key terms to aid understanding and compliance. Where a term is not defined in either the Regulations or the Act, then the generally accepted meaning of the term applies. Some additional guidance is provided as follows:

Candidate: an individual is considered a candidate when their nomination for election is accepted by a Returning Officer under section 4.49 of the Act. The Model Code applies to the individual from that point. Any alleged breach of the Model Code may only be addressed if and when the individual is elected as a council member.

Council member: references to 'council member' in the Regulations mean an individual who has been elected as a council member under the Act. The requirements of the Regulations also apply to a council member who is a committee member on a council committee.

Committee member: under the Regulations, a 'committee member' includes any council member, local government employee or unelected member of the community who has been engaged by the council to participate in a council committee.

Evidence: references to 'evidence' in the Regulations means the available facts or information indicating whether an allegation is true or valid. Local governments must use evidence provided by the complainant and by the person to whom the complaint relates, as well as other relevant information, to decide whether an alleged breach of the Model Code has occurred.

Local government(s): per the approach in the Act, references to 'local government' in the Regulations mean the body corporate that is the local governing body made up of the council, Chief Executive Officer (CEO) and administrative staff appointed and managed by the CEO.

Where a statutory function entails decision-making on governance matters, the council is responsible for making those decisions. This includes decisions on complaints regarding the conduct of council members, committee members and candidates, as set out in the Regulations.

Further guidance on certain terms in the Model Code is provided in these Guidelines.

Purpose

The purpose of the Model Code is to guide the decisions, actions and behaviours of members, both in council and on council committees, and of candidates running for election as a council member.

Members must comply with the provisions in the Model Code in fulfilling their role and responsibilities in council and on council committees, as set out in the Act.

An individual who has nominated as a candidate for election as a council member is also required to demonstrate professional and ethical behaviour during their election campaign. If elected, the individual must continue to comply with the Model Code in council and on council committees.

It is the individual responsibility of council members, committee members and candidates to become familiar with the Model Code, these Guidelines and any relevant policies of their local government, and to follow the Code at all times.

Where the behaviour of a council member, committee member or candidate does not comply with the Code, it is intended that the local council address the behaviour through education and other remedial actions that the council considers appropriate, rather than formal sanctions.

Where an individual does not comply with any action required by the council, then the council may determine that the matter is to be referred to the Standards Panel as an

alleged contravention of a rule of conduct. The Standards Panel has the authority to make binding decisions regarding allegations of minor misconduct.

Adoption

Section 5.104 of the Act requires that local governments adopt the Model Code as their Code of Conduct within three months of the Regulations coming into operation (by 3 May 2021). Note: The operational requirements of Division 3 require local governments to take certain initial actions within three weeks (by 24 February 2021).

In accordance with section 5.104(4), the Model Code applies until the local government adopts it as their Code. This means that the principles, behaviour requirements and rules of conduct of the Regulations apply to council members, committee members and candidates even if their local government has not yet adopted the Model Code.

While local governments may not amend Division 2 (Principles) or Division 4 (Rules of Conduct), additional behaviour requirements can be included in Division 3 (Behaviours) if deemed appropriate by the local government. Any additions must be consistent with the Model Code of Conduct (section 5.104(3) of the Act).

In preparing the Code for adoption, local governments are encouraged to review their existing Code and consider incorporating any additional behaviour requirements that are not represented in the Model Code. This may include specific dress standards or the appropriate use of technology.

To adopt the Code, a resolution passed by an absolute majority of the council is required. Once the Code is adopted, it must be published on the local government's official website (section 5.104(7)).

Division 2 – General Principles

This section of the Regulations set out the fundamental rules that council members, committee members and candidates are expected to adhere to, promote and support. Adhering to these rules will assist individuals to comply with the behaviours outlined in Division 3 and 4.

The principles outline the overarching approach that members and candidates should demonstrate in their role as public representatives, or potential public representatives. Individuals should consider all behaviours in light of these principles, including any behaviour and conduct that is not covered specifically in Division 3 and 4.

The principles are grouped into three key areas: Personal Integrity; Relationships with others and Accountability. Additional guidance on these areas is provided as follows:

Integrity and conflicts of interest

Members and candidates are generally active in their local area which may lead to a conflict between the public interests of the community and the personal interests of the individual, their family members and associates.

It is the individual responsibility of members and candidates to disclose any such conflicts and ensure that they are managed appropriately to comply with the Model Code and serve their community as expected by the local electors.

