



**murchisonshire**

*Ancient land under brilliant skies*

**Ordinary Council Meeting**

**18 December 2021**

**Minutes Attachments**

## 17.1.1 - December 2021

### Shire of Murchison

The following schedule of accounts has been paid under delegation by the Chief Executive Officer since the previous Council Meeting. The list totalling \$324,646.12 was submitted to Council on the 18 Decemnbert 2021 and has been checked as being fully supported by vouchers and duly certified invoices with checks being carried out as to prices, computations and costing.

#### Payment of Accounts Presented at the Ordinary Meeting of Council held on Saturday 18 December 2021

Chq/EFT	Date	Name	Description	Amount
313	01/11/2021	Westpac Bank	Monthly Plan Fee - Fuel Bowser	20.00
313	01/11/2021	Westpac Bank	Credit Card Fees	362.95
313	01/11/2021	Westpac Bank	Fees - Office Merchant Machine Fees	20.00
313	01/11/2021	Westpac Bank	Fees - Office Merchant Machine Fee	27.89
EFT6115	11/11/2021	Cloud Collections Pty Ltd	Rates Collection Costs	4,450.68
EFT6116	11/11/2021	Oiltech Wholesale	Diesel - Roadhouse	66,274.19
EFT6117	17/11/2021	Marketforce	Advert for Finance Mger. in Saturday West 25/9/2021	910.09
EFT6118	17/11/2021	Eastern Gascoyne Race Club	Council Sponsorship Eastern Gascoyne Race Club	770.00
EFT6119	17/11/2021	Atom	Lubricant Silicone Spray & Drill Bit Set	348.35
EFT6120	17/11/2021	Foulkes-Taylor Emma	Councillor - Attendance, Telecommunications & Travel Fees	5,075.64
EFT6121	17/11/2021	Murchison Sports Club	Reimbursement for Club's own Public Liability Insurance	786.50
EFT6122	17/11/2021	activ8me	Internet services various - November 2021	404.85
EFT6123	17/11/2021	Midwest Freight	Weekly pickups & delivery service	8,580.00
EFT6124	17/11/2021	Hosken Electrical	Diagnose and repair problem with settlement generator	1,773.00
EFT6125	17/11/2021	Queens Supermarkets ( WA ) Pty Ltd (	Groceries & cleaning supplies - Murchison Oasis Roadhouse	217.99
EFT6126	17/11/2021	Greydon Mead	Councillor - Attendance, Telecommunications & Travel Fees	3,362.30
EFT6127	17/11/2021	McDonalds Wholesalers	Groceries & cleaning supplies - Murchison Oasis Roadhouse	1,538.60
EFT6128	17/11/2021	Murchison Gas & Plumbing	Supply and installation of additional leach drain at 8 Mulga and 10 Mulga	16,086.40
EFT6129	17/11/2021	Western Independent Foods	Groceries & cleaning supplies - Murchison Oasis Roadhouse	670.71
EFT6130	17/11/2021	Geraldton Hydraulics	Isuzu NPR65 truck repairs	1,107.70
EFT6131	17/11/2021	The Luscombe Syndicate	Groceries & cleaning supplies - Murchison Oasis Roadhouse	1,900.03
EFT6132	17/11/2021	Staff Reimbursement	Balance 20% of agreed relocation costs, Fuel costs for bus hire	308.42
EFT6133	17/11/2021	Castledine Gregory Law & Mediation	Follow on legal expenses in regard to Wajarri Yamatji Native	4,332.90
EFT6134	17/11/2021	Staff Reimbursement	Reimburse Fuel Expenses - Travel to Murchison	246.18
EFT6135	17/11/2021	Aaron Yugovich	6 Dogs shot 1 Sept to 15 Oct 2021 Meeberrie Station	600.00
EFT6136	17/11/2021	Robert Isted	10 Dogs shot Mileura Station March-September 2021	1,000.00
EFT6137	17/11/2021	Carnarvon School of the Air	2021 Book Award Sponsorship Carnarvon School of the Air	70.00
EFT6138	17/11/2021	Foulkes-Taylor Rossco	Councillor - Attendance, Telecommunications & Travel Fees	7,037.43
EFT6139	17/11/2021	Quentin Fowler	Councillor - Attendance, Telecommunications & Travel Fees	2,875.17
EFT6140	17/11/2021	Geraldton TV & Radio Services Co	SatKing Set Top Box.	598.00
EFT6141	17/11/2021	Canine Control/Murdoch University	Murdoch University Sterilisation Program 23/10/2021 - Pia Wajarri Community - 8 surgeries, 8 additional pet checks and 16 microchipped. 24/10/2021 - Murchison Settlement - 3 surgeries, 11 pet checks and 4 microchipped.	3,300.00
EFT6142	17/11/2021	Totally Workwear Geraldton	Work pants, shirt & boots	355.44
EFT6143	17/11/2021	Moore Australia (WA) Pty Ltd	Compilation of and assistance with audit responses etc 20-21	16,648.45
EFT6144	17/11/2021	Whitmarsh, Andrew	Councillor - Attendance, Telecommunications & Travel Fees	4,728.92
EFT6145	18/11/2021	Foxtel Business	November 2021 subscription	1,700.00
EFT6146	18/11/2021	Telstra	Telephone services & equipment	1,234.62
EFT6147	18/11/2021	Telstra	Phone service & charges 4B Kurara Way 19 Oct to 18 Nov 2021	79.75
EFT6148	26/11/2021	Host Plus Superannuation Fund	Superannuation contributions	25,287.61
EFT6149	26/11/2021	Statewide Superannuation	Superannuation contributions	19,636.49
EFT6150	26/11/2021	NGS Super	Superannuation contributions	1,533.62
EFT6151	26/11/2021	Aware Super	Superannuation contributions	87,566.54
EFT6152	26/11/2021	Guild Super	Superannuation contributions	277.21
EFT6153	26/11/2021	Australian Super	Superannuation contributions	17,579.59
EFT6154	26/11/2021	Prime Super	Superannuation contributions	422.83

## 17.1.1 - December 2021

### Payment of Accounts Presented at the Ordinary Meeting of Council held on Saturday 18 December 2021

<b>Chq/EFT</b>	<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
EFT6155	26/11/2021	Rest Industry Super	Superannuation contributions	8,227.35
EFT6156	26/11/2021	LUCRF Super	Superannuation contributions	875.89
EFT6217	18/11/2021	Westpac Credit Card	Adobe - Subscription Acrobat Standard DC x 4	3,220.89
EFT6218	22/11/2021	Skymesh	Internet services 20/10/21 to 19/11/2021	214.95
				<b><u>324,646.12</u></b>

**SHIRE OF MURCHISON**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 30 November 2021**

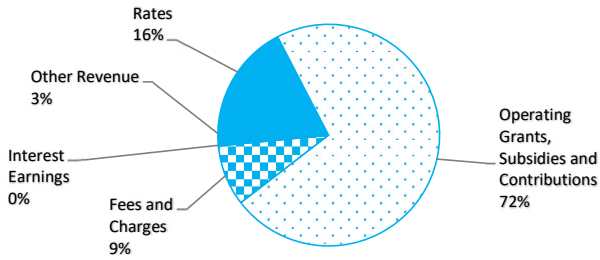
**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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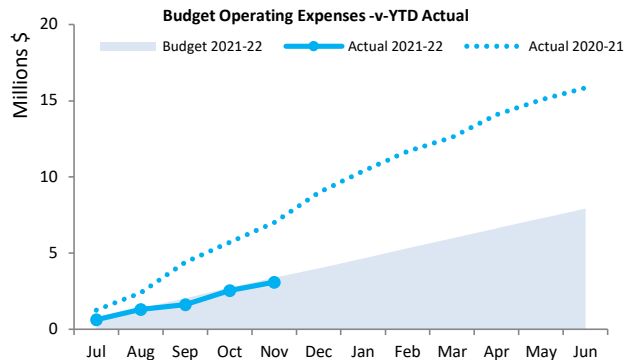
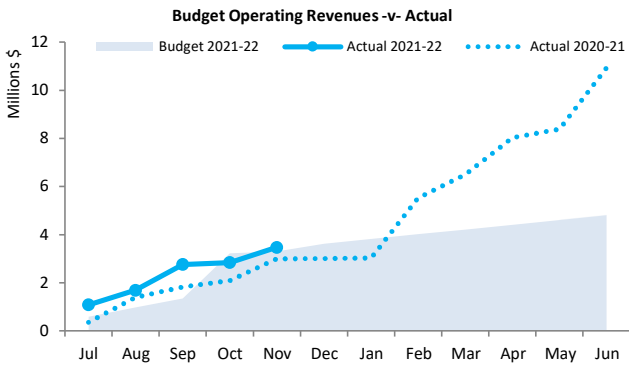
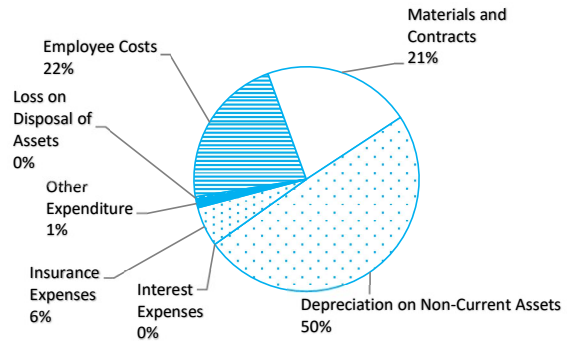
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OPERATING ACTIVITIES

OPERATING REVENUE

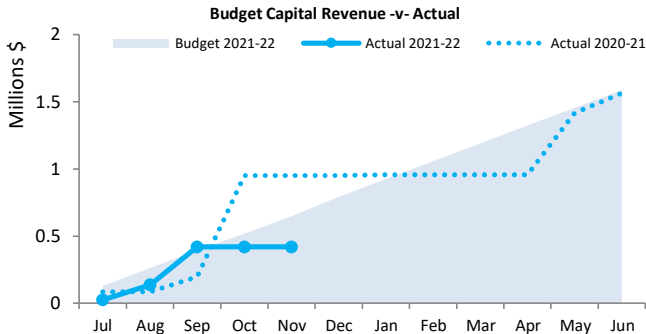


OPERATING EXPENSES

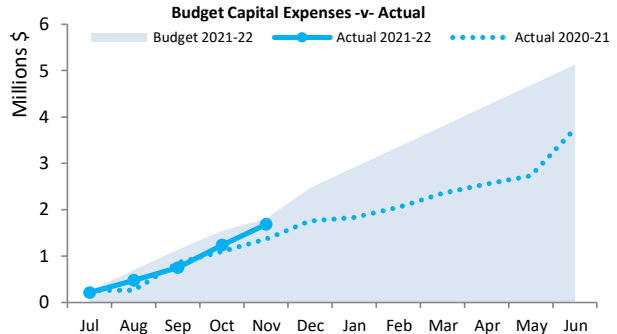


INVESTING ACTIVITIES

CAPITAL REVENUE



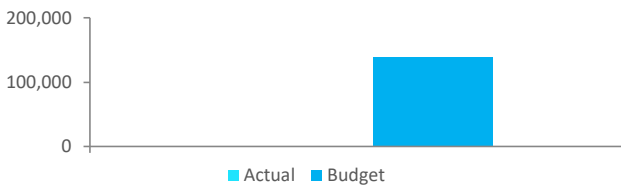
CAPITAL EXPENSES



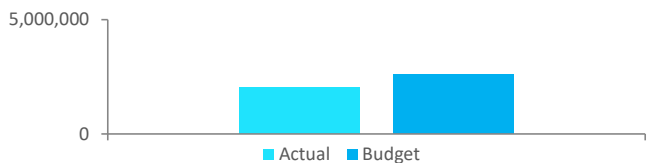
FINANCING ACTIVITIES

BORROWINGS

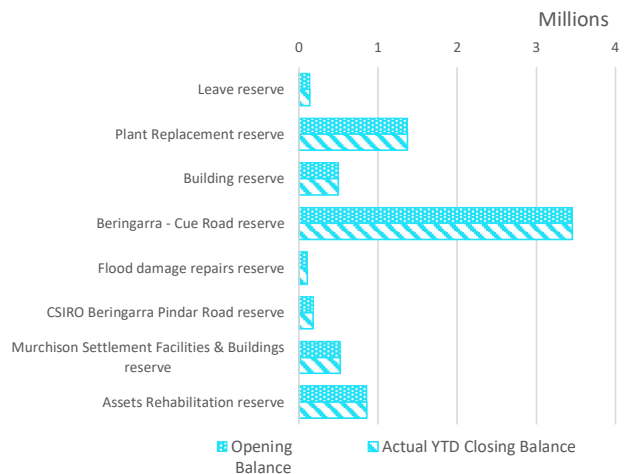
Principal Repayments



Principal Outstanding



RESERVES



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

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$0.00 M	\$0.00 M	(\$0.02 M)	(\$0.02 M)
Closing	\$0.04 M	\$4.31 M	\$2.65 M	(\$1.66 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$2.78 M	28.0%
Restricted Cash	\$7.13 M	72.0%
<b>Total</b>	<b>\$9.90 M</b>	

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.15 M	
0 to 30 Days		71.7%
30 to 90 Days		26.9%
Over 90 Days		1.4%
<b>Total</b>	<b>\$0.58 M</b>	

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$0.21 M	79.2%
Trade Receivable	\$0.10 M	
30 to 90 Days		0.3%
Over 90 Days		73%
<b>Total</b>	<b>\$0.31 M</b>	

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.57 M	\$1.46 M	\$1.93 M	\$0.47 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$0.54 M	
YTD Budget	\$0.53 M	0.8%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$2.51 M	
YTD Budget	\$2.45 M	2.2%

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.31 M	
YTD Budget	\$0.29 M	5.8%

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)
(\$3.50 M)	(\$1.16 M)	(\$1.26 M)	(\$0.10 M)

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.01 M	
Adopted Budget	\$0.05 M	11.6%

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$1.69 M	
Adopted Budget	\$5.13 M	32.9%

Refer to Note 8 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.42 M	
Adopted Budget	\$1.59 M	26.4%

Refer to Note 8 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$2.96 M	\$4.01 M	\$2.00 M	(\$2.01 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$2.02 M

Refer to Note 9 - Borrowings

Reserves	
Reserves balance	\$7.13 M
Interest earned	\$0.00 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 30 NOVEMBER 2021**

**STATUTORY REPORTING PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES  
GOVERNANCE**

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

**ACTIVITIES**

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 30 NOVEMBER 2021

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	4,820	4,820	<b>(17,596)</b>	(22,416)	(465.06%)	▼
<b>Operating Activities</b>							
<b>Revenue from operating activities</b>							
Governance		12,000	4,995	<b>15,671</b>	10,676	213.73%	▲
General purpose funding - general rates	6	532,000	532,000	<b>536,168</b>	4,168	0.78%	
General purpose funding - other		2,031,000	1,009,146	<b>996,633</b>	(12,513)	(1.24%)	
Law, order and public safety		20,000	8,330	<b>4,807</b>	(3,523)	(42.29%)	
Community amenities		300	125	<b>85</b>	(40)	(32.00%)	
Recreation and culture		7,610	3,200	<b>26,083</b>	22,883	715.09%	▲
Transport		1,413,934	1,413,114	<b>1,404,016</b>	(9,098)	(0.64%)	
Economic services		692,180	288,400	<b>414,315</b>	125,915	43.66%	▲
Other property and services		100,000	41,665	<b>75,061</b>	33,396	80.15%	▲
		<b>4,809,024</b>	<b>3,300,975</b>	<b>3,472,839</b>	171,864		
<b>Expenditure from operating activities</b>							
Governance		(715,413)	(341,265)	<b>(322,627)</b>	18,638	5.46%	
General purpose funding		(89,319)	(37,210)	<b>(26,496)</b>	10,714	28.79%	▲
Law, order and public safety		(95,057)	(41,130)	<b>(59,717)</b>	(18,587)	(45.19%)	▼
Health		(56,962)	(25,465)	<b>(25,027)</b>	438	1.72%	
Education and welfare		(1,200)	(415)	<b>(2,064)</b>	(1,649)	(397.35%)	
Housing		(84,329)	(34,935)	<b>(36,943)</b>	(2,008)	(5.75%)	
Community amenities		(149,805)	(58,160)	<b>(56,891)</b>	1,269	2.18%	
Recreation and culture		(312,067)	(129,910)	<b>(146,393)</b>	(16,483)	(12.69%)	▼
Transport		(5,033,343)	(2,101,755)	<b>(1,688,149)</b>	413,606	19.68%	▲
Economic services		(1,377,081)	(572,907)	<b>(779,027)</b>	(206,120)	(35.98%)	▼
Other property and services		(17,364)	(39,070)	<b>60,488</b>	99,558	254.82%	▲
		<b>(7,931,940)</b>	<b>(3,382,222)</b>	<b>(3,082,846)</b>	299,376		
Non-cash amounts excluded from operating activities	1(a)	3,692,265	1,541,095	<b>1,536,009</b>	(5,086)	(0.33%)	
<b>Amount attributable to operating activities</b>		<b>569,349</b>	<b>1,459,848</b>	<b>1,926,002</b>	466,154		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	1,587,350	646,985	<b>419,789</b>	(227,196)	(35.12%)	▼
Proceeds from disposal of assets	7	47,000	0	<b>5,455</b>	5,455	0.00%	
Payments for property, plant and equipment and infrastructure	8	(5,130,565)	(1,808,520)	<b>(1,685,627)</b>	122,893	6.80%	
<b>Amount attributable to investing activities</b>		<b>(3,496,215)</b>	<b>(1,161,535)</b>	<b>(1,260,383)</b>	(98,848)		
<b>Financing Activities</b>							
Proceeds from new debentures	9	2,750,000	2,000,000	<b>2,000,000</b>	0	0.00%	
Transfer from reserves	10	2,006,188	2,006,188	<b>0</b>	(2,006,188)	(100.00%)	▼
Repayment of debentures	9	(139,382)	(583)	<b>(583)</b>	0	0.00%	
Transfer to reserves	10	(1,653,800)	0	<b>0</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>2,963,006</b>	<b>4,005,605</b>	<b>1,999,417</b>	(2,006,188)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>40,960</b>	<b>4,308,738</b>	<b>2,647,440</b>			

KEY INFORMATION

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

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

The material variance adopted by Council for the 2021-22 year is \$10,000 or 10.00% whichever is the greater.