Individuals should also consider perceived and potential conflicts of interest. While an individual may be confident of the integrity of their actions, it is important to reflect on how their actions may appear to others, and/or how an action taken now could lead to a conflict of interest in future. If an interest is identified, the individual should disclose and manage this to avoid a conflict with the public interest.

Avoidance of reputational damage

Elected members and candidates may hold strong concerns in relation to actions, or a lack of action, by their local government on certain matters.

It is the individual responsibility of members to ensure that they comply with the Model Code by raising concerns in a respectful and constructive manner and working effectively with their colleagues for their community, as expected by the local electors.

During an election campaign, it is the individual responsibility of candidates to ensure that any concerns they raise regarding the current local government is based on accurate information and expressed in a respectful and constructive manner that demonstrates to local electors their suitability as a potential public representative.

Decision-making and accountability

Council and committee members regularly make decisions that impact on their local area. The community expects that members will make council and committee decisions based on information that is relevant and factually correct. This will vary according to the decision to be made and the information available to the council members and committee members at that time.

In general, individuals are responsible for ensuring their decisions are based on information that is accurate and pertinent to the matter at hand; and can be reasonably considered accurate and relevant by others.

As part of being accountable to their community, council members and committee members should accept responsibility for the decisions they make in the performance of their role.

Division 3 – Behaviour

This section of the Regulations sets the standards of behaviour which reflect the general principles outlined in Division 2.

It is the individual responsibility of members and candidates to demonstrate, promote and support professional and ethical behaviour as provided in the Model Code.

Complaints regarding alleged breaches of the Model Code in Division 3 are managed by the local council as the decision-making body of the local governments. The division also provides a process for responding to alleged breaches. The emphasis is on

education and development, rather than punitive sanctions, with the aim of establishing or restoring positive working relationships and avoiding further breaches.

Failure to comply with this Division may give rise to a complaint regarding the conduct of a council member, committee member or candidate, which may lead to the council making a formal finding of a breach and requiring remedial action by the individual.

A local government may wish to develop further guidance on dealing with complaints through the introduction of a complementary policy and/or procedure on complaints management to the extent it is not provided for in the Regulations. There are resources on effective complaints management available on the Ombudsman WA's website at www.ombudsman.wa.gov.au.

Complaints

Process for making a complaint

Clause 11 of the Regulations provides that a person can make a complaint alleging a breach of Division 2 within one month of the alleged breach occurring.

Local governments should ensure that making a complaint is a simple and accessible process so that any member of the local community can raise concerns about the conduct of council members, committee members and candidates.

Local governments should make it clear that it is important a complainant provides details in their complaint, with supporting information where feasible to do so, because the complaint will form part of the evidence considered by the council when deciding whether a breach of the Model Code has occurred.

Action required

Local governments must authorise at least one person to receive complaints regarding members and candidates. While the Regulations do not include specific requirements and a local government may decide that the complaints officer is appropriate, other options could include:

- President or Mayor,
- Deputy President or Mayor (especially for complaints about the President or Mayor),
- Chief Executive Officer, or
- External consultant

To account for any breaches occurring on the first day that the Regulations take effect, local governments must authorise at least one person within three weeks of the Regulations taking effect (by 24 February 2021).

The Regulations also provide that complaints are to be made in writing in a form approved by the local government.

Action required

Local governments must determine whether there will be a specific template for complaints and process for how they are to be lodged.

Local governments may choose to:

- establish a specific email address for conduct complaints
- provide a name/position to whom complaints should be addressed
- prepare a complaint form to allow the complainant.
- engaged an independent person to support the resolution of a complaint. Local governments may consider sharing the services of an independent person.

The Department has prepared a template form for complaints to assist local governments. The template is available on the department's website at www.dlgsc.wa.gov.au.

The authorised person(s) should acknowledge the receipt of every written complaint in a timely manner. As part of the acknowledgment process, the complainant should be provided information on how the complaint will be progressed and an expected timeframe for the matter to be finalised. This may include providing the complainant with a copy of the complaint policy where available.

Dealing with a complaint

The Regulations do not specify a timeframe by when complaints should be dealt with, however, a timeframe could be included in a local government's policy.

In the interests of procedural fairness, all complaints should be dealt with in a timely manner and allow all parties the opportunity to provide information regarding the alleged conduct.