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



**KEY TERMS AND DESCRIPTIONS****FOR THE PERIOD ENDED 30 NOVEMBER 2021****NATURE OR TYPE DESCRIPTIONS****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.

**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 30 NOVEMBER 2021

## BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	4,820	4,820	(17,596)	(22,416)	(465.06%)	▼
<b>Operating Activities</b>							
<b>Revenue from operating activities</b>							
Rates	6	532,000	532,000	<b>536,168</b>	4,168	0.78%	
Operating grants, subsidies and contributions	12	3,514,494	2,452,544	<b>2,506,376</b>	53,832	2.19%	
Fees and charges		701,530	292,285	<b>309,346</b>	17,061	5.84%	
Interest earnings		60,500	23,646	<b>3,423</b>	(20,223)	(85.52%)	▼
Other revenue		500	500	<b>117,526</b>	117,026	23405.20%	▲
		<b>4,809,024</b>	<b>3,300,975</b>	<b>3,472,839</b>	171,864		
<b>Expenditure from operating activities</b>							
Employee costs		(1,458,351)	(740,180)	<b>(675,624)</b>	64,556	8.72%	
Materials and contracts		(2,399,276)	(917,550)	<b>(657,098)</b>	260,452	28.39%	▲
Depreciation on non-current assets		(3,680,437)	(1,533,455)	<b>(1,524,440)</b>	9,015	0.59%	
Interest expenses		(11,740)	0	<b>(327)</b>	(327)	0.00%	
Insurance expenses		(161,408)	(98,782)	<b>(176,767)</b>	(77,985)	(78.95%)	▼
Other expenditure		(208,900)	(84,615)	<b>(37,021)</b>	47,594	56.25%	▲
Loss on disposal of assets	7	(11,828)	(7,640)	<b>(11,569)</b>	(3,929)	(51.43%)	
		<b>(7,931,940)</b>	<b>(3,382,222)</b>	<b>(3,082,846)</b>	299,376		
Non-cash amounts excluded from operating activities	1(a)	3,692,265	1,541,095	<b>1,536,009</b>	(5,086)	(0.33%)	
<b>Amount attributable to operating activities</b>		<b>569,349</b>	<b>1,459,848</b>	<b>1,926,002</b>	466,154		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	1,587,350	646,985	<b>419,789</b>	(227,196)	(35.12%)	▼
Proceeds from disposal of assets	7	47,000	0	<b>5,455</b>	5,455	0.00%	
Payments for property, plant and equipment	8	(5,130,565)	(1,808,520)	<b>(1,685,627)</b>	122,893	6.80%	
<b>Amount attributable to investing activities</b>		<b>(3,496,215)</b>	<b>(1,161,535)</b>	<b>(1,260,383)</b>	(98,848)		
<b>Financing Activities</b>							
Proceeds from new debentures	9	2,750,000	2,000,000	<b>2,000,000</b>	0	0.00%	
Transfer from reserves	10	2,006,188	2,006,188	<b>0</b>	(2,006,188)	(100.00%)	▼
Repayment of debentures	9	(139,382)	(583)	<b>(583)</b>	0	0.00%	
Transfer to reserves	10	(1,653,800)	0	<b>0</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>2,963,006</b>	<b>4,005,605</b>	<b>1,999,417</b>	(2,006,188)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>40,960</b>	<b>4,308,738</b>	<b>2,647,440</b>			

## KEY INFORMATION

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

Refer to Note 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 30 NOVEMBER 2021**

**BASIS OF PREPARATION**

**BASIS OF PREPARATION**

The financial report 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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire 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.

**SIGNIFICANT ACCOUNTING POLICES**

**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.

**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.

**PREPARATION TIMING AND REVIEW**

Date prepared: All known transactions up to 09 December 2021

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

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)
<b>Non-cash items excluded from operating activities</b>				
		\$	\$	\$
<b>Adjustments to operating activities</b>				
Add: Loss on asset disposals	7	11,828	7,640	11,569
Add: Depreciation on assets		3,680,437	1,533,455	1,524,440
<b>Total non-cash items excluded from operating activities</b>		<b>3,692,265</b>	<b>1,541,095</b>	<b>1,536,009</b>

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

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

		Last Year Closing 30 June 2021	This Time Last Year 30 November 2020	Year to Date 30 November 2021
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10	(7,128,983)	(5,648,447)	(7,128,983)
Add: Borrowings	9	1,176	1,138	593
Add: Provisions - employee	11	134,483	78,668	134,483
<b>Total adjustments to net current assets</b>		<b>(6,993,324)</b>	<b>(5,568,641)</b>	<b>(6,993,907)</b>

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

<b>Current assets</b>				
Cash and cash equivalents	2	8,156,910	4,753,021	9,904,555
Financial assets at amortised cost	2	0	2,500,000	0
Rates receivables	3	540,113	192,651	205,756
Receivables	3	199,601	1,167,105	100,954
Other current assets	4	143,889	480,851	140,227
<b>Less: Current liabilities</b>				
Payables	5	(1,620,804)	(1,798,954)	(575,069)
Borrowings	9	(1,176)	(1,138)	(593)
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	11	(308,322)	0	0
Provisions	11	(134,483)	(78,668)	(134,483)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(6,993,324)</b>	<b>(5,568,641)</b>	<b>(6,993,907)</b>
<b>Closing funding surplus / (deficit)</b>		<b>(17,596)</b>	<b>1,646,227</b>	<b>2,647,440</b>

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
<b>Cash on hand</b>								
Cash On Hand	Cash and cash equivalents	500	0	500	0	Cash on hand	Nil	Nil
Municipal Cash at Bank	Cash and cash equivalents	2,232,423	0	2,232,423	0	Westpac	Variable	Nil
Muni Short Term Investment	Cash and cash equivalents	1,659	0	1,659	0	NA	NA	NA
Murchison Oasis Roadhouse (Fuel ATM)	Cash and cash equivalents	118,082	0	118,082	0	NA	NA	NA
CSIRO Road Account Bank	Cash and cash equivalents	7,371	0	7,371	0	NA	NA	NA
Reserve Funds (Cash C/A)	Cash and cash equivalents	0	7,129,425	7,129,425	0	NA	NA	NA
Murchison Community Fund	Cash and cash equivalents	415,095	0	415,095	0	NA	NA	NA
<b>Total</b>		<b>2,775,130</b>	<b>7,129,425</b>	<b>9,904,555</b>	<b>0</b>			
<b>Comprising</b>								
Cash and cash equivalents		2,775,130	7,129,425	9,904,555	0			
		<b>2,775,130</b>	<b>7,129,425</b>	<b>9,904,555</b>	<b>0</b>			

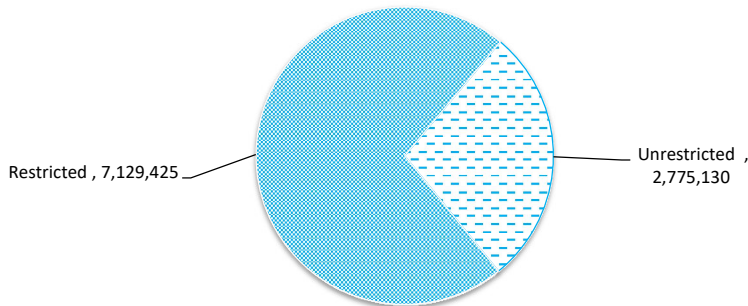
**KEY INFORMATION**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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.

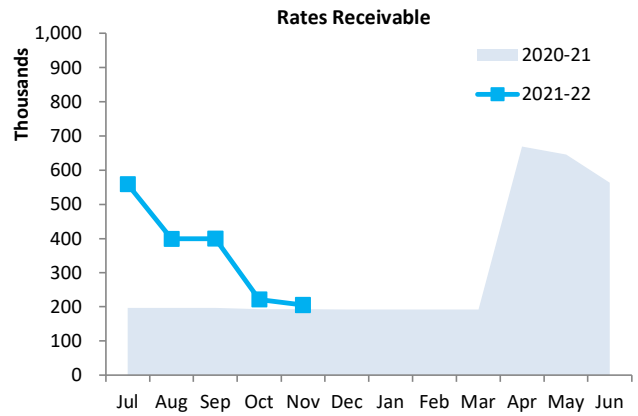
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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.



Rates receivable	30 Jun 2021	30 Nov 2021
	\$	\$
Gross rates in arrears previous year	206,328	562,530
Levied this year	458,466	536,168
Less - collections to date	(102,264)	(870,525)
Gross rates collectable	<b>562,530</b>	<b>228,173</b>
Allowance for impairment of rates receivable	(22,417)	(22,417)
<b>Net rates collectable</b>	<b>540,113</b>	<b>205,756</b>
% Collected	15.4%	79.2%

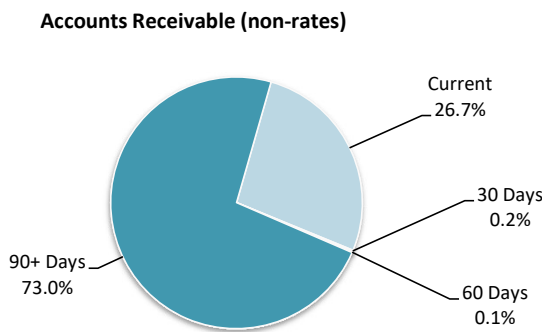


Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	23,156	167	82	63,231	86,636
Percentage		26.7%	0.2%	0.1%	73%	
<b>Balance per trial balance</b>						
Sundry receivable						86,636
GST receivable						14,318
<b>Total receivables general outstanding</b>						<b>100,954</b>

Amounts shown above include GST (where applicable)

**KEY INFORMATION**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for 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 30 NOVEMBER 2021

OPERATING ACTIVITIES  
NOTE 4  
OTHER CURRENT ASSETS

	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 30 November 2021
	\$	\$	\$	\$
<b>Other current assets</b>				
<b>Inventory</b>				
Fuel, oil and materials on hand	143,889	388,822	(392,484)	140,227
<b>Total other current assets</b>	<b>143,889</b>	<b>388,822</b>	<b>(392,484)</b>	<b>140,227</b>
Amounts shown above include GST (where applicable)				

KEY INFORMATION

**Inventory**

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

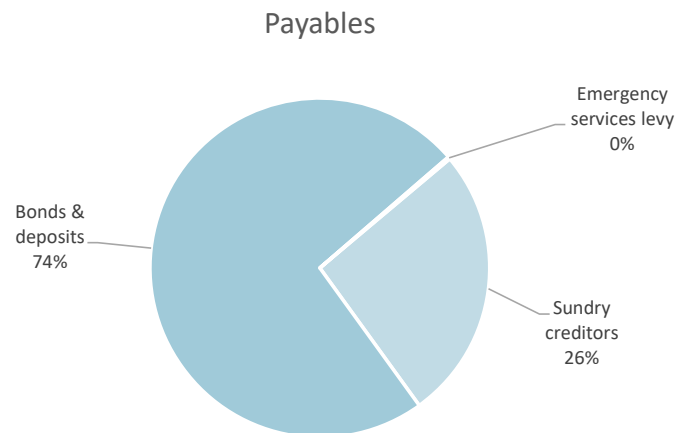
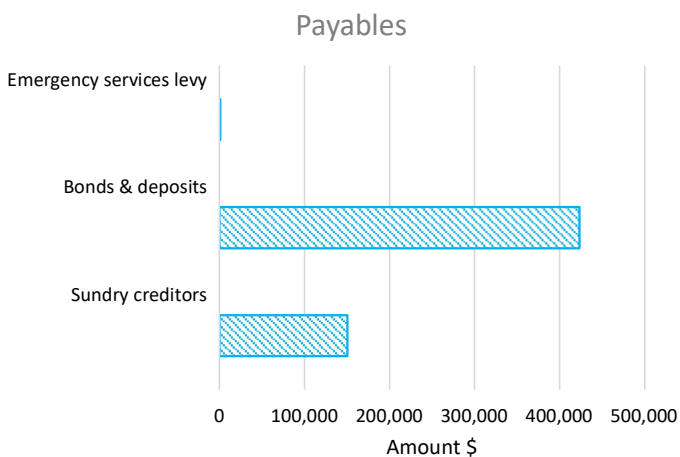
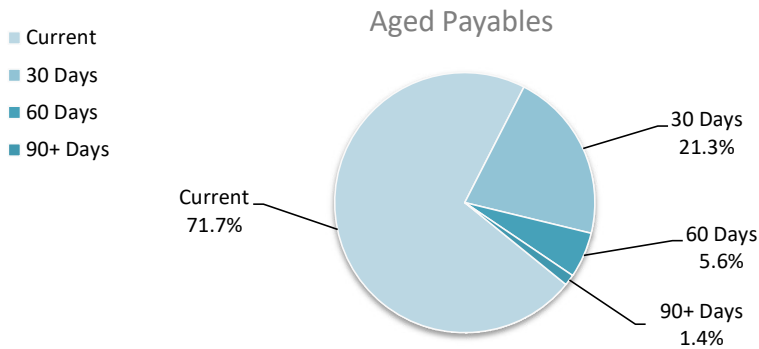
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	107,862	31,973	8,489	2,096	150,420
Percentage		71.7%	21.3%	5.6%	1.4%	
<b>Balance per trial balance</b>						
Sundry creditors						150,420
Bonds & deposits						423,439
Emergency services levy						1,210
<b>Total payables general outstanding</b>						<b>575,069</b>

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.

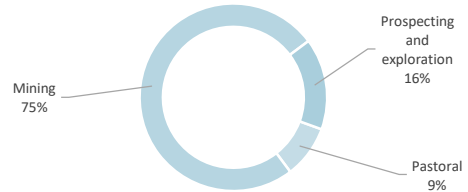
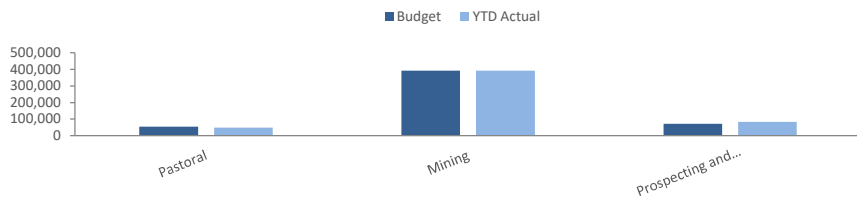




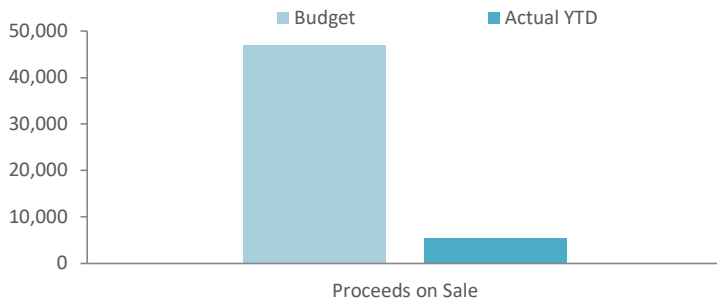
General rate revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
<b>RATE TYPE</b>				\$	\$	\$	\$	\$	\$	\$	\$
<b>Unimproved value</b>											
Pastoral	0.03874	22	1,319,885	54,399	0	0	54,399	54,400	(7,024)	0	47,376
Mining	0.26543	12	1,480,809	393,051	0	0	393,051	393,051	0	0	393,051
Prospecting and exploration	0.09618	41	994,445	81,277	(9,927)	0	71,350	81,277	1,264	0	82,541
<b>Sub-Total</b>		<b>75</b>	<b>3,795,139</b>	<b>528,727</b>	<b>(9,927)</b>	<b>0</b>	<b>518,800</b>	<b>528,728</b>	<b>(5,760)</b>	<b>0</b>	<b>522,968</b>
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Unimproved value</b>											
Pastoral	600	6	17,304	3,600	0	0	3,600	3,600	0	0	3,600
Prospecting and exploration	600	15	45,777	9,600	0	0	9,600	9,600	0	0	9,600
<b>Sub-total</b>		<b>21</b>	<b>63,081</b>	<b>13,200</b>	<b>0</b>	<b>0</b>	<b>13,200</b>	<b>13,200</b>	<b>0</b>	<b>0</b>	<b>13,200</b>
<b>Total general rates</b>							<b>532,000</b>				<b>536,168</b>

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 2021 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.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Plant and equipment</b>								
	<b>Governance</b>								
	Plant and equipment	29,650	25,000	0	(4,650)	0	0	0	0
	<b>Recreation and culture</b>								
	Kubota Tractor-Mower	0	0	0	0	17,024	5,455	0	(11,569)
	<b>Transport</b>								
	Plant and equipment	29,178	22,000	0	(7,178)	0	0	0	0
		<b>58,828</b>	<b>47,000</b>	<b>0</b>	<b>(11,828)</b>	<b>17,024</b>	<b>5,455</b>	<b>0</b>	<b>(11,569)</b>



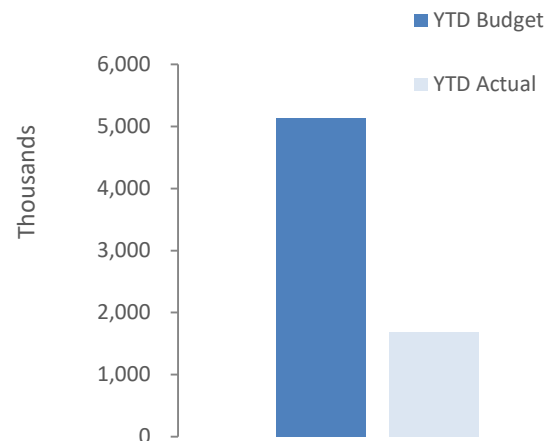
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings & Improvements	528,152	78,830	33,302	(45,528)
Other Buildings & Improvements	1,233,120	35,970	47,715	11,745
Furniture & Equipment	89,487	37,280	8,849	(28,431)
Plant & Equipment - Major	525,000	525,000	94,515	(430,485)
Roads	2,754,806	1,131,440	1,501,246	369,806
<b>Payments for Capital Acquisitions</b>	<b>5,130,565</b>	<b>1,808,520</b>	<b>1,685,627</b>	<b>(122,893)</b>
<b>Total Capital Acquisitions</b>	<b>5,130,565</b>	<b>1,808,520</b>	<b>1,685,627</b>	<b>(122,893)</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	1,587,350	646,985	419,789	(227,196)
Borrowings	750,000	0	0	0
Other (disposals & C/Fwd)	47,000	0	5,455	5,455
Cash backed reserves				
Plant Replacement reserve	478,000	0	0	0
Building reserve	11,000	0	0	0
Beringarra - Cue Road reserve	767,188	0	0	0
Murchison Settlement Facilities & Buildings reserve	350,000	0	0	0
Assets Rehabilitation reserve	400,000	0	0	0
Contribution - operations	740,027	1,161,535	1,260,383	98,848
<b>Capital funding total</b>	<b>5,130,565</b>	<b>1,808,520</b>	<b>1,685,627</b>	<b>(122,893)</b>

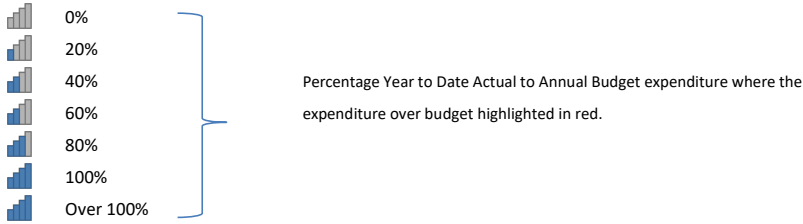
**SIGNIFICANT ACCOUNTING POLICIES**

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



Capital expenditure total

Level of completion indicators



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

Account Description		Adopted		Year to Date Actual	Variance (Under)/Over	
		Current Budget	Year to Date Budget			
<b>Capital Expenditure</b>						
Buildings & Improvements						
	09134	Buildings Improvements - Staff Hsg	95,000	39,580	0	(39,580)
	14515	Buildings & Improvements - Admin	11,000	5,500	5,200	(300)
	12109	Buildings & Imp. - Depot	15,000	6,250	0	(6,250)
	13203	Buildings & Imp - (T.&A.P)	407,152	27,500	28,102	602
		<b>Buildings &amp; Improvements Total</b>	<b>528,152</b>	<b>78,830</b>	<b>33,302</b>	<b>(45,528)</b>
Other Buildings & Improvements						
	10770	Buildings & Imp - O.C.A.	30,000	12,500	0	(12,500)
	12670	Improvements - Airport	53,120	23,470	10,345	(13,125)
	10104	Sanitation Infrastructure	50,000	0	0	0
	13205	Cap-Ex - Purchase Other Buildings & Imp - Tourism & Area Promotion	0	0	37,370	37,370
	13657	Utility Infrastructure	1,100,000	0	0	0
		<b>Other Buildings &amp; Improvements Total</b>	<b>1,233,120</b>	<b>35,970</b>	<b>47,715</b>	<b>11,745</b>
Furniture & Equipment						
	14561	Furn & Equipment - Admin	10,000	4,165	8,849	4,684
	04116	Furniture & Equipment	15,000	6,250	0	(6,250)
	13202	Furniture & Equipment - (T.&A.P)	29,500	12,290	0	(12,290)
	13610	Roadhouse Coolroom	34,987	14,575	0	(14,575)
		<b>Furniture &amp; Equipment Total</b>	<b>89,487</b>	<b>37,280</b>	<b>8,849</b>	<b>(28,431)</b>
Plant & Equipment - Major						
	12302	Road Plant Purchases	455,000	455,000	94,515	(360,485)
	14565	Admin Vehicles	70,000	70,000	0	(70,000)
		<b>Plant &amp; Equipment - Major Total</b>	<b>525,000</b>	<b>525,000</b>	<b>94,515</b>	<b>(430,485)</b>
Roads						
	12101	Council Roads Construction	938,090	390,830	858,316	467,486
	12103	MRWA Roads Construction	219,528	91,460	0	(91,460)
	12104	Roads to Recovery Roads Construction	690,000	287,500	606,680	319,180
	12108	Roads Const - Grids	140,000	42,000	36,250	(5,750)
	12180	Roads Construction - Contributions	767,188	319,650	0	(319,650)
		<b>Roads Total</b>	<b>2,754,806</b>	<b>1,131,440</b>	<b>1,501,246</b>	<b>369,806</b>
		<b>Grand Total</b>	<b>5,130,565</b>	<b>1,808,520</b>	<b>1,685,627</b>	<b>(122,893)</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021

FINANCING ACTIVITIES

NOTE 9

BORROWINGS

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2021	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Transport</b>										
Purchase of road plant	1	16,177	0	0	583	1,176	15,594	15,001	269	529
Roadworks in 2020-21	2	0	2,000,000	2,000,000	0	93,061	2,000,000	1,906,939	0	7,501
<b>Economic services</b>										
MicroGrid Power	3	0	0	750,000	0	45,145	0	704,855	0	3,710
<b>Total</b>		16,177	2,000,000	2,750,000	583	139,382	2,015,594	2,626,795	269	11,740
Current borrowings		139,382					593			
Non-current borrowings		(123,205)					2,015,001			
		16,177					2,015,594			

All debenture repayments were financed by general purpose revenue.

New borrowings 2021-22

Particulars	Amount Borrowed	Amount Borrowed	Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$					%	\$	\$	\$
Roadworks Funding	2,000,000	2,000,000	WATC	Debenture	10	199,033	2	2,000,000	2,000,000	0
MiroGrid Power	0	750,000	WATC	TBA	8	0	1	0	750,000	0
	<b>2,000,000</b>	<b>2,750,000</b>				<b>199,033</b>		<b>2,000,000</b>	<b>2,750,000</b>	<b>0</b>

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 30 NOVEMBER 2021

## OPERATING ACTIVITIES

## NOTE 10

## CASH RESERVES

## 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	139,088	0	0	25,700	0	0	0	164,788	139,088
Plant Replacement reserve	1,372,757	0	0	300,000	0	(478,000)	0	1,194,757	1,372,757
Building reserve	499,422	0	0	2,700	0	(11,000)	0	491,122	499,422
Beringarra - Cue Road reserve	3,454,306	0	0	24,000	0	(767,188)	0	2,711,118	3,454,306
Flood damage repairs reserve	105,969	0	0	500	0	0	0	106,469	105,969
CSIRO Beringarra Pindar Road reserve	175,949	0	0	900	0	0	0	176,849	175,949
Murchison Settlement Facilities & Build	522,634	0	0	1,300,000	0	(350,000)	0	1,472,634	522,634
Assets Rehabilitation reserve	858,858	0	0	0	0	(400,000)	0	458,858	858,858
	<b>7,128,983</b>	<b>0</b>	<b>0</b>	<b>1,653,800</b>	<b>0</b>	<b>(2,006,188)</b>	<b>0</b>	<b>6,776,595</b>	<b>7,128,983</b>

	Opening Balance	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance
Other current liabilities	1 July 2021				30 November 2021
	\$		\$	\$	\$
<b>Other liabilities</b>					
- Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	308,322	0	0	(308,322)	0
<b>Total other liabilities</b>	308,322	0	0	(308,322)	0
<b>Provisions</b>					
Provision for annual leave	116,351	0	0	0	116,351
Provision for long service leave	18,132	0	0	0	18,132
<b>Total Provisions</b>	134,483	0	0	0	134,483
<b>Total other current liabilities</b>	<b>442,805</b>	<b>0</b>	<b>0</b>	<b>(308,322)</b>	<b>134,483</b>
<b>Amounts shown above include GST (where applicable)</b>					

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 13

#### 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.

##### Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget Revenue	YTD Budget	YTD Revenue
	1 July 2021		(As revenue)	30 Nov 2021	30 Nov 2021			Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
<b>General purpose funding</b>								
F.A.G Grant - General	0	0	0	0	0	1,470,000	735,000	764,354
F.A.G Grant - Roads	0	0	0	0	0	500,000	250,000	227,181
<b>Law, order, public safety</b>								
Income Relating to Fire Prevention	0	0	0	0	0	19,500	8,125	4,807
<b>Community amenities</b>								
Other Community Amenities Inc	0	0	0	0	0	300	125	0
<b>Recreation and culture</b>								
Income Relating to Other Culture	0	0	0	0	0	0	0	22,240
<b>Transport</b>								
Grant - MRWA Direct	0	0	0	0	0	231,299	231,299	231,299
Grant - Wandrra Flood Damage	0	0	0	0	0	1,181,235	1,181,235	1,172,045
Traffic Licencing Commissions	0	0	0	0	0	1,400	580	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,403,734</b>	<b>2,406,364</b>	<b>2,421,926</b>
<b>Operating contributions</b>								
<b>Housing</b>								
Income - Other Recreation & Sport	0	0	0	0	0	0	0	18
<b>Recreation and culture</b>								
Staff housing costs reimbursed	0	0	0	0	0	5,460	2,310	1,510
<b>Economic services</b>								
Income Other Economic Services	0	0	0	0	0	300	125	0
Roadhouse - Other Revenue	0	0	0	0	0	0	0	524
<b>Other property and services</b>								
Income Relating to Administration	0	0	0	0	0	5,000	2,080	7,337
Diesel Fuel Rebate	0	0	0	0	0	100,000	41,665	75,061
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110,760</b>	<b>46,180</b>	<b>84,450</b>
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,514,494</b>	<b>2,452,544</b>	<b>2,506,376</b>



Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget	YTD	YTD
	1 July 2021		(As revenue)	30 Nov 2021	30 Nov 2021	Revenue	Budget	Revenue
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>								
<b>Law, order, public safety</b>								
Grant Revenue - Fire Prevention	0	0	0	0	0	2,000	830	0
<b>Transport</b>								
Grant - MRWA Specific	0	0	0	0	0	278,667	116,110	111,467
Grant - Roads to Recovery	0	0	0	0	0	565,000	235,415	0
Grant - LCRIP	284,123	0	(284,123)	0	0	707,113	294,630	284,123
Dept Industry Airport Grant	24,199	0	(24,199)	0	0	34,570	0	24,199
	<b>308,322</b>	<b>0</b>	<b>(308,322)</b>	<b>0</b>	<b>0</b>	<b>1,587,350</b>	<b>646,985</b>	<b>419,789</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

**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 2021-22 year is \$10,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
	\$	%				
<b>Opening funding surplus / (deficit)</b>	(22,416)	(465.06%)	▼			Allowance ECL - EOY Finalised
<b>Revenue from operating activities</b>						
Governance	10,676	213.73%	▲	Insurances Rebate		
Recreation and culture	22,883	715.09%	▲	School Mosaics Workshop Grant - \$22,240 (Review at Budget Review Mtg.)		
Economic services	125,915	43.66%	▲	Fuel Sales Exceed YTD Expectations		
Other property and services	33,396	80.15%	▲	Diesel Fuel rebates		
<b>Expenditure from operating activities</b>						
General purpose funding	10,714	28.79%	▲	Awaiting Rates - Write Offs		
Law, order and public safety	(18,587)	(45.19%)	▼		Canine Control \$4,000 Approx	Fire Incident Costs \$5,000 Approx
Recreation and culture	(16,483)	(12.69%)	▼			Loss on Sales of Asset \$17,023
Transport	413,606	19.68%	▲	Road Mtce Down		
Economic services	(206,120)	(35.98%)	▼			Fuel Sales & Roadhouse Business Costs Exceed YTD Expectations
Other property and services	99,558	254.82%	▲	Allocations timing Issue		
<b>Investing activities</b>						
Proceeds from non-operating grants, subsidies and contributions	(227,196)	(35.12%)	▼		R2R Grant awaited	
<b>Financing activities</b>						
Transfer from reserves	(2,006,188)	(100.00%)	▼		No calcs or transfers done at this time.	