Clause 12 of the Regulations outlines the process for dealing with complaints regarding the conduct of elected members and candidates. The Model Code leaves it open to local governments to determine the most appropriate and effective process for how this is undertaken. Options could include:

- The President/Mayor or Deputy consider all complaints
- Delegation of complaints to the CEO to prepare a report for the council
- Appointment of an independent/external consultant to review complaints and provide a report to the council
- Establish a committee to review complaints and report to the council. The committee may include independent members.

Local governments should consider how they are going to respond to complaints, and whether complaints are going to be addressed based on seriousness or impact of the allegation or on the order in which complaints are received.

Action required

Local governments must determine who will be considering complaints received and how complaints will be prioritised and managed.

Clause 12(2) of the Regulations require that the person to whom the complaint relates is given a reasonable opportunity to be heard. This should include providing a copy of the complaint to that person in a timely manner and allowing them an opportunity to respond to the allegations in writing. The information provided by that person will assist the local government in forming a view as to whether a breach has occurred.

Making a finding

Clause 12(1) requires the local council to consider whether the alleged matter which is the subject of a complaint, did occur and make a finding on whether the matter constituted a breach of the Code of Conduct.

The local council should use the same approach as the Standards Panel in their deliberations and decision-making; that is, based on the complaint and other evidence received by the council, the council must be satisfied that, on the balance of probabilities, it is more likely than not that a breach occurred.

Information provided by the complainant and information provided by the person to who the complaint relates will assist the council to make a finding.

Action Plans

Clause 12(4) provides that if the local council makes a finding that a breach of the Code of Conduct did occur, the council may determine that no further action is required; or that an action plan must be prepared and implemented.

An action plan should be designed to provide the member with the opportunity and support to demonstrate the professional and ethical behaviour expected of elected representatives.

The action plan does not need to be complex. The plan should outline:

- the behaviour(s) of concern;
- the actions to be taken to address the behaviour(s);
- who is responsible for the actions; and
- an agreed timeframe for the actions to be completed.

An action plan should not include measures that are intended to be a punishment, and instead should focus on mechanisms to encourage positive behaviour and prevent negative behaviour from occurring again in future.

The Code requires that in preparing the action plan, consultation must be undertaken with the elected member to whom the plan relates. This is designed to provide the member with the opportunity to be involved in matters such as the timing of meetings or training. Note: some members may not be willing to engage with the opportunity to participate in the process.

The council or a delegated person should monitor the actions and timeframes set out in the action plan. This is important because if the member does not comply with the

action/s within the agreed timeframe, then under the Regulations it is considered a contravention of a rule of conduct.

Dismissal of complaints

While local governments are required to consider all complaints, they can be dismissed if:

- the behaviour occurred at a council or committee meeting and the behaviour was dealt with at that meeting (clause 13), or
- the complaint is withdrawn (clause 14).

Clause 13 allows a complaint to be dismissed if the behaviour occurred at a council or committee meeting, and that behaviour was addressed at the time. This could have been by the presiding member, or remedial action was taken in accordance with the local government's standing orders or local law.

Where agreement cannot be reached

Circumstances may arise when a local council cannot agree on the resolution of a complaint or whether the complaint can be dismissed under clause 13.

In these situations, the local government may decide to engage an independent person to review the complaint and make recommendations on appropriate actions.

Withdrawal of a complaint

Clause 14 provides the option for a complaint to be withdrawn before it is considered by the council.

Local governments may elect to include in their complaints policy the option for mediation between the complainant and the member. Mediation may resolve any specific issues before the council is required to make a finding and may lead to the complainant withdrawing the complaint. Clause 14 requires a withdrawal to be made in writing and provided to the person(s) authorised to receive complaints.

Division 4 – Rules of Conduct

Contraventions of rules of conduct are matters that:

- negatively affect the honest or impartial performance of an elected member;
- involve a breach of trust placed in the elected member; or
- involve the misuse of information or material.

Division 4 sets out rules of conduct for elected members and candidates that relate to the principles in Division 2 and the behaviours in Division 3. This Division also introduces a new rule of conduct to address situations where an elected member does not undertake the actions required by the local council following a breach of the Model Code. A contravention of this rule of conduct is considered a minor breach, as defined in the Act.

The process for complaints under Division 4 is outlined in the Act. Complaints in the first instance are directed to the complaints officer at the local government. The Act provides that the complaints officer is the CEO or another officer with delegated responsibility.

A council may decide to refer an alleged contravention of Division 4 to the independent Standards Panel in accordance with the Act. As the Panel does not have investigative powers, decisions are made based on the information received by the Panel from the local government. The Standards Panel must be satisfied that, on the balance of probabilities, it is more likely than not that a breach has occurred for the Standards Panel to make a finding of breach.

Where the Standards Panel makes a finding against an elected member or candidate, sanctions will be imposed in accordance with the Part 5 Division 9 of the Act.

Nothing in this Division removes the obligations placed upon council members and employees (including the CEO) of the local government under the *Corruption, Crime and Misconduct Act 2003*.

Further information on the Standards Panel process is available on the Department's website.

Further information

The aim of the Model Code of Conduct is to foster a high standard of professional and ethical conduct by council members and candidates, and to support consistency across local governments in relation to their response to complaints regarding conduct.

Local governments are encouraged to seek guidance and advice on specific matters whenever necessary. For queries, please contact: actreview@dlgsc.wa.gov.au

LOCAL GOVERNMENT (MODEL CODE OF CONDUCT) REGULATIONS 2021 – EXPLANATORY NOTES

These regulations bring into effect **sections 48 to 51** of the *Local Government Legislation Amendment Act 2019*.

In particular, the following will take effect: sections 5.102A, 5.103, 5.104 and 5.105.

	Regulation	Explanation
3	Model Code of Conduct	These regulations provide for the model code of conduct for council members, committee members and candidates in Schedule 1.
4	<i>Local Government (Rules of Conduct) Regulations 2007</i> repealed	This regulation repeals the <i>Local Government (Rules of Conduct) Regulations 2007</i> (Rules of Conduct Regulations) as they now form part of the Model Code regulations (Schedule 1, Division 4).
5	<i>Local Government (Administration) Regulations 1996</i> amended	<p>This regulation inserts new Part 9A – Minor breaches by council members - into the Model Code regulations. It replaces existing regulation 4 of the Rules of Conduct Regulations (Contravention of certain local laws) and instead inserts it into the Administration Regulations.</p> <p>Part 9A provides that a contravention of a local law that relates to the conduct of people at council or committee meetings is a minor breach for the purposes of section 5.105(1)(b) of the Act. This is not a rule of conduct, which is why it is separate to the provisions in the Model Code.</p>
6	<i>Local Government (Audit) Regulations 1996</i> amended	This regulation amends the statutory requirements for the compliance audit return to capture the adoption of the Model Code and deletes the reference to the Rules of Conduct Regulations.
7	<i>Local Government (Constitution) Regulations 1998</i> amended	This regulation amends Schedule 1 Form 7 (Declaration by elected member of council) of the Constitution Regulations to reference the code of conduct adopted by the relevant local government, rather than the Rules of Conduct Regulations.
	Schedule 1 – Model code of conduct	
1	Citation	New section 5.104 of the Local Government Act requires local governments to adopt the model code of conduct within three months of these Regulations coming into operation. Until the Model Code is adopted, in accordance with section 5.104(5), the model code is taken to be a local government's adopted code of conduct until the local government adopts a code of conduct.

	Regulation	Explanation
		<p>The Model Code, as drafted, provides a template for local governments to adopt the code as their own by inserting their local government name.</p> <p>In accordance with section 5.104(3), local governments can include additional behaviours under Division 3 that are not inconsistent with the Code, which may not currently be represented.</p> <p>To adopt the code, a resolution needs to be passed by an absolute majority. Once the code is adopted, it must be published on the local government's website.</p>
2	Terms Used	This clause defines "Act", "candidate", "complaint" and "publish". All other terms used have the same meaning as in the Act unless the contrary intention appears.
	Division 2 – General principles	
3	Overview of Division	As per new section 5.103(2)(a), the Model Code is to contain general principles to guide behaviour. These are set out in Division 2.
4	Personal Integrity	<p>This clause outlines specific personal integrity principles, including the need to:</p> <ul style="list-style-type: none"> • act with reasonable care and diligence; • act with honesty and integrity; • act lawfully; • identify and appropriately manage any conflict of interest; • avoid damage to the reputation of the local government.
5	Relationships with others	This clause outlines principles for relationships with others, including the need to treat others with respect, courtesy and fairness, and maintain and contribute to a harmonious, safe and productive work environment.
6	Accountability	This clause outlines principles for accountability, including that decisions should be based on relevant and factually correct information and that a council or committee member should be open and accountable to, and represent, the community in the district.
	Division 3 - Behaviour	
7	Overview of Division	<p>As per new section 5.103(2)(b), the Model Code is to contain requirements relating to behaviour.</p> <p>This division sets the standards of behaviour which enable and empower members to meet the principles outlined in Division 2. Division 3 behaviour breaches are managed by local</p>