**From:** [Kylie Paine](#)  
**To:** [Bill Boehm](#)  
**Cc:** [EA\\_MWDC](#)  
**Subject:** Mid West Development Commission Local Government Board Nominations  
**Date:** Monday, 1 November 2021 3:05:54 PM  
**Attachments:** [Letter to LGAs \(Local Government Nominations\).pdf](#)

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Dear Bill

Please find attached a letter in relation to the Mid West Development Commission seeking nominations for **one** Local Government representative vacancy on its Board.

In accordance with the *Regional Development Commission's Act 1993*, nominees for the vacancy must be members of the Council of a Local Government in the region and are to be endorsed for nomination by the governing Council. All Local Governments in the Mid West region are invited to nominate up to two Councillors, who are willing and able to be candidates, for appointment.

Nominations are to be submitted either by post or e-mail to [ea@mwdc.wa.gov.au](mailto:ea@mwdc.wa.gov.au) at this office, no later than **4.00pm on 14 December 2021**. Application Forms and further information can be obtained by contacting Kylie Paine at the Commission on (08) 9956 8593 / 0429 368 565 or via email [ea@mwdc.wa.gov.au](mailto:ea@mwdc.wa.gov.au).

We look forward to receiving your nominations.

Regards

**Kylie Paine** | Acting Senior Regional Development Officer / Senior Executive Assistant  
Mid West Development Commission  
20 Gregory Street, Geraldton WA 6530  
**t** +61 (0)8 9956 8593 | **m** +61 (0)429 368 565  
**w** [mwdc.wa.gov.au](http://mwdc.wa.gov.au) | [dpird.wa.gov.au](http://dpird.wa.gov.au)



*We're working for  
Western Australia.*

Supported by Department of Primary Industries and Regional Development





DPIRD acknowledges the Traditional Owners of Country, the Aboriginal people of the many lands that we work on and their language groups throughout Western Australia and recognise their continuing connection to the land and waters.

We respect their continuing culture and the contribution they make to the life of our regions and we pay our respects to their Elders past, present and emerging.

*Artwork: "Kangaroos going to the Waterhole" by Willarra Barker.*

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Western Australia's COVID-safe principles: Practise physical distancing where possible. Wash hands regularly. Stay home if unwell. Get tested if symptomatic. Download the COVIDSafe app.

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**Local Government Reform - Summary of Proposed Reforms**

**Government - WALGA - Murchison Positions**

**Local Government Reform -  
Summary of Proposed Reforms**

**WALGA Advocacy  
Positions and Recommendations**

**November 2021**

## About WALGA

The WA Local Government Association (WALGA) is working for Local Government in Western Australia. As the peak industry body, WALGA advocates on behalf of 139 Western Australian Local Governments. As the united voice of Local Government in Western Australia, WALGA is an independent, membership-based organization representing and supporting the work and interests of Local Governments in Western Australia. WALGA provides an essential voice for 1,220 Elected Members, approximately 22,000 Local Government employees (16,500 Full Time Equivalent's) as well as over 2.5 million constituents of Local Governments in Western Australia.

## Contacts

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## Local Government Act Review Process

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WALGA through consultation with the Local Government Sector endorsed sector advocacy positions relating to Local Government Act amendments in March 2019 and December 2020. These advocacy positions were developed considering (but not limited to);

- The Department of Local Government, Sport and Cultural Industries (DLGSC) consultation on Act Reform (2017-2020)
- The City of Perth Inquiry Report (mid 2020)
- The State Parliament’s Select Committee Report into Local Government (late 2020)

In December 2020, WALGA endorsed the following principles for any review of the Local Government Act.

## Local Government Reform – WALGA Principles

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That the following key principles be embodied in the Local Government Act:

1. Uphold the general competence principle currently embodied in the Local Government Act
2. Provide for a flexible, principles-based legislative framework
3. Promote a size and scale compliance regime
4. Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community taking into consideration Local Governments’ role in creating a sustainable and resilient community through:
  - i. Economic development
  - ii. Environmental protection, and
  - iii. Social advancement
5. Avoid red tape and ‘de-clutter’ the extensive regulatory regime that underpins the Local Government Act, and
6. The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

It is worth noting that of the above principles, items 1, 2, and 3 are addressed in these legislative reform proposals and principles 4 and 5 are partially addressed.

## Local Government Reform – Consultation on Proposed Reforms

## Theme 0 Preliminary Overview

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>0.0 Preliminary Overview</b>			
Not Applicable	Not Applicable	Not Applicable	

## Theme 1: Early Intervention, Effective Regulation and Stronger Penalties

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>1.1 Early Intervention Powers</b>			
<ul style="list-style-type: none"> <li>The Act provides the means to regulate the conduct of local government staff and council members and sets out powers to scrutinise the affairs of local government. The Act provides certain limited powers to: <ul style="list-style-type: none"> <li>Suspend or dismiss councils</li> <li>Appoint Commissioners</li> <li>Suspend or, order remedial action (such as training) for individual councillors.</li> </ul> </li> <li>The Act also provides the Director General with the power to: <ul style="list-style-type: none"> <li>Conduct Authorised Inquiries</li> <li>Refer allegations of serious or recurrent breaches to the State Administrative Tribunal</li> <li>Commence prosecution for an offence under the Act.</li> </ul> </li> <li>Authorised Inquiries are a costly and a relatively slow response to significant issues. Authorised Inquiries are currently the only significant tool for addressing significant issues within a local government.</li> <li>The Panel Report, City of</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to establish a Chief Inspector of Local Government (the <b>Inspector</b>), supported by an Office of the Local Government Inspector (the <b>Inspectorate</b>).</li> <li>The Inspector would receive minor and serious complaints about elected members.</li> <li>The Inspector would oversee complaints relating to local government CEOs.</li> <li>Local Governments would still be responsible for dealing with minor behavioural complaints.</li> <li>The Inspector would have powers of a standing inquiry, able to investigate and intervene in any local government where potential issues are identified.</li> <li>The Inspector would have the authority to assess, triage, refer, investigate, or close complaints, having regard to various public interest criteria – considering laws such as the <i>Corruption, Crime and Misconduct Act 2003</i>, the <i>Occupational Safety and Health Act 1984</i>, the <i>Building Act 2011</i>, and other legislation.</li> <li>The Inspector would have powers to implement minor penalties for less serious breaches of the Act, with an appeal mechanism.</li> <li>The Inspector would also have the power to order a local government to address non-</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Items 1.1, 1.2 and 1.3 <b>generally align</b> with WALGA Advocacy Position 2.6.8 - 'Establish Office of Independent Assessor'</p> <p><i>The Local Government sector supports:</i></p> <ol style="list-style-type: none"> <li><i>Establishing an Office of the Independent Assessor to replace the Standards Panel to provide an independent body to receive, investigate and assess complaints against Elected Members and undertake inquiries.</i></li> <li><i>Remove the CEO from being involved in processing complaints.</i></li> <li><i>That an early intervention framework of monitoring to support Local Governments be provided with any associated costs to be the responsibility of the State Government.</i></li> <li><i>An external oversight model for local level behavioural complaints made under Council Member, Committee Member and Candidate Codes of Conduct, that is closely aligned to the Victorian Councillor Complaints Framework.</i></li> </ol> <p><b>Comment</b></p> <p>The Local Government sector is in favour of early intervention and a swift response to potentially disruptive or dysfunctional</p>	



## Local Government Reform – Consultation on Proposed Reforms

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p>Perth Inquiry, and the Select Committee Report made various recommendations related to the establishment of a specific office for local government oversight.</p>	<p>compliance with the Act or Regulations.</p> <ul style="list-style-type: none"> <li>• The Inspector would be supported by a panel of <b>Local Government Monitors</b> (see item 1.2).</li> <li>• The existing Local Government Standards Panel would be replaced with a new <b>Conduct Panel</b> (see item 1.3).</li> <li>• <b>Penalties</b> for breaches to the Local Government Act and Regulations will be reviewed and are proposed to be generally strengthened (see item 1.4).</li> <li>• These reforms would be supported by new powers to more quickly resolve issues within local government (see items 1.5 and 1.6).</li> </ul>	<p>behaviours. The Proposed Reforms state '<i>Local Governments would still be responsible for dealing with minor behavioural complaints</i>' and therefore do not go as far as the Sector's recent request for an external oversight model for the independent assessment of local level complaints (State Council Res: 264.5/2021 – September 2021). However this will be mitigated with the Inspector able to respond to a Local Government having unresolved matters by appointing a monitor to assist the Local Government.</p> <p>It is expected the Local Government Inspector would be funded by the State Government, however it is noted that the cost of the Local Government Monitors and the Conduct Panel would be borne by the Local Government concerned.</p> <p><b>Recommendation</b></p> <ol style="list-style-type: none"> <li>1. <b>Support the proposed reforms as they align with the sectors position on external oversight and support.</b></li> <li>2. <b>Request the Minister to explore alternate mechanisms for resolving local level complaints.</b></li> </ol>	
<p><b>1.2 Local Government Monitors</b></p>			
<ul style="list-style-type: none"> <li>• There are currently no legislative powers for the provision of monitors/ temporary advisors.</li> <li>• The DLGSC provides support and advice to local governments, however there is no existing mechanism for pre-qualified, specialised assistance to manage complex cases.</li> </ul>	<ul style="list-style-type: none"> <li>• A panel of <b>Local Government Monitors</b> would be established.</li> <li>• Monitors could be appointed by the Inspector to go into a local government and try to resolve problems.</li> <li>• The purpose of Monitors would be to proactively fix problems, rather than to identify blame or collect evidence.</li> <li>• Monitors would be qualified specialists, such as: <ul style="list-style-type: none"> <li>○ Experienced and respected former Mayors, Presidents, and CEOs - to act as</li> </ul> </li> </ul>	<p>As above</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>mentors and facilitators</p> <ul style="list-style-type: none"> <li>○ Dispute resolution experts - to address the breakdown of professional working relationships</li> <li>○ Certified Practising Accountants and other financial specialists - to assist with financial management and reporting issues</li> <li>○ Governance specialists and lawyers - to assist councils resolve legal issues</li> <li>○ HR and procurement experts - to help with processes like recruiting a CEO or undertaking a major land transaction.</li> </ul> <ul style="list-style-type: none"> <li>● Only the Inspector would have the power to appoint Monitors.</li> <li>● Local governments would be able to make requests to the Inspector to appoint Monitors for a specific purpose.</li> </ul> <p><b>Monitor Case Study 1 – Financial Management</b></p> <p>The Inspector receives information that a local government is not collecting rates correctly under the <i>Local Government Act 1995</i>. Upon initial review, the Inspector identifies that there may be a problem. The Inspector appoints a Monitor who specialises in financial management in local government. The Monitor visits the local government and identifies that the system used to manage rates is not correctly issuing rates notices. The Monitor works with the local government to rectify the error, and issue corrections to impacted ratepayers.</p> <p><b>Monitor Case Study 2 – Dispute Resolution</b></p> <p>The Inspector receives a complaint from one councillor that another councillor is repeatedly publishing derogatory personal attacks against another councillor on social media, and that the issue has not been able to be resolved at the local government level. The Inspector identifies that there has been a relationship breakdown between the two councillors due to a disagreement on</p>		

## Local Government Reform – Consultation on Proposed Reforms

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>council.</p> <p>The Inspector appoints a Monitor to host mediation sessions between the councillors. The Monitor works with the councillors to address the dispute. Through regular meetings, the councillors agree to a working relationship based on the council's code of conduct. After the mediation, the Monitor occasionally makes contact with both councillors to ensure there is a cordial working relationship between the councillors.</p>		
<b>1.3 Conduct Panel</b>			
<ul style="list-style-type: none"> <li>The Local Government Standards Panel was established in 2007 to resolve minor breach complaints relatively quickly and provide the sector with guidance and benchmarks about acceptable standards of behaviour.</li> <li>Currently, the Panel makes findings about alleged breaches based on written submissions.</li> <li>The City of Perth Inquiry report made various recommendations that functions of the Local Government Standards Panel be reformed.</li> </ul>	<ul style="list-style-type: none"> <li>The Standards Panel is proposed to be replaced with a new Local Government <b>Conduct Panel</b>.</li> <li>The Conduct Panel would be comprised of suitably qualified and experienced professionals. Sitting councillors will not be eligible to serve on the Conduct Panel.</li> <li>The Inspector would provide evidence to the Conduct Panel for adjudication.</li> <li>The Conduct Panel would have powers to impose stronger penalties – potentially including being able to suspend councillors for up to three months, with an appeal mechanism.</li> <li>For very serious or repeated breaches of the Local Government Act, the Conduct Panel would have the power to recommend prosecution through the courts.</li> <li>Any person who is subject to a complaint before the Conduct Panel would have the right to address the Conduct Panel before the Panel makes a decision.</li> </ul>	As above	
<b>1.4 Review of Penalties</b>			
<ul style="list-style-type: none"> <li>There are currently limited penalties in the Act for certain types of non-compliance with the Local Government Act.</li> </ul>	<ul style="list-style-type: none"> <li>Penalties for breaching the Local Government Act are proposed to be strengthened.</li> <li>It is proposed that the suspension of councillors (for up to three months) is</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Items 1.4 and 1.5 <b>expand upon</b> Advocacy Position 2.6.9 - 'Stand Down Proposal'</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>established as the main penalty where a councillor breaches the Local Government Act or Regulations on more than one occasion.</p> <ul style="list-style-type: none"> <li>Councillors who are disqualified would not be eligible for sitting fees or allowances. They will also not be able to attend meetings, or use their official office (such as their title or council email address).</li> <li>It is proposed that a councillor who is suspended multiple times may become disqualified from office.</li> <li>Councillors who do not complete mandatory training within a certain timeframe will also not be able to receive sitting fees or allowances.</li> </ul>	<p><i>WALGA supports, in principle, a proposal for an individual elected member to be 'stood down' from their duties when they are under investigation, have been charged, or when their continued presence prevents Council from properly discharging its functions or affects the Council's reputation, subject to further policy development work being undertaken. Further policy development of the Stand Down Provisions must involve active consultation with WALGA and specific consideration of the following issues of concern to the Sector:</i></p> <ol style="list-style-type: none"> <li><i>That the Department of Local Government endeavour to ensure established principles of natural justice and procedural fairness are embodied in all aspects of the proposed Stand Down Provisions; and</i></li> <li><i>That activities associated with the term 'disruptive behaviour', presented as reason to stand down a defined Elected Member on the basis their continued presence may make a Council unworkable, are thoroughly examined and clearly identified to ensure there is awareness, consistency and opportunity for avoidance.</i></li> </ol> <p><b>Comment</b> The Local Government sector has long-standing advocacy positions supporting stronger penalties as a deterrent to disruptive Council Member behaviours. Clear guidance will be required to ensure there is consistent application of the power given to Presiding Members.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>1.5 Rapid Red Card Resolutions</b>			
<ul style="list-style-type: none"> <li>Currently, local governments have different local laws and standing orders that govern the way meetings run. Presiding members (Mayors and Presidents) are reliant on the powers provided in the local</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that Standing Orders are made consistent across Western Australia (see item 2.6). Published recordings of all meetings would also become standard (item 3.1).</li> <li>It is proposed that Presiding Members have the power to "red card" any attendee</li> </ul>	As above	