	Regulation	Explanation
		governments, and so the division also includes a mechanism to deal with alleged breaches. The emphasis is on an educative role to establish sound working relationships and avoid repeated breaches.
8	Personal Integrity	<p>This clause provides for behaviours for council members, committee members and candidates, as well as behaviours specific to council and committee members.</p> <p>Behaviours include that a council member, committee member or candidate must ensure their use of social media and other forms of communication comply with the code. Members must also not be impaired by alcohol or drugs in the performance of their official duties.</p>
9	Relationships with others	<p>This clause provides for behaviours related to relationships with others, including the requirement to:</p> <ul style="list-style-type: none"> • deal with the media in a positive and appropriate manner; • not use offensive or derogatory language when referring to another person; • not disparage the character of another council member, committee member, candidate or local government employee in connection with the performance of their official duties; and • not impute dishonest or unethical motives to another council member, committee member, candidate or local government employee in connection with the performance of their official duties.
10	Council or committee meetings	<p>This clause provides for behaviours when attending a council or committee meeting. This includes that a council member, committee member or candidate must not:</p> <ul style="list-style-type: none"> • act in an abusive or threatening manner towards another person; • repeatedly disrupt the meeting; or • make a statement that they know, or could reasonably be expected to know, is false or misleading.
11	Complaints about alleged breach	<p>This clause provides that a person may make a complaint alleging a breach of Division 3 by submitting the complaint in writing (in a form approved by the local government) within one month of the alleged breach occurring.</p> <p>The local government is to authorise at least one person to receive complaints and withdrawals of complaints.</p>

	Regulation	Explanation
12	Dealing with complaint	<p>This clause provides a process for dealing with complaints. Subclause (1) requires local governments to make a finding as to whether the breach occurred, unless the complaint is dismissed (clause 13), or withdrawn (clause 14).</p> <p>Before making a finding, the person to whom the complaint relates must be given a reasonable opportunity to be heard. A finding about whether the breach has occurred should be based on whether it is more likely than not that the breach occurred. This is the same premise used by the Standards Panel in its decision making.</p> <p>If a finding of breach is made, the local government can choose to take no further action or develop a plan to address the person's behaviour. This may include training, mediation, counselling or any other action considered appropriate. Subclause (5) requires that the local government must consult with the person to whom the complaint relates in preparing the plan.</p> <p>After a finding has been made, written notice of the outcome needs to be given to the complainant and the person to whom the complaint relates.</p>
13	Dismissal of complaint	This clause provides that a complaint must be dismissed if the behaviour occurred at a council or committee meeting, and the local government is satisfied that the behaviour has already been dealt with, or the person responsible for the behaviour has taken remedial action in accordance with the meeting procedures local law.
14	Withdrawal of complaint	This clause provides that a complainant may withdraw a complaint at any time before a finding is made.
15	Other provisions about complaints	This clause provides that a complaint about a candidate cannot be dealt with unless the candidate is elected. It also allows local governments to determine the procedure for dealing with complaints to the extent it isn't already provided for.
	Division 4 – Rules of conduct	
16	Overview of Division	<p>As per section 5.103(2)(c) of the Amendment Act, the Model Code contains rules of conduct. The rules of conduct are specific rules for which alleged breaches (minor breaches) are referred to the Standards Panel. A reference to a council member in this division includes a council member acting as a committee member.</p> <p>The Rules of Conduct Regulations are being repealed (see regulation 4 above) and replaced by this Division.</p>

	Regulation	Explanation
17	Misuse of local government resources	This clause is based on regulation 8 of the Rules of Conduct Regulations. It provides that a council member must not misuse local government resources, which includes local government property or services.
18	Securing personal advantage or disadvantaging others	This is based on regulation 7 of the Rules of Conduct Regulations. It provides that a council member must not make improper use of their office to gain advantage or cause detriment to the local government or any other person.
19	Prohibition against involvement in administration	This is based on regulation 9 of the Rules of Conduct Regulations. It provides that a council member must not undertake a task that contributes to the administration of the local government unless authorised by the local government (council) or CEO.
20	Relationship with local government employees	This is based on regulation 10 of the Rules of Conduct Regulations. It provides that a council member or candidate must not direct, influence, abuse or threaten a local government employee.
21	Disclosure of information	This is based on regulation 6 of the Rules of Conduct Regulations. It provides that a council member must not disclose information that is from a confidential document or was acquired at a closed meeting.
22	Disclosure of interests	This is based on regulation 11 of the Rules of Conduct Regulations. It provides that a council member must disclose impartiality interests, which includes interests arising from kinship, friendship or membership of an association.
23	Compliance with plan requirement	This is a new rule of conduct that provides for a minor breach if a council member does not comply with a plan requirement (see clause 12(4)(b)) imposed by the local government following a breach of a behaviour under Division 3.

Model Code of Conduct

Council Members, Committee Members and Candidates

On 3 February 2021, the Local Government (Model Code of Conduct) Regulations 2021 (Model Code) introduced a mandatory code of conduct for council members, committee members and candidates.

The purpose of the Model Code is to guide decisions, actions and behaviours of council members, elected and unelected committee members, and candidates in local elections. The intent of the Model Code is that local governments will address behaviour through education rather than sanctions.

The Model Code replaces the previous statutory requirement for local governments to develop and implement an individual code of conduct for their council members, committee members and employees.

The need for a Model Code

Individuals who are, or seek to be, members of local councils and council committees are entrusted by their community to represent local views, make sound decisions, and utilise public funds effectively to deliver services and amenities for their community. As such, a high standard of professional and ethical conduct is expected of council members and committee members in local governments, as well as candidates in local government elections.

A review of the Local Government Act 1995 (Act), including consultation with community and sector stakeholders, led to the implementation of priority reforms under the Local Government Legislation Amendment Act 2019 (Amendment Act).

The Amendment Act was developed in response to stakeholder feedback that there was a need for governance reforms, including a Code of Conduct for council members, committee members and candidates that clearly reflects community expectations of behaviour and supports consistency between local governments in relation to the overall process for managing alleged breaches of that Code.

Required actions for local governments and individuals

Section 5.104 of the Act requires that local governments adopt the Model Code as their Code of Conduct within three months of the Regulations coming into operation (by 3 May 2021). Note: The operational requirements of Division 3 require local governments to take certain initial actions, ideally within three weeks (by 24 February 2021).

In accordance with section 5.104(5), the Model Code applies until the local government adopts it as their Code. This means that the principles, behaviour requirements and rules of conduct of the Regulations apply to council members, committee members and candidates even if their local government has not yet adopted the Model Code.

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To begin implementation of the Model Code, by 24 February 2021, local governments should:

17.1.2 - February 2021

- appoint a person(s) to receive complaints by either affirming the complaint officers or appointing a new or additional officer(s), and
- approve a form for complaints to be lodged (a template is available for download).



Code of conduct breach template (docx) 25 KB >

If these actions are not completed by 24 February 2021, under the provisions of the Regulations, a complaint made on or around 3 February 2021 may lapse before it can be formally lodged. This would be considered inconsistent with the principles of procedural fairness and community expectations of local government.

To adopt the Model Code, a resolution passed by an absolute majority of the council is required. Once the Code is adopted, it must be published on the local government's official website (section 5.104(7)).

A copy of the Model Code and associated Explanatory Notes should be provided to all council members, committee members and any candidates in upcoming elections.

It is the individual responsibility of council members, committee members and candidates to become familiar with the Model Code, the Guidelines on the Model Code as well as any relevant policies of their local government, and to follow the Code at all times.

Responding to complaints about behaviour

The Model Code provides a high-level process that requires local councils to make a finding on complaints regarding the alleged behaviour of council members, committee members and candidates that have been elected.

Local governments are encouraged to develop a policy and/or procedure for dealing with complaints that is consistent with the Regulations. Local governments may adapt any existing policies and procedures to ensure consistency with the Model Code.

The department has prepared guidelines to assist local governments in this matter. In addition, there are a **[range of resources available from the Ombudsman WA](https://www.ombudsman.wa.gov.au/Agencies/Complaints_processes.htm)** (https://www.ombudsman.wa.gov.au/Agencies/Complaints_processes.htm).



Model Code of Conduct Guidelines (pdf) 277 KB >

Additions to the Model Code

Local governments may not amend Division 2 (Principles) or Division 4 (Rules of Conduct). Additional behaviour requirements can be included in Division 3 (Behaviours) if deemed appropriate by the local government. Any additions must be consistent with the Model Code of Conduct (section 5.104(3) of the Act).

In preparing the Model Code for adoption, local governments are encouraged to review their existing Code and consider incorporating any additional behaviour requirements that are not represented in the Model Code. This may include specific dress standards or the appropriate use of technology.