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CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p>government standing orders local laws.</p> <ul style="list-style-type: none"> <li>Differences between local governments is a source of confusion about the powers that presiding members have to deal with disruptive behaviours at council meetings.</li> <li>Disruptive behaviour at council meetings is a very common cause of complaints. Having the Presiding Member be able to deal with these problems should more quickly resolve problems that occur at council meetings.</li> </ul>	<p>(including councillors) who unreasonably and repeatedly interrupt council meetings. This power would:</p> <ul style="list-style-type: none"> <li>Require the Presiding Member to issue a clear first warning</li> <li>If the disruptions continue, the Presiding Member will have the power to “red card” that person, who must be silent for the rest of the meeting. A councillor issued with a red card will still vote, but must not speak or move motions</li> <li>If the person continues to be disruptive, the Presiding Member can instruct that they leave the meeting.</li> </ul> <ul style="list-style-type: none"> <li>Any Presiding Member who uses the “red card” or ejection power will be required to notify the Inspector.</li> <li>Where an elected member refuses to comply with an instruction to be silent or leave, or where it can be demonstrated that the presiding member has not followed the law in using these powers, penalties can be imposed through a review by the Inspector.</li> </ul>		
<p><b>1.6 Vexatious Complaint Referrals</b></p>			
<ul style="list-style-type: none"> <li>No current provisions.</li> <li>The Act already provides a requirement for Public Question Time at council meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Local governments already have a general responsibility to provide ratepayers and members of the public with assistance in responding to queries about the local government’s operations. Local governments should resolve queries and complaints in a respectful, transparent and equitable manner.</li> <li>Unfortunately, local government resources can become unreasonably diverted when a person makes repeated vexatious queries, especially after a local government has already provided a substantial response to the person’s query.</li> <li>It is proposed that if a person makes repeated complaints to a local government CEO that are vexatious, the CEO will have the power to</li> </ul>	<p><b><u>Current Local Government Position</u></b>  Item 1.6 <b><u>expands upon</u></b> Advocacy Position 2.6.11 – ‘Vexatious complainants in relation to FOI applications’  <i>WALGA advocates for the Freedom of Information Act 1992 (WA) to be reviewed, including consideration of:</i></p> <ol style="list-style-type: none"> <li><i>Enabling the Information Commissioner to declare vexatious applicants similar to the provisions of section 114 of the Right to Information Act 2009 (QLD);</i></li> <li><i>Enabling an agency to recover reasonable costs incurred through the processing of a Freedom of Information access application where the application is subsequently</i></li> </ol>	

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CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>refer that person's complaints to the Inspectorate, which after assessment of the facts may then rule the complaint vexatious.</p>	<p><i>withdrawn; and</i></p> <p>3. <i>Modernisation to address the use of electronic communications and information.</i></p> <p><b>Comment</b></p> <p>The Act has been expanded significantly in recent years to permit an increased level of public involvement, scrutiny and access to information relating to the decisions, operations and affairs of Local Government in WA. Introducing a means to limit capacity for unreasonable complainants to negatively impact Local Governments will provide a necessary balance between the openness and transparency of the sector and the reasonable entitlement of citizens to interact with their Local Government.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>1.7 Minor Other Reforms</b></p>			

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CURRENT PROVISIONS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<ul style="list-style-type: none"> <li>Other minor reforms are being considered to enhance the oversight of local government.</li> <li>Ministerial Circulars have traditionally been used to provide guidance to the local government sector.</li> </ul>	<ul style="list-style-type: none"> <li>Potential other reforms to strengthen guidance for local governments are being considered.</li> <li>For example, one option being considered is the potential use of sector-wide guidance notices. Guidance notices could be published by the Minister or Inspector, to give specific direction for how local governments should meet the requirements of the Local Government Act and Regulations. For instance, the Minister could publish guidance notices to clarify the process for how potential conflicts of interests should be managed.</li> <li>It is also proposed (see item 1.1) that the Inspector has the power to issue notices to individual local governments to require them to rectify non-compliance with the Act or Regulations.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 1.7 <b>aligns</b> with Advocacy Position 2.6 - 'Support DLGSC as service provider / capacity builder'</p> <p><i>WALGA supports the continuance of the Department of Local Government, Sport and Cultural Industries as a direct service provider of compliance and recommend the Department fund its capacity building role through the utilisation of third party service providers. In addition, WALGA calls on the State Government to ensure there is proper resourcing of the Department of Local Government, Sport and Cultural Industries to conduct timely inquiries and interventions when instigated under the provisions of the Local Government Act 1995.</i></p> <p><b>Comment</b></p> <p>Operational guidance from the Department of Local Government, Sport and Cultural Industries leads to consistent understanding and application of statutory provisions by Local Government. The proposed reform that the Inspector issue non-compliance notices appears to replicate the Minister's powers under Section 9.14A – 'Notice to prevent continuing contravention'</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	

## Local Government Reform – Consultation on Proposed Reforms

## Theme 2: Reducing Red Tape, Increasing Consistency and Simplicity

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>2.1 Resource Sharing</b>			
<ul style="list-style-type: none"> <li>The Act does not currently include specific provisions to allow for certain types of resource sharing – especially for sharing CEOs.</li> <li>Regional local governments would benefit from having clearer mechanisms for voluntary resource-sharing.</li> </ul>	<ul style="list-style-type: none"> <li>Amendments are proposed to encourage and enable local governments, especially smaller regional local governments, to share resources, including Chief Executive Officers and senior employees.</li> <li>Local governments in bands 2, 3 or 4 would be able to appoint a shared CEO at up to two salary bands above the highest band. For example, a band 3 and a band 4 council sharing a CEO could remunerate to the level of band 1.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 2.1 <b>aligns</b> with Advocacy Position 2.6 – Local Government Legislation – ‘Avoid red tape and ‘de-clutter’ the extensive regulatory regime that underpins the Local Government Act’ and Advocacy Position 2.3.1 - ‘Regional Collaboration’.</p> <p><i>Local Governments should be empowered to form single and joint subsidiaries, and beneficial enterprises. In addition, compliance requirements of Regional Councils should be reviewed and reduced.</i></p> <p><b>Comment</b></p> <p>The proposed reforms will rely upon statutory provisions that enable and enhance regional collaboration. Recent over-regulation of Regional Subsidiaries in 2016 resulted in no subsidiaries being formed since that time.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>2.2 Standardisation of Crossovers</b>			
<ul style="list-style-type: none"> <li>Approvals and standards for crossovers (the section of driveways that run between the kerb and private property) are inconsistent between local government areas, often with very minor differences.</li> <li>This can create confusion and complexity for homeowners and small businesses in the construction sector.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to amend the <i>Local Government (Uniform Local Provisions) Regulations 1996</i> to standardise the process for approving crossovers for residential properties and residential developments on local roads.</li> <li>A Crossover Working Group has provided preliminary advice to the Minister and DLGSC to inform this.</li> <li>The DLGSC will work with the sector to develop standardised design and construction standards.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p><b>Comment</b></p> <p>WALGA developed the Template Crossover Guideline and Specification resource in 2017 and have been part of the Minister’s working group on red tape reduction that has been looking at standardisation of crossovers.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	



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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>2.3 Introduce Innovation Provisions</b>			
<ul style="list-style-type: none"> <li>The <i>Local Government Act 1995</i> currently has very limited provisions to allow for innovations and responses to emergencies to (such as the Shire of Bruce Rock Supermarket).</li> </ul>	<ul style="list-style-type: none"> <li>New provisions are proposed to allow exemptions from certain requirements of the <i>Local Government Act 1995</i>, for: <ul style="list-style-type: none"> <li>Short-term trials and pilot projects</li> <li>Urgent responses to emergencies.</li> </ul> </li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>There is currently no advocacy position in relation to Item 2.3.</p> <p><b>Comment</b></p> <p>It is arguable communities expect all levels of Government will apply innovative solutions to complex and emerging issues difficult to resolve by traditional means. Exemptions constructed with appropriate checks and balances, particularly where expenditure of public funds are concerned, has potential to facilitate efficient and effective outcomes.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>2.4 Streamline Local Laws</b>			
<ul style="list-style-type: none"> <li>Local laws are required to be reviewed every eight years.</li> <li>The review of local laws (especially when they are standard) has been identified as a burden for the sector.</li> <li>Inconsistency between local laws is frustrating for residents and business stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that local laws would only need to be reviewed by the local government every 15 years.</li> <li>Local laws not reviewed in the timeframe would lapse, meaning that old laws will be automatically removed and no longer applicable.</li> <li>Local governments adopting Model Local Laws will have reduced advertising requirements.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Items 2.4, 2.5 and 2.6 <b>expand upon</b> Advocacy Position 2.6.35 - 'Local law-making process should be simplified'.</p> <p><i>The Local Law making process should be simplified as follows:</i></p> <ul style="list-style-type: none"> <li><i>The requirement to give state-wide notice should be reviewed, with consideration given to Local Governments only being required to provide local public notice;</i></li> <li><i>Eliminate the requirement to consult on local laws when a model is used;</i></li> <li><i>Consider deleting the requirement to review local laws periodically. Local Governments, by administering local laws, will determine when it is necessary to amend or revoke a local law; and</i></li> <li><i>Introduce certification of local laws by a legal practitioner in place of scrutiny by Parliament's Delegated Legislation</i></li> </ul>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		<p><i>Committee.</i></p> <p><b>Comment</b> Proposed reforms meet the Sector's preference for simplified local law-making processes. Model local laws are supported, whilst recognising the models themselves will require review by State Government departments with the relevant head of power. For example, the Model Local Law (Standing Orders) 1998 formed the basis of many Local Government meeting procedures local laws but no review was completed. This model was superseded by individual local laws with added contemporary provisions. This pattern will repeat itself if model local laws are not reviewed to remain contemporary to the Sector's requirements.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>2.5 Simplifying Approvals for Small Business and Community Events</b></p>			
<ul style="list-style-type: none"> <li>• Inconsistency between local laws and approvals processes for events, street activation, and initiatives by local businesses is frustrating for business and local communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed reforms would introduce greater consistency for approvals for: <ul style="list-style-type: none"> <li>○ alfresco and outdoor dining</li> <li>○ minor small business signage rules</li> <li>○ running community events.</li> </ul> </li> </ul>	As above	
<p><b>2.6 Standardised Meeting Procedures, Including Public Question Time</b></p>			
<ul style="list-style-type: none"> <li>• Local governments currently prepare individual standing order local laws.</li> <li>• The <i>Local Government Act 1995</i> and regulations require local governments to allocate time at meetings for questions from the public.</li> <li>• Inconsistency among the meeting</li> </ul>	<ul style="list-style-type: none"> <li>• To provide greater clarity for ratepayers and applicants for decisions made by council, it is proposed that the meeting procedures and standing orders for all local government meetings, including for public question time, are standardised across the State.</li> <li>• Regulations would introduce standard requirements for public question time, and the procedures for meetings generally.</li> </ul>	As above	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p>procedures between local governments is a common source of complaints.</p>	<ul style="list-style-type: none"> <li>Members of the public across all local governments would have the same opportunities to address council and ask questions.</li> </ul>		
<b>2.7 Regional Subsidiaries</b>			
<ul style="list-style-type: none"> <li>Initiatives by multiple local governments may be managed through formal Regional Councils, or through less formal “organisations of councils”, such as NEWROC and WESROC.</li> <li>These initiatives typically have to be managed by a lead local government.</li> <li>In 2016-17, provisions were introduced to allow for the formation of Regional Subsidiaries. Regional Subsidiaries can be formed in line with the <i>Local Government (Regional Subsidiaries) Regulations 2017</i>.</li> <li>So far, no Regional Subsidiary has been formed.</li> </ul>	<ul style="list-style-type: none"> <li>Work is continuing to consider how Regional Subsidiaries can be best established to: <ul style="list-style-type: none"> <li>Enable Regional Subsidiaries to provide a clear and defined public benefit for people within member local governments</li> <li>Provide for flexibility and innovation while ensuring appropriate transparency and accountability of ratepayer funds</li> <li>Where appropriate, facilitate financing of initiatives by Regional Subsidiaries within a reasonable and defined limit of risk</li> <li>Ensure all employees of a Regional Subsidiary have the same employment conditions as those directly employed by member local governments.</li> </ul> </li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 2.7 <b><u>aligns</u></b> with Advocacy Position 2.3.1 - ‘Regional Collaboration’</p> <p><i>Local Governments should be empowered to form single and joint subsidiaries, and beneficial enterprises. In addition, compliance requirements of Regional Councils should be reviewed and reduced.</i></p> <p><b>Comment</b></p> <p>Under the Regional Subsidiary model, two or more Local Governments are able to establish a regional subsidiary to undertake a shared service function on behalf of its constituent Local Governments. The model provides increased flexibility when compared to the Regional Local Government model because regional subsidiaries are primarily governed and regulated by a charter rather than legislation. While the regional subsidiary model’s governance structure is primarily representative, the model also allows independent and commercially focussed directors to be appointed to the board of management.</p> <p>A key advantage of the regional subsidiary</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		<p>model is the use of a charter, as opposed to legislation, as the primary governance and regulatory instrument. Accordingly, the legislative provisions governing the establishment of regional subsidiaries should be light, leaving most of the regulation to the regional subsidiary charter, which can be adapted to suit the specific circumstances of each regional subsidiary.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	

## Theme 3: Greater Transparency &amp; Accountability

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p><b>3.1 Recordings and Live-Streaming of All Council Meetings</b></p>			
<ul style="list-style-type: none"> <li>Currently, local governments are only required to make written minutes of meetings.</li> <li>While there is no legal requirement for livestreaming or video or audio recording of council meetings, many local governments now stream and record their meetings.</li> <li>Complaints relating to behaviours and decisions at meetings constitute a large proportion of complaints about local governments.</li> <li>Local governments are divided into bands with the largest falling in bands 1 and 2, and smaller local</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that all local governments will be required to record meetings.</li> <li>Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives.</li> <li>Band 1 and 2 are larger local governments are generally located in larger urban areas, with generally very good telecommunications infrastructure, and many already have audio-visual equipment.</li> <li>Band 1 and 2 local governments would be required to livestream meetings, and make video recordings available as public archives.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 3.1 <b>expands upon</b> Advocacy Position 2.6 – ‘Promote a size and scale compliance regime’ and Advocacy Position 2.6.31 - ‘Attendance at Council Meetings by Technology’</p> <p><i>A review of the ability of Elected Members to log into Council meetings should be undertaken.</i></p> <p><b>Comment</b></p> <p>Local Governments introducing electronic meeting procedures and the means for remote public attendance in response to the COVID-19 pandemic led to a swift uptake of streaming Council meetings. The proposed reform that Band 1 and 2 Local Governments will only be</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p>governments falling bands 3 and 4. The allocation of local governments into bands is determined by The Salaries and Allowances Tribunal based on factors<sup>1</sup> such as:</p> <ul style="list-style-type: none"> <li>○ Growth and development</li> <li>○ Strategic planning issues</li> <li>○ Demands and diversity of services provided to the community</li> <li>○ Total expenditure</li> <li>○ Population</li> <li>○ Staffing levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Several local governments already use platforms such as YouTube, Microsoft Teams, and Vimeo to stream and publish meeting recordings.</li> <li>• Limited exceptions would be made for meetings held outside the ordinary council chambers, where audio recordings may be used.</li> <li>• Recognising their generally smaller scale, typically smaller operating budget, and potential to be in more remote locations, band 3 and 4 local governments would be required to record and publish audio recordings, at a minimum. These local governments would still be encouraged to livestream or video record meetings.</li> <li>• All council meeting recordings would need to be published at the same time as the meeting minutes. Recordings of all confidential items would also need to be submitted to the DLGSC for archiving.</li> </ul>	<p>problematic where technical capability such as reliable bandwidth impact the district.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>3.2 Recording All Votes in Council Minutes</b></p>			

<sup>1</sup> See page 3 of the [2018 Salaries and Allowance Tribunal Determination](#)

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<ul style="list-style-type: none"> <li>A local government is only required to record which councillor voted for or against a motion in the minutes of that meeting if a request is made by an elected member at the time of the resolution during the meeting.</li> <li>The existing provision does not mandate transparency.</li> </ul>	<ul style="list-style-type: none"> <li>To support the transparency of decision-making by councillors, it is proposed that the individual votes cast by all councillors for all council resolutions would be required to be published in the council minutes, and identify those for, against, on leave, absent or who left the chamber.</li> <li>Regulations would prescribe how votes are to be consistently minuted.</li> </ul>	<p><b><u>Current Local Government Position</u></b> There is currently no advocacy position in relation to Item 3.2.</p> <p><b>Comment</b> There is an evolving common practice that Council Minutes record the vote of each Council Member present at a meeting.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>3.3 Clearer Guidance for Meeting Items that may be Confidential</b>			
<ul style="list-style-type: none"> <li>The Act currently provides broad definitions of what type of matters may be discussed as a confidential item.</li> <li>There is limited potential for review of issues managed as confidential items under the current legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Recognising the importance of open and transparent decision-making, it is considered that confidential meetings and confidential meeting items should only be used in limited, specific circumstances.</li> <li>It is proposed to make the Act more specific in prescribing items that may be confidential, and items that should remain open to the public.</li> <li>Items not prescribed as being confidential could still be held as confidential items only with the prior written consent of the Inspector.</li> <li>All confidential items would be required to be audio recorded, with those recordings submitted to the DLGSC.</li> </ul>	<p><b><u>Current Local Government Position</u></b> There is currently no advocacy position in relation to Item 3.3.</p> <p><b>Comment</b> Clarifying the provisions of the Act has broad support within the sector. New reforms requiring Local Governments to video or audio record Council meetings (Item 3.1) will add to the formal record of proceedings that includes written Minutes. While being supported, the requirement to provide audio recordings of confidential matters to the DLGSC is queried on the basis that written and audio records can be readily accessed from a Local Government if required.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>3.4 Additional Online Registers</b>			
<ul style="list-style-type: none"> <li>Local governments are required to provide information to the community through annual reports, council minutes and the publication of information online.</li> <li>Consistent online publication of information can substitute for</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to require local governments to report specific information in online registers on the local government's website. Regulations would prescribe the information to be included.</li> </ul> <p>The following new registers, each updated</p>	<p><b><u>Current Local Government Position</u></b> There is currently no advocacy position in relation to Item 3.4.</p> <p><b>Comment</b> This proposal follows recent Act amendments that ensure a range of information is published on Local Government websites. WALGA has</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<p>certain material in annual reports.</p> <ul style="list-style-type: none"> <li>Consistency in online reporting across the sector will provide ratepayers with better information.</li> <li>These registers supplement the simplification of financial statements in Theme 6.</li> </ul>	<p>quarterly, are proposed:</p> <ul style="list-style-type: none"> <li><b>Lease Register</b> to capture information about the leases the local government is party to (either as lessor or lessee)</li> <li><b>Community Grants Register</b> to outline all grants and funding provided by the local government</li> <li><b>Interests Disclosure Register</b> which collates all disclosures made by elected members about their interests related to matters considered by council</li> <li><b>Applicant Contribution Register</b> accounting for funds collected from applicant contributions, such as cash-in-lieu for public open space and car parking</li> <li><b>Contracts Register</b> that discloses all contracts above \$100,000.</li> </ul>	<p>sought clarity that the contracts register excludes contracts of employment.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>3.5 Chief Executive Officer Key Performance Indicators (KPIs) be Published</b></p>			
<ul style="list-style-type: none"> <li>It is a requirement of the <i>Local Government Act 1995</i> that CEO performance reviews are conducted annually.</li> <li>The Model Standards for CEO recruitment and selection, performance review and termination require that a local government must review the performance of the CEO against contractual performance criteria.</li> <li>Additional performance criteria can be used for performance review by agreement between both parties.</li> </ul>	<ul style="list-style-type: none"> <li>To provide for minimum transparency, it is proposed to mandate that the KPIs agreed as performance metrics for CEOs: <ul style="list-style-type: none"> <li>Be published in council meeting minutes as soon as they are agreed prior to (before the start of the annual period)</li> <li>The KPIs and the results be published in the minutes of the performance review meeting (at the end of the period)</li> <li>The CEO has a right to provide written comments to be published alongside the KPIs and results to provide context as may be appropriate (for instance, the impact of events in that year that may have influenced the</li> </ul> </li> </ul>	<p><b>Current Local Government Position</b></p> <p>There is currently no advocacy position in relation to Item 3.5.</p> <p><b>Comment</b></p> <p>In principle, this proposal has some merit and would be particularly effective if all CEO KPIs consistently reflect Strategic Community Plans and Corporate Business Plans of Local Governments, together with KPIs reflective of the CEO's statutory functions under Section 5.41 of the Act. This approach would inform the community of the CEO's performance related to the strategic direction and operational function of the Local Government.</p> <p>In practice, the drafting of statutory provisions will require sensitive consideration of certain KPIs i.e. those relating to issues affecting the</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>results against KPIs).</p>	<p>workplace or identified risk-based concerns, to reflect the way Audit Committees currently deal with some internal control, risk and legislative compliance issues confidentially. This approach will protect the interests of Local Governments and other parties associated with such KPIs. It would be prudent for exemptions to be provided, based on matters of confidentiality.</p> <p>The proposed reforms and recent Act amendments signal a clear intent to permit closer community involvement and scrutiny of Local Government. However, negative consequences are likely if Local Government Council's responsibility as the employing authority of the CEO became blurred due to perceived community entitlement to comment, question and influence KPIs and the performance review process.</p> <p>Additionally, the publication of CEO KPI's will elevate this employment position to a high degree of public scrutiny seldom evident in the public or private sector, if at all. It is worth investigating whether the proposed reforms considered whether this factor could impact on the recruitment of CEO's, particularly from outside the Local Government sector.</p> <p>The results of performance reviews should be confidential information between the employer and employee and should not be published and should remain within the confidential human resource records of the organisation.</p> <p><b>Recommendation</b></p> <ol style="list-style-type: none"> <li>1. <b>Conditionally Support the reporting of CEO KPIs that are consistent with the strategic direction and operational function of the Local Government, subject to exemptions for publishing KPI's of a confidential nature;</b></li> <li>2. <b>Do not support the results of performance</b></li> </ol>	



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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		reviews being published.	

## Theme 4: Stronger Local Democracy and Community Engagement

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>4.1 Community and Stakeholder Engagement Charters</b>			
<ul style="list-style-type: none"> <li>There is currently no requirement for local governments to have a specific engagement charter or policy.</li> <li>Many local governments have introduced charters or policies for how they will engage with their community.</li> <li>Other States have introduced a specific requirement for engagement charters.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to introduce a requirement for local governments to prepare a community and stakeholder engagement charter which sets out how local government will communicate processes and decisions with their community.</li> <li>A model Charter would be published to assist local governments who wish to adopt a standard form.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Items 4.1 and 4.2 <b>generally align</b> with Advocacy Position 2.6.34 - ‘Support responsive, aspirational and innovative community engagement principles’</p> <p><i>The Local Government sector supports:</i></p> <ol style="list-style-type: none"> <li>1. <i>Responsive, aspirational and innovative community engagement principles</i></li> <li>2. <i>Encapsulation of aims and principles in a community engagement policy, and</i></li> <li>3. <i>The option of hosting an Annual Community Meeting to present on past performance and outline future prospects and plans.</i></li> </ol> <p><b>Comment</b></p> <p>As indicated in Item 4.1 commentary, many Local Governments have already developed stakeholder engagement charters, or similar engagement strategies, that reflect their unique communities of interest. The development of guidance by the DLGSC, based on standards such as the International Standard for Public Participation practice, is supported in favour of taking a prescriptive approach or conducting a survey for the sake of a survey.</p> <p>Item 4.2 has potential to provide benchmarking of community satisfaction levels across Band 1 and 2 Local Governments.</p> <p><b>Recommendation</b></p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		Supported	
<b>4.2 Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)</b>			
<ul style="list-style-type: none"> <li>Many local governments already commission independent surveying consultants to hold a satisfaction survey of residents/ratepayers.</li> <li>These surveys provide valuable data on the performance of local governments.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to introduce a requirement that every four years, all local governments in bands 1 and 2 hold an independently-managed ratepayer satisfaction survey.</li> <li>Results would be required to be reported publicly at a council meeting and published on the local government's website.</li> <li>All local governments would be required to publish a response to the results.</li> </ul>	As above	
<b>4.3 Introduction of Preferential Voting</b>			
<ul style="list-style-type: none"> <li>The current voting method for local government elections is first past the post.</li> <li>The existing first-past-the-post does not allow for electors to express more than one preference.</li> <li>The candidate with the most votes wins, even if that candidate does not have a majority.</li> <li>Preferential voting better captures the precise intentions of voters and as a result may be regarded as a fairer and more representative system. Voters have more specific choice.</li> </ul>	<ul style="list-style-type: none"> <li>Preferential voting is proposed be adopted as the method to replace the current first past the post system in local government elections.</li> <li>In preferential voting, voters number candidates in order of their preferences.</li> <li>Preferential voting is used in State and Federal elections in Western Australia (and in other states). This provides voters with more choice and control over who they elect.</li> <li>All other states use a form of preferential voting for local government.</li> </ul>	<p><b>Current Local Government Position</b>  Item 4.3 <b>does not align</b> with Advocacy Position 2.5.1 – ‘First Past the Post voting system’  <i>The Local Government sector supports:</i></p> <ol style="list-style-type: none"> <li>Four year terms with a two year spill</li> <li>Greater participation in Local Government elections</li> <li>The option to hold elections through: <ul style="list-style-type: none"> <li>Online voting</li> <li>Postal voting, and</li> <li>In-person voting</li> </ul> </li> <li>Voting at Local Government elections to be voluntary</li> <li>The first past the post method of counting votes</li> </ol> <p><b>Comment</b>  It should be noted that the sector's advocacy against compulsory voting and "All in All out" 4 year terms has been successful and these items are not included in the reform proposals.</p> <p>The introduction of preferential voting will be a return to the system of voting prior to the <i>Local</i></p>	<ul style="list-style-type: none"> <li>~ Preferential Voting for single member vacancies</li> <li>~ Proportional Representation for multi position vacancies</li> <li>~ Random order ballot paper similar to Robson Method</li> <li>~ Refer detailed explanation</li> </ul>

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		<p><i>Government Act 1995. The Local Government Advisory Board reported on voting systems in 2006 ('Local Government Structural Reform in Western Australia: Ensuring the Future Sustainability of Communities') and provided the following comments in support of both first past the post voting and preferential voting:</i></p> <p><i>'Comments in support of retaining first past the post include:</i></p> <ul style="list-style-type: none"> <li><i>• Quick to count. Preferential voting is time consuming to count.</i></li> <li><i>• Easily understood.</i></li> <li><i>• Removes politics out of campaigning. Preferential will encourage alliances formed for the distribution of preferences and party politics into local government.</i></li> <li><i>• Preferential voting allows election rigging through alliances or 'dummy' candidates.</i></li> <li><i>• In a preferential system, the person that receives the highest number of first preference votes does not necessarily get elected.'</i></li> </ul> <p><i>'Comments in support of replacing first past the post include:</i></p> <ul style="list-style-type: none"> <li><i>• Preferential voting is more democratic and removes an area of confusion.</i></li> <li><i>• Preferential voting ensures that the most popular candidates are elected who best reflect the will of the voters.</i></li> <li><i>• Preferential system should be introduced. In FPP elections, candidates work together to get votes for each other. Preferential would make it more difficult for this practice to take place.</i></li> <li><i>• FPP does not adequately reflect the wishes of electors when there are three candidates or more.</i></li> <li><i>• FPP is unsuitable when there is more than one vacancy.</i></li> <li><i>• Allows for a greater representation from a range of interest groups and prevents domination of elections by mainstream party politics.'</i></li> </ul> <p>The Sector supports first past the post voting for its simplicity and fundamental apolitical nature,</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		<p>therefore the proposed reforms are not supported. Feedback is sought to ensure the advocacy position for first past the post elections remains the preferred option.</p> <p><b>Recommendation</b>  <b>Not currently supported - Local Government feedback requested</b></p>	
<p><b>4.4 Public Vote to Elect the Mayor and President</b></p>			
<ul style="list-style-type: none"> <li>• The Act currently allows local governments to have the Presiding Member (the Mayor or President) elected either: <ul style="list-style-type: none"> <li>○ by the electors of the district through a public vote; or</li> <li>○ by the council as a resolution at a council meeting.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Mayors and Presidents of all local governments perform an important public leadership role within their local communities.</li> <li>• Band 1 and 2 local governments generally have larger councils than those in bands 3 and 4.</li> <li>• Accordingly, it is proposed that the Mayor or President for all band 1 and 2 councils is to be elected through a vote of the electors of the district. Councils in bands 3 and 4 would retain the current system.</li> <li>• A number of Band 1 and Band 2 councils have already moved towards Public Vote to Elect the Mayor and President in recent years, including City of Stirling and City of Rockingham.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 4.4 <b>does not align</b> with Advocacy Position 2.5.2 - 'Election of Mayors and Presidents be at the discretion of Local Government.'</p> <p><i>Local Governments should determine whether their Mayor or President will be elected by the Council or elected by the community.</i></p> <p><b>Comment</b></p> <p>There are 43 Band 1 and 2 Local Governments with 22 popularly electing the Mayor or President:</p> <p style="padding-left: 40px;">Band 1 - 15 Band 2 - 7</p> <p>The remaining 21 Local Governments have a Council-elected Mayor or President. The cited examples of the City of Rockingham and City of Stirling electors determining by referendum to change the process for electing the Mayor are examples of the current system working as intended. There is no evidence of elector support for uniform direct election of Mayors.</p> <p><b>Recommendation</b></p> <p><b>Not currently supported - Local Government feedback requested</b></p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>4.5 Tiered Limits on the Number of Councillors</b>			
<ul style="list-style-type: none"> <li>The number of councillors (between 5-15 councillors) is decided by each local government, reviewed by the Local Government Advisory Board, and if approved by the Minister.</li> <li>The Panel Report recommended electoral reforms to improve representativeness.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to limit the number of councillors based on the population of the entire local government.</li> <li>Some smaller local governments have already been moving to having smaller councils to reduce costs for ratepayers.</li> <li>The <a href="#">Local Government Panel Report</a> proposed: <ul style="list-style-type: none"> <li>For a population of up to 5,000 – five councillors (including the President)</li> <li>population of between 5,000 and 75,000 – five to nine councillors (including the Mayor/President)</li> <li>population of above 75,000 – nine to fifteen councillors (including Mayor).</li> </ul> </li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 4.5 <b>does not align</b> with Advocacy Position 2.5.1 – ‘Councils consist of between six and 15 (including the Mayor/President)’</p> <p><i>Local Governments being enabled to determine the number of Elected Members required on the Council between six and 15 (including the Mayor/President)</i></p> <p><b>Comment</b></p> <p>The proposed reform to restrict Local Governments with populations under 5,000 to 5 Council Members does not reflect the varied communities of interest within this grouping. Some Local Governments are essentially regional centres such as the Shires of Katanning (9), Dandaragan (9), Merredin (9), Moora (9) and Northampton (9) (current Councillor numbers bracketed). Local Governments such as the Shire of Ngaanyatjarraku (9) manage substantial land areas, manage isolated communities such as the Shire of Meekatharra (7) and culturally diverse communities such as the Shire of Christmas Island (9). Some Local Governments with populations up to 5,000 warrant a greater number of Councillors to effectively share the representative role that Council Members play within their communities.</p> <p>The additional proposed reforms in population categories over 5,000 generally reflect the current Councillor numbers.</p> <p><b>Recommendation</b></p> <p><b>Recommend 5 to 7 Council Members for populations up to 5,000 and support the</b></p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		remaining proposed reforms.	
<b>4.6 No Wards for Small Councils (Band 3 and 4 Councils only)</b>			
<ul style="list-style-type: none"> <li>A local government can make an application to be divided into wards, with councillors elected to those wards.</li> <li>Only about 10% of band 3 and 4 local governments currently have wards.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that the use of wards for councils in bands 3 and 4 is abolished.</li> <li>Wards increase the complexity of elections, as this requires multiple versions of ballot papers to be prepared for a local government's election.</li> <li>In smaller local governments, the population of wards can be very small.</li> <li>These wards often have councillors elected unopposed, or elect a councillor with a very small number of votes. Some local governments have ward councillors elected with less than 50 votes.</li> <li>There has been a trend in smaller local governments looking to reduce the use of wards, with only 10 councils in bands 3 and 4 still having wards.</li> </ul>	<p><b><u>Current Local Government Position</u></b> There are no advocacy positions in relation to Items 4.6, 4.7, 4.8 or 4.9.</p> <p><b>Comment</b> The proposed reform to discontinue wards in Band 3 and 4 Local Governments brings alignment with the majority and provides that affected Local Governments will no longer have to conduct 8 year ward reviews or make representation to the Local Government Advisory Board to revert to a no wards system.</p> <p>Remaining proposed reforms will improve and clarify election processes.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>4.7 Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility</b>			
<ul style="list-style-type: none"> <li>A person with a lease in a local government district is eligible to nominate as a candidate in that district.</li> <li>A person with a lease in a local government district is eligible to apply to vote in that district.</li> <li>The City of Perth Inquiry Report identified a number of instances where dubious lease arrangements put to question the validity of candidates in local government elections, and subsequently their legitimacy as councillors.</li> </ul>	<ul style="list-style-type: none"> <li>Reforms are proposed to prevent the use of "sham leases" in council elections. Sham leases are where a person creates a lease only to be able to vote or run as a candidate for council.</li> <li>The City of Perth Inquiry Report identified sham leases as an issue.</li> <li>Electoral rules are proposed to be strengthened: <ul style="list-style-type: none"> <li>A minimum lease period of 12 months will be required for anyone to register a person to vote or run for council.</li> <li>Home based businesses will not be eligible to register a person to vote or</li> </ul> </li> </ul>	As above	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>run for council, because any residents are already the eligible voter(s) for that address.</p> <ul style="list-style-type: none"> <li>○ Clarifying the minimum criteria for leases eligible to register a person to vote or run for council.</li> <li>• The reforms would include minimum lease periods to qualify as a registered business (minimum of 12 months), and the exclusion of home based businesses (where the resident is already eligible) and very small sub-leases.</li> <li>• The basis of eligibility for each candidate (e.g. type of property and suburb of property) is proposed to be published, including in the candidate pack for electors.</li> </ul>		
<b>4.8 Reform of Candidate Profiles</b>			
<ul style="list-style-type: none"> <li>• Candidate profiles can only be 800 characters, including spaces. This is equivalent to approximately 150 words.</li> </ul>	<ul style="list-style-type: none"> <li>• Further work will be undertaken to evaluate how longer candidate profiles could be accommodated.</li> <li>• Longer candidate profiles would provide more information to electors, potentially through publishing profiles online.</li> <li>• It is important to have sufficient information available to assist electors make informed decisions when casting their vote.</li> </ul>	As above	
<b>4.9 Minor Other Electoral Reforms</b>			
<ul style="list-style-type: none"> <li>• Other minor reforms are proposed to improve local government elections.</li> </ul>	<ul style="list-style-type: none"> <li>• Minor other electoral reforms are proposed to include: <ul style="list-style-type: none"> <li>○ The introduction of standard processes for vote re-counts if there is a very small margin between candidates (e.g. where there is a margin of less than 10 votes a recount will always be required)</li> <li>○ The introduction of more specific rules concerning local government council candidates' use of electoral rolls.</li> </ul> </li> </ul>	As above	