Further information can be found on the department's website, including a copy of the [regulations, detailed explanatory notes and guidelines \(/local-government/strengthening-local-government/public-consultations/local-government-act-review/priority-reforms\)](#). Local governments can also contact the department via actreview@dlgsc.wa.gov.au (<mailto:actreview@dlgsc.wa.gov.au>) with any queries in relation to the Model Code.

Page reviewed 05 February 2021

Related information

[Local Government Act Review](#) > [Reforms introduced](#) >

**Complaint About Alleged Breach Form -
Code of conduct for council members, committee members and
candidates**

Schedule 1, Division 3 of the *Local Government (Model Code of Conduct) Regulations 2021*

NOTE: A complaint about an alleged breach must be made —
(a) in writing in the form approved by the local government
(b) to an authorised person
(c) within one month after the occurrence of the alleged breach.

Name of person who is making the complaint:

Name:

_____ Given Name(s)

_____ Family Name

Contact details of person making the complaint:

Address: _____

Email: _____

Contact number: _____

Name of the local government (city, town, shire) concerned:

**Name of council member, committee member, candidate alleged to have
committed the breach:**

**State the full details of the alleged breach. Attach any supporting evidence
to your complaint form.**

Date of alleged breach:
_____ / _____ / 20_____

SIGNED:
Complainant's signature:
Date of signing: _____ / _____ / 20_____

Received by Authorised Officer
Authorised Officer's Name:
Authorised Officer's Signature:
Date received: _____ / _____ / 20_____

NOTE TO PERSON MAKING THE COMPLAINT:

This form should be completed, dated and signed by the person making a complaint of an alleged breach of the Code of Conduct. The complaint is to be specific about the alleged breach and include the relevant section/subsection of the alleged breach.

The complaint must be made to the authorised officer within one month after the occurrence of the alleged breach.

Signed complaint form is to be forwarded to: (insert email/postal address)

23. Decision to terminate

Any decision by the local government to terminate the employment of a CEO must be made by resolution of an absolute majority of the council.

24. Notice of termination of employment

- (1) If the local government terminates the employment of a CEO, the local government must give the CEO notice in writing of the termination.
- (2) The notice must set out the local government's reasons for terminating the employment of the CEO.

N. HAGLEY, Clerk of the Executive Council.

LG302

Local Government Act 1995

Local Government Regulations Amendment (Employee Code of Conduct) Regulations 2021

SL 2021/16

Made by the Governor in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations are the *Local Government Regulations Amendment (Employee Code of Conduct) Regulations 2021*.

2. Commencement

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day on which the *Local Government Legislation Amendment Act 2019* section 25 comes into operation.

Part 2 — *Local Government (Administration) Regulations 1996* amended

3. Regulations amended

This Part amends the *Local Government (Administration) Regulations 1996*.

4. Part 4A inserted

After regulation 19A insert:

Part 4A — Codes of conduct for local government employees (Act s. 5.51A(4))

Division 1 — Terms used

19AA. Terms used

In this Part —

activity involving a local government discretion means an activity —

- (a) that cannot be undertaken without an authorisation from the local government; or
- (b) by way of a commercial dealing with the local government;

associated person means a person who —

- (a) is undertaking or seeking to undertake an activity involving a local government discretion; or
- (b) it is reasonable to believe, is intending to undertake an activity involving a local government discretion;

code of conduct means a code of conduct under section 5.51A;

gift —

- (a) has the meaning given in section 5.57; but
- (b) does not include —
 - (i) a gift from a relative as defined in section 5.74(1); or
 - (ii) a gift that must be disclosed under the *Local Government (Elections) Regulations 1997* regulation 30B; or
 - (iii) a gift from a statutory authority, government instrumentality or non-profit association for professional training; or

- (iv) a gift from WALGA, the Australian Local Government Association Limited (ABN 31 008 613 876), the Local Government Professionals Australia WA (ABN 91 208 607 072) or the LG Professionals Australia (ABN 85 004 221 818);

interest —

- (a) means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest; and
- (b) includes an interest arising from kinship, friendship or membership of an association;

local government employee means a person —

- (a) employed by a local government under section 5.36(1); or
- (b) engaged by a local government under a contract for services;

prohibited gift, in relation to a local government employee, means —

- (a) a gift worth the threshold amount or more; or
- (b) a gift that is 1 of 2 or more gifts given to the local government employee by the same person within a period of 1 year that are in total worth the threshold amount or more;

threshold amount, for a prohibited gift, means \$300 or a lesser amount determined under regulation 19AF.