## Local Government Reform – Consultation on Proposed Reforms

## Theme 5: Clear Roles and Responsibilities

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>5.1 Introduce Principles in the Act</b>			
<ul style="list-style-type: none"> <li>The Act does not currently outline specific principles.</li> <li>The Act contains a short “Content and Intent” section only.</li> <li>The Panel Report recommended greater articulation of principles</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed to include new principles in the Act, including: <ul style="list-style-type: none"> <li>The recognition of Aboriginal Western Australians</li> <li>Tiering of local governments (with bands being as assigned by the Salaries and Allowances Tribunal)</li> <li>Community Engagement</li> <li>Financial Management.</li> </ul> </li> </ul>	<p><b>Current Local Government Position</b> Item 5.1 <b>generally aligns</b> with Advocacy Position 2.6 - Legislative Intent <i>Provide flexible, principles-based legislative framework.</i> <b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>5.2 Greater Role Clarity</b>			
<ul style="list-style-type: none"> <li>The Act provides for the role of council, councillor, mayor or president and CEO.</li> <li>The role of the council is to: <ul style="list-style-type: none"> <li>govern the local government’s affairs</li> <li>be responsible for the performance of the local government’s functions.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The <a href="#">Local Government Act Review Panel</a> recommended that roles and responsibilities of elected members and senior staff be better defined in law.</li> <li>It is proposed that these roles and responsibilities are further defined in the legislation.</li> <li>These proposed roles will be open to further consultation and input.</li> <li>These roles would be further strengthened through <b>Council Communications Agreements</b> (see item 5.3).</li> </ul>	<p><b>Current Local Government Position</b> Item 5.2 <b>aligns</b> with Advocacy Position 2.6.36 - ‘Roles and Responsibilities’ <i>That clarification of roles and responsibilities for Mayors/ Presidents, Councillors and CEOs be reviewed to ensure that there is no ambiguity.</i> <b>Recommendation</b></p> <p><b>Supported</b></p>	
	<p><b>5.2.1 - Mayor or President Role</b></p> <ul style="list-style-type: none"> <li>It is proposed to amend the Act to specify the roles and responsibilities of the Mayor or President.</li> <li>While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Mayor or President is responsible for: <ul style="list-style-type: none"> <li>Representing and speaking on behalf of the whole council and the local government, at all times being consistent with the resolutions of council</li> </ul> </li> </ul>	As above	



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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<ul style="list-style-type: none"> <li>○ Facilitating the democratic decision-making of council by presiding at council meetings in accordance with the Act</li> <li>○ Developing and maintaining professional working relationships between councillors and the CEO</li> <li>○ Performing civic and ceremonial duties on behalf of the local government</li> <li>○ Working effectively with the CEO and councillors in overseeing the delivery of the services, operations, initiatives and functions of the local government.</li> </ul>		
	<p><b>5.2.2 - Council Role</b></p> <ul style="list-style-type: none"> <li>• It is proposed to amend the Act to specify the roles and responsibilities of the Council, which is the entity consisting of all of the councillors and led by the Mayor or President.</li> <li>• While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the Council is responsible for:               <ul style="list-style-type: none"> <li>○ Making significant decisions and determining policies through democratic deliberation at council meetings</li> <li>○ Ensuring the local government is adequately resourced to deliver the local governments operations, services and functions - including all functions that support informed decision-making by council</li> <li>○ Providing a safe working environment for the CEO;</li> <li>○ Providing strategic direction to the CEO;</li> <li>○ Monitoring and reviewing the performance of the local government.</li> </ul> </li> </ul>	<p>As above</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p><b>5.2.3 - Elected Member (Councillor) Role</b></p> <ul style="list-style-type: none"> <li>• It is proposed to amend the Act to specify the roles and responsibilities of all elected councillors.</li> <li>• While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that every elected councillor is responsible for:               <ul style="list-style-type: none"> <li>○ Considering and representing, fairly and without bias, the current and future interests of all people who live, work and visit the district (including for councillors elected for a particular ward)</li> <li>○ Positively and fairly contribute and apply their knowledge, skill, and judgement to the democratic decision-making process of council</li> <li>○ Applying relevant law and policy in contributing to the decision-making of the council</li> <li>○ Engaging in the effective forward planning and review of the local governments’ resources, and the performance of its operations, services, and functions</li> <li>○ Communicating the decisions and resolutions of council to stakeholders and the public</li> <li>○ Developing and maintaining professional working relationships with all other councillors and the CEO</li> <li>○ Maintaining and developing their knowledge and skills relevant to local government</li> <li>○ Facilitating public engagement with local government.</li> </ul> </li> <li>• It is proposed that elected members should not be able to use their title (e.g. “Councillor”, “Mayor”, or “President”) and associated resources of their office (such</li> </ul>	<p>As above</p>	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>as email address) unless they are performing their role in their official capacity.</p>		
	<p><b>5.2.4 - CEO Role</b></p> <ul style="list-style-type: none"> <li>• The <i>Local Government Act 1995</i> requires local governments to employ a CEO to run the local government administration and implement the decisions of council.</li> <li>• To provide greater clarity, it is proposed to amend the Act to specify the roles and responsibilities of all local government CEOs.</li> <li>• While input and consultation will inform precise wording, it is proposed that the Act is amended to generally outline that the CEO of a local government is responsible for: <ul style="list-style-type: none"> <li>○ Coordinating the professional advice and assistance necessary for all elected members to enable the council to perform its decision-making functions</li> <li>○ Facilitating the implementation of council decisions</li> <li>○ Ensuring functions and decisions lawfully delegated by council are managed prudently on behalf of the council</li> <li>○ Managing the effective delivery of the services, operations, initiatives and functions of the local government determined by the council</li> <li>○ Providing timely and accurate information and advice to all councillors in line with the Council Communications Agreement (see item 5.3)</li> <li>○ Overseeing the compliance of the operations of the local government with State and Federal legislation on</li> </ul> </li> </ul>	As above	

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CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<ul style="list-style-type: none"> <li>○ behalf of the council</li> <li>○ Implementing and maintaining systems to enable effective planning, management, and reporting on behalf of the council.</li> </ul>		
<b>5.3 Council Communication Agreements</b>			
<ul style="list-style-type: none"> <li>• The Act provides that council and committee members can have access to any information held by the local government that is relevant to the performance of the member in their functions.</li> <li>• The availability of information is sometimes a source of conflict within local governments.</li> </ul>	<ul style="list-style-type: none"> <li>• In State Government, there are written Communication Agreements between Ministers and agencies that set standards for how information and advice will be provided.</li> <li>• It is proposed that local governments will need to have Council Communications Agreements between the council and the CEO.</li> <li>• These Council Communication Agreements would clearly specify the information that is to be provided to councillors, how it will be provided, and the timeframes for when it will be provided.</li> <li>• A template would be published by DLGSC. This default template will come into force if a council and CEO do not make a specific other agreement within a certain timeframe following any election.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>There is no advocacy position in relation to Item 5.3.</p> <p><b>Comment</b></p> <p>The availability of information not already in the public domain to Councillors under Section 5.92 of the Act can become contentious in the absence of a clear statement in support of the function the Council Member is performing. This can place CEO's in the invidious position of ruling on the availability of a record of the Local Government, when it is also their function under Section 5.41(h) of the Act to <i>'ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law'</i>.</p> <p>Consistent availability of information motivates this proposed reform and it does not appear that individual Council Communication Agreements will be a means to that end. There is a better case for a uniform approach in the form of a regulated Agreement, in much the same way that the Communication Agreements between Ministers and agencies are based on provisions of the <i>Public Sector Management Act 1994</i>.</p> <p><b>Recommendation</b></p> <p><b>Support a consistent, regulated Communications Agreement.</b></p>	
<b>5.4 Local Governments May Pay Superannuation Contributions for</b>			

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>Elected Members</b>			
<ul style="list-style-type: none"> <li>Elected members are eligible to receive sitting fees or an annual allowance.</li> <li>Superannuation is not paid to elected members. However, councillors can currently divert part of their allowances to a superannuation fund.</li> <li>Councils should be reflective and representative of the people living within the district. Local governments should be empowered to remove any barriers to the participation of gender and age diverse people on councils.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that local governments should be able to decide, through a vote of council, to pay superannuation contributions for elected members. These contributions would be additional to existing allowances.</li> <li>Superannuation is widely recognised as an important entitlement to provide long term financial security.</li> <li>Other states have already moved to allow councils to make superannuation contributions for councillors.</li> <li>Allowing council to provide superannuation is important part of encouraging equality for people represented on council – particularly for women and younger people.</li> <li>Providing superannuation to councillors recognises that the commitment to elected office can reduce a person's opportunity to undertake employment and earn superannuation contributions.</li> </ul>	<p><b><u>Current Local Government Position</u></b> There is no advocacy position in relation to Item 5.4.</p> <p><b>Comment</b> WALGA was in the process of consulting with the sector when this reform was announced. The feedback to date from Local Governments varied. The proposed discretionary approach will permit Local Governments to exercise general competence powers to make their own determination on paying superannuation to Council Members.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>5.5 Local Governments May Establish Education Allowances</b>			
<ul style="list-style-type: none"> <li>Local government elected members must complete mandatory training.</li> <li>There is no specific allowance for undertaking further education.</li> </ul>	<ul style="list-style-type: none"> <li>Local governments will have the option of contributing to the education expenses for councillors, up to a defined maximum value, for tuition costs for further education that is directly related to their role on council.</li> <li>Councils will be able to decide on a policy for education expenses, up to a maximum yearly value for each councillor. Councils may also decide not to make this entitlement available to elected members.</li> <li>Any allowance would only be able to be used for tuition fees for courses, such as training programs, diplomas, and university studies, which relate to local government.</li> </ul>	<p><b><u>Current Local Government Position</u></b> Item 5.5 <b>generally aligns</b> with Advocacy Position 2.8 - Elected Member Training</p> <p><i>Support Local Governments being required to establish an Elected Member Training Policy to encourage training and include budgetary provision of funding for Elected Members;</i></p> <p><b>Comment</b> The proposal augments recent Act amendments that require Local Governments to adopt a professional development policy for Council Members. Many Local Governments now budget for training requirements that align with the policy statement.</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<ul style="list-style-type: none"> <li>Where it is made available, this allowance will help councillors further develop skills to assist with making informed decisions on important questions before council, and also provide professional development opportunities for councillors.</li> </ul>	<p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>5.6 Standardised Election Caretaker period</b></p>			
<ul style="list-style-type: none"> <li>There is currently no requirement for a formal caretaker period, with individual councils operating under their own policies and procedures.</li> <li>This is commonly a point of public confusion.</li> </ul>	<ul style="list-style-type: none"> <li>A statewide caretaker period for local governments is proposed.</li> <li>All local governments across the State would have the same clearly defined election period, during which: <ul style="list-style-type: none"> <li>Councils do not make major decisions with criteria to be developed defining 'major'</li> <li>Incumbent councillors who nominate for re-election are not to represent the local government, act on behalf of the council, or use local government resources to support campaigning activities.</li> <li>There are consistent election conduct rules for all candidates.</li> </ul> </li> </ul>	<p><b>Current Local Government Position</b> There is no advocacy position in relation to Item 5.6</p> <p><b>Comment</b> WALGA developed a template Caretaker Policy in 2017 on request for a consistent approach. There are no known instances where Caretaker Policy have led to unforeseen or unmanageable consequences impacting on decision-making functions.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	

Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
5.7 Remove WALGA from the Act			

Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<ul style="list-style-type: none"> <li>The Western Australian Local Government Association (WALGA) is constituted under the <i>Local Government Act 1995</i>.</li> <li>The Local Government Panel Report and the Select Committee Report included this recommendation.</li> </ul>	<ul style="list-style-type: none"> <li>The <a href="#">Local Government Panel Report</a> recommended that WALGA not be constituted under the <i>Local Government Act 1995</i>.</li> <li>Separating WALGA out of the Act will provide clarity that WALGA is not a State Government entity.</li> </ul>	<p><b>Current Local Government Position</b> There is no advocacy position in relation to Item 5.7.</p> <p><b>Comment</b> WALGA is conducting its own due diligence on this proposal, previously identified in the Local Government Review Panel Report. The outcome of this reform would require a transition of WALGA from a body constituted under the Act to an incorporated association. It is important to the Local Government sector that the provisions relating to the mutual self-insurance scheme and tender exempt prequalified supply panels remain in the Act and are not affected by this proposal. Further work is being carried out by WALGA to fully understand the effect this proposal will have on WALGA and the sector.</p> <p><b>Recommendation</b> <b>WALGA to undertake its due diligence on this proposal and advise the sector accordingly.</b></p>	
5.8 CEO Recruitment			



## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<ul style="list-style-type: none"> <li>Recent amendments introduced provisions to standardise CEO recruitment.</li> <li>The recruitment of a CEO is a very important decision by a local government.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that DLGSC establishes a panel of approved panel members to perform the role of the independent person on CEO recruitment panels.</li> <li>Councils will be able to select an independent person from the approved list.</li> <li>Councils will still be able to appoint people outside of the panel with the approval of the Inspector.</li> </ul>	<p><b><u>Current Local Government Position</u></b> There is no advocacy position in relation to Item 5.8.</p> <p><b>Comment</b> The proposed reform augments the CEO Standards in relation to recruitment introduced in February 2021.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	

## Theme 6: Improved Financial Management and Reporting

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<b>6.1 Model Financial Statements and Tiered Financial Reporting</b>			
<ul style="list-style-type: none"> <li>The financial statements published in the Annual Report is the main financial reporting currently published by local governments.</li> <li>Reporting obligations are the same for large (Stirling, Perth, Fremantle) and small (Sandstone, Wiluna, Dalwallinu) local governments, even though they vary significantly in complexity.</li> <li>The Office of the Auditor General has said that some existing reporting requirements are unnecessary or onerous - for instance, information that is not relevant to certain local governments, or that is a duplicate of other published information.</li> </ul>	<ul style="list-style-type: none"> <li>The Minister strongly believes in transparency and accountability in local government. The public rightly expects the highest standards of integrity, good governance, and prudent financial management in local government.</li> <li>It is critically important that clear information about the financial position of local governments is openly available to ratepayers. Financial information also supports community decision-making about local government services and projects.</li> <li>Local governments differ significantly in the complexity of their operations. Smaller local governments generally have much less operating complexity than larger local governments.</li> <li>The Office of the Auditor General has identified opportunities to improve financial reporting, to make statements clearer, and reduce unnecessary complexity.</li> <li>Recognising the difference in the complexity of smaller and larger local</li> </ul>	<p><b><u>Current Local Government Position</u></b> Items 6.1 and 6.2 <b>generally align</b> with Advocacy Position 2.6 – Support a size and scale compliance regime and Advocacy Position 2.6.24 – Financial Management and Procurement.</p> <p><i>The Local Government sector:</i></p> <ol style="list-style-type: none"> <li><i>Requests the Minister for Local Government to direct the Department of Local Government to prepare a Model set of Financial Statements and Annual Budget Statements for the Local Government sector, in consultation with the Office of the Auditor General.</i></li> <li><i>Requests the Department of Local Government to re-assess the amount of detail required to be included in annual financial reports, in particular for small and medium sized entities as suggested by the Office of Auditor General.</i></li> </ol> <p><b>Comment</b> The Sector has a long-standing position for a broad review of the financial management and</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p>governments, it is proposed that financial reporting requirements should be tiered – meaning that larger local governments will have greater financial reporting requirements than smaller local governments.</p> <ul style="list-style-type: none"> <li>• It is proposed to establish standard templates for <b>Annual Financial Statements</b> for band 1 and 2 councils, and simpler, clearer financial statements for band 3 and 4.</li> <li>• <b>Online Registers</b>, updated quarterly (see item 3.4), would provide faster and greater transparency than current annual reports. Standard templates will be published for use by local governments.</li> <li>• <b>Simpler Strategic and Financial Planning</b> (item 6.2) would also improve the budgeting process.</li> </ul>	<p>reporting provisions of the Act, which remain largely unchanged since commencing in 1996.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>6.2 Simplify Strategic and Financial Planning</b></p>			
<ul style="list-style-type: none"> <li>• Requirements for plans are outlined in the Local Government Financial Management and Administration Regulations.</li> <li>• There is also the Integrated Planning and Reporting (IPR) framework.</li> <li>• While many councils successfully apply IPR to their budgeting and reporting, IPR may seem complicated or difficult, especially for smaller local governments.</li> </ul>	<ul style="list-style-type: none"> <li>• Having clear information about the finances of local government is an important part of enabling informed public and ratepayer engagement and input to decision-making.</li> <li>• The framework for financial planning should be based around information being clear, transparent, and easy to understand for all ratepayers and members of the public.</li> <li>• In order to provide more consistency and clarity across the State, it is proposed that greater use of templates is introduced to make planning and reporting clearer and simpler, providing greater transparency for ratepayers.</li> <li>• Local governments would be required to adopt a standard set of plans, and there will be templates published by the DLGSC for use or adaption by local governments.</li> </ul>	<p>As above</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<ul style="list-style-type: none"> <li>• It is proposed that the plans that are required are:               <ul style="list-style-type: none"> <li>○ Simplified <b>Council Plans</b> that replace existing Strategic Community Plans and set high-level objectives, with a new plan required at least every eight years. These will be short-form plans, with a template available from the DLGSC</li> <li>○ Simplified <b>Asset Management Plans</b> to consistently forecast costs of maintaining the local government's assets. A new plan will be required at least every ten years, though local governments should update the plan regularly if the local government gains or disposes of major assets (e.g. land, buildings, or roads). A template will be provided, and methods of valuations will be simplified to reduce red tape</li> <li>○ Simplified <b>Long Term Financial Plans</b> will outline any long term financial management and sustainability issues, and any investments and debts. A template will be provided, and these plans will be required to be reviewed in detail at least every four years</li> <li>○ A new <b>Rates and Revenue Policy</b> (see item 6.3) that identifies the approximate value of rates that will need to be collected in future years (referencing the Asset Management Plan and Long Term Financial Plan) – providing a forecast to ratepayers (updated at least every four years)</li> <li>○ The use of simple, one-page <b>Service Proposals</b> and <b>Project Proposals</b> that outline what proposed services or initiatives will cost, to be made available through council meetings. These will become <b>Service Plans</b> and</li> </ul> </li> </ul>		

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
	<p><b>Project Plans</b> added to the yearly budget if approved by council. This provides clear transparency for what the functions and initiatives of the local government cost to deliver. Templates will be available for use by local governments.</p>		
<b>6.3 Rates and Revenue Policy</b>			
<ul style="list-style-type: none"> <li>Local governments are not required to have a rates and revenue policy.</li> <li>Some councils defer rate rises, resulting in the eventual need to drastically raise rates to cover unavoidable costs – especially for the repair of infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>The Rates and Revenue Policy is proposed to increase transparency for ratepayers by linking rates to basic operating costs and the minimum costs for maintaining essential infrastructure.</li> <li>A Rates and Revenue Policy would be required to provide ratepayers with a forecast of future costs of providing local government services.</li> <li>The Policy would need to reflect the Asset Management Plan and the Long Term Financial Plan (see item 6.2), providing a forecast of what rates would need to be, to cover unavoidable costs.</li> <li>A template would be published for use or adaption by all local governments.</li> <li>The <a href="#">Local Government Panel Report</a> included this recommendation.</li> </ul>	<p><b>Current Local Government Position</b></p> <p>Item 6.3 <b>generally aligns</b> with Advocacy Position 2.1.6 - Rate Setting and WALGA's <a href="#">Rate Setting Policy Statement</a>.</p> <p><i>Councils' deliberative rate setting processes reference their Integrated Planning Framework – a thorough strategic, financial and asset management planning process – and draw upon the community's willingness and capacity to pay.</i></p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>6.4 Monthly Reporting of Credit Card Statements</b>			
<ul style="list-style-type: none"> <li>No legislative requirement.</li> <li>Disclosure requirements brought in by individual councils have shown significant reduction of expenditure of funds.</li> </ul>	<ul style="list-style-type: none"> <li>The statements of a local government's credit cards used by local government employees will be required to be tabled at council at meetings on a monthly basis.</li> <li>This provides oversight of incidental local government spending.</li> </ul>	<p><b>Current Local Government Position</b></p> <p>There is no advocacy position in relation to Item 6.4.</p> <p><b>Comment</b></p> <p>This proposed reform reflects widespread common practice for credit card transactions to be included in monthly financial reports and lists of accounts paid.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<b>6.5 Amended Financial Ratios</b>			

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
<ul style="list-style-type: none"> <li>Local governments are required to report seven ratios in their annual financial statements.</li> <li>These are reported on the MyCouncil website.</li> <li>These ratios are intended to provide an indication of the financial health of every local government.</li> </ul>	<ul style="list-style-type: none"> <li>Financial ratios will be reviewed in detail, building on work already underway by the DLGSC.</li> <li>The methods of calculating ratios and indicators will be reviewed to ensure that the results are accurate and useful.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 6.5 <b>aligns</b> with Advocacy Position 2.6.25 - Review and reduce financial ratios.</p> <p><i>Advocate to the Minister for Local Government to amend the Local Government (Financial Management) Regulations 1996 to prescribe the following ratios:</i></p> <ol style="list-style-type: none"> <li>Operating Surplus Ratio,</li> <li>Net Financial Liabilities Ratio,</li> <li>Debt Service Coverage Ratio, and</li> <li>Current Ratio.</li> </ol> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>6.6 Audit Committees</b></p>			
<ul style="list-style-type: none"> <li>Local governments must establish an Audit Committee that has three or more persons, with the majority to be council members.</li> <li>The Audit Committee is to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under the Act.</li> <li>The Panel Report identified that Audit Committees should be expanded, including to provide improved risk management.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure independent oversight, it is proposed the Chair of any Audit Committee be required to be an independent person who is not on council or an employee of the local government.</li> <li>Audit Committees would also need to consider proactive risk management.</li> <li>To reduce costs, it is proposed that local governments should be able to establish shared Regional Audit Committees.</li> <li>The Committees would be able to include council members but would be required to include a majority of independent members and an independent chairperson.</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 6.6 <b>does not align</b> with Advocacy Position 2.2.4 – Accountability and Audit</p> <p><i>That audit committees of Local Government, led and overseen by the Council, have a clearly defined role with an Elected Member majority and chair.</i></p> <p><b>Comment</b></p> <p>The Sector's view is well established, that the Council must maintain, and be seen by the community to have, majority involvement and investment in the purpose of an Audit Committee. There is sector support for some independent members on the Audit Committee, however not a majority.</p> <p>The dual effect of the proposed reform is to guarantee a place for a majority of independent persons on Audit Committees, with the additional requirement that an independent person Chair this Committee. Presently, not all Local Government Audit Committees are able to include an independent person. This may be for a variety of reasons not least of which is a</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
		<p>lack of suitable, available candidates with the required qualification, skill and experience.</p> <p>It would be counter-productive if the proposed reforms led to the appointment of unsuitable independent persons to a skills-based role. The concept of Regional Audit Committees has apparent merit in this case but there is no detail regarding practicalities; for example, is the Regional Audit Committee intended to include the same independent persons who will meet separately with each Local Government within the region?</p> <p>There is too little certainty that the imperative question of appropriate representation will be managed as a consequence of the proposed reforms for it to be supported.</p> <p>The proposal for the Audit Committees to also consider proactive risk management is supported.</p> <p><b>Recommendation</b></p> <ol style="list-style-type: none"> <li><b>1. Do not support majority independent members of the Audit Committee</b></li> <li><b>2. Support Audit Committees of Local Government with an Elected Member majority including independent members, and to consider proactive risk management issues.</b></li> </ol>	
<b>6.7 Building Upgrade Finance</b>			
<ul style="list-style-type: none"> <li>• The local government sector has sought reforms that would enable local governments to provide loans to property owners to finance for building improvements.</li> <li>• This is not currently provided for under the Act.</li> <li>• The Local Government Panel Report included this</li> </ul>	<ul style="list-style-type: none"> <li>• Reforms would allow local governments to provide loans to third parties for specific building improvements - such as cladding, heritage and green energy fixtures.</li> <li>• This would allow local governments to lend funds to improve buildings within their district.</li> <li>• Limits and checks and balances would be established to ensure that financial risks</li> </ul>	<p><b><u>Current Local Government Position</u></b></p> <p>Item 6.7 <b>aligns</b> with Advocacy Position 2.6.26 - Building Upgrade Finance.</p> <p><i>The Local Government Act 1995 should be amended to enable a Building Upgrade Finance mechanism in Western Australia.</i></p> <p><b>Comment</b></p> <p>Building Upgrade Finance would enable Local</p>	

## Local Government Reform – Consultation on Proposed Reforms

CURRENT REQUIREMENTS	PROPOSED REFORMS	COMMENTS	OTHER COMMENTS
recommendation.	are proactively managed.	<p>Governments to guarantee finance for building upgrades for non-residential property owners. In addition to building upgrades to achieve environmental outcomes, Local Governments have identified an opportunity to use this approach to finance general upgrades to increase the commercial appeal of buildings for potential tenants. In this way, BUF is viewed as means to encourage economic investment to meet the challenges of a soft commercial lease market and achieve economic growth.</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	
<p><b>6.8 Cost of Waste Service to be Specified on Rates Notices</b></p>			
<ul style="list-style-type: none"> <li>No requirement for separation of waste charges on rates notice.</li> <li>Disclosure will increase ratepayer awareness of waste costs.</li> <li>The Review Panel Report included this recommendation.</li> </ul>	<ul style="list-style-type: none"> <li>It is proposed that waste charges are required to be separately shown on rate notices (for all properties which receive a waste service).</li> <li>This would provide transparency and awareness of costs for ratepayers.</li> </ul>	<p><b>Current Local Government Position</b> There is no advocacy position in relation to Item 6.8.</p> <p><b>Comment</b> This proposed reform will require a relatively simple calculation,</p> <p><b>Recommendation</b></p> <p><b>Supported</b></p>	







## VOTING EXAMPLES

### First Past The Post Preferential Proportional Representation December 2021

#### Introduction

The following brief paper has been developed to highlight the practical application of each methodology for the main voting systems used in local government, namely First Past The Post, Preferential and Proportional Representation.

An overall explanation is attached.

In addition, a mythical voting distribution (the last sheet) is provided support the calculation for to highlight the pros and cons for each system ie; First Past The Post, Preferential and Proportional Representation for both a single and multi-position electorates. The results for each are different. For a manual count, distribution sheets are often used as this simplifies the analysis but it also shows what is happening.

The voting distribution, whilst mythical, highlights a raft of issues and anomalies that have actually occurred in practice.

#### Premise

In this analysis there are five candidates **Abby**, **Bernie**, **Chris**, **Dave** and **Eddie** each who share 100 votes. The Voting distribution sheet shows where each candidates preferences flow right down to the last preference. Notional Primary Votes are summarised as follows.

<b>Candidate</b>	<b>Votes</b>
Abby	31
Bernie	10
Chris	10
Dave	40
Eddie	9
<b>Total</b>	<b>100</b>

## First Past The Post

Winner Takes All

For a **One Position** election Dave is elected with 40% of the vote. On the surface this appears clear cut.

For **Three Positions** Dave and Abby are elected. Eddie is eliminated. Draw by lots between Bernie and Chris for the remaining position

Having candidates drawn by lots is hardly democratic. This situation occurs not infrequently in practice. The lowest candidate Eddie also only misses by one vote and if there was some discrepancy in the acceptance of ballot papers could conceivably get over the line with 9 not 10% of the vote!!!

## Preferential

An absolute majority is required. In multi position elections those that achieve an absolute majority distribute their excess at full value.

For a **One Position** election Abby is elected.

In this instance despite trailing Dave on first preferences Abby triumphs on a two-candidate preferred basis of 54% to 46%, reasonably comfortably. This mirrors what happens at a State and Federal Level and most other local government jurisdictions and changes the selection compared with first past the post.

Essentially Preferential Voting mirrors and is a short form of Exhaustive Ballot Voting where the elector casts a single vote for their chosen candidate. However, if no candidate is supported by an overall majority of votes, then the candidate with the fewest votes is eliminated and a further round of voting occurs. This process is repeated for as many rounds as necessary until one candidate has a majority.

Because voters may have to cast votes several times, the exhaustive ballot is not used in large-scale public elections. Instead, it is usually used in elections involving, at most, a few hundred voters, such as the election of a prime minister or the presiding officer of an assembly.

For **Three Positions** candidates elected in the following order - Abby, Chris and Bernie

In this instance the highest ranked on first preferences misses out. This shows how those on a "ticket" can have enormous influence and shows up a major flaw. A number of years ago this system applied in Victorian Local Government but has now been replaced by Proportional Representation.

## Proportional Representation

A quota is required. A Quota is the  $(\text{No of Votes} / \text{Number of vacancies plus 1}) \text{ Plus 1}$ . In multi position elections those that achieve a quota distribute their excess at a reduced value.

For a **One Position** election proportional representation is not applicable it is effectively a preferential system as the quota required is an absolute majority.

For **Three Positions** Candidates are elected in the following order - Dave, Abby and Eddie.

In this instance unlike other systems Eddie gets elected over Bernie