Division 2 — Content of codes of conduct

19AB. Prohibited gifts

- (1) In this regulation —
local government employee does not include the CEO.
- (2) A code of conduct must contain a requirement that a local government employee not accept a prohibited gift from an associated person.

19AC. Recording, storing, disclosure and use of information relating to gifts

- (1) In this regulation —
local government employee does not include the CEO.
- (2) A code of conduct must contain requirements relating to the recording, storing, disclosure and use of information relating to gifts that, under a code of conduct, may be accepted by local government employees from associated persons.

19AD. Conflicts of interest

- (1) A code of conduct must contain a requirement that a local government employee who has an interest in any matter to be discussed at a council or committee meeting attended by the local government employee disclose the nature of the interest —
 - (a) in a written notice given to the CEO before the meeting; or
 - (b) at the meeting immediately before the matter is discussed.
- (2) A code of conduct must contain a requirement that a local government employee who has given, or will give, advice in respect of any matter to be discussed at a council or committee meeting not attended by the local government employee disclose the nature of any interest the local government employee has in the matter —
 - (a) in a written notice given to the CEO before the meeting; or
 - (b) at the time the advice is given.
- (3) A code of conduct must exclude from a requirement under subregulation (1) or (2) an interest referred to in section 5.60.
- (4) A code of conduct must excuse a local government employee from a requirement under subregulation (1) or (2) if the local government employee fails to disclose the nature of an interest because they did not know and could not reasonably be expected to know —
 - (a) that they had an interest in the matter; or
 - (b) that the matter in which they had an interest would be discussed at the meeting and they disclosed the nature of the interest as soon as possible after the discussion began.
- (5) A code of conduct must require that if, to comply with a requirement under subregulation (1) or (2), a local government employee discloses an interest in a written notice given to the CEO before a meeting, then —
 - (a) before the meeting the CEO must cause the notice to be given to the person who is to preside at the meeting; and
 - (b) at the meeting the person presiding must bring the notice and its contents to the attention of the persons present immediately before any matter to which the disclosure relates is discussed.

- (6) Subregulation (7) applies if —
 - (a) to comply with a requirement under subregulation (1), the nature of an interest in a matter is disclosed at a meeting; or
 - (b) a disclosure is made as described in subregulation (4)(b) at a meeting; or
 - (c) to comply with a requirement under subregulation (5)(b), notice of the interest is brought to the attention of the persons present at a meeting.
- (7) The nature of the interest must be recorded in the minutes of the meeting.

19AE. Other matters codes of conduct must deal with

- (1) In this regulation —
resources of the local government includes —
 - (a) local government property; and
 - (b) services provided, or paid for, by the local government.
- (2) A code of conduct must contain requirements relating to —
 - (a) the behaviour expected of a local government employee in relation to each of the following —
 - (i) the performance of the local government employee's duties;
 - (ii) dealings with other local government employees and the broader community;
 - (iii) the use and disclosure of information acquired by the local government employee in the performance of their duties;
 - (iv) the use of the resources of the local government;
 - (v) the use of the local government's finances;
 and
 - (b) how the records of the local government are to be kept; and
 - (c) the reporting by local government employees of suspected breaches of codes of conduct and suspected unethical, fraudulent, dishonest, illegal or corrupt behaviour; and
 - (d) the way in which suspected breaches of the code of conduct and suspected unethical, fraudulent, dishonest, illegal or corrupt

behaviour of a local government employee are to be managed.

Division 3 — Other matter in relation to codes of conduct

19AF. Determination of threshold amount

- (1) The CEO may determine an amount (which may be nil) for the purposes of the definition of *threshold amount* in regulation 19AA.
- (2) A determination under subregulation (1) must be published on the local government's official website.

5. Regulation 20B amended

In regulation 20B after paragraph (c) insert:

- (ca) LG Professionals Australia
(ABN 85 004 221 818);

6. Part 9 deleted

Delete Part 9.

Part 3 — *Local Government (Audit) Regulations 1996* amended

7. Regulations amended

This Part amends the *Local Government (Audit) Regulations 1996*.

8. Regulation 13 amended

In regulation 13 in the Table under the heading “*Local Government Act 1995*” after the item for s. 5.46 insert:

s. 5.51A

N. HAGLEY, Clerk of the Executive Council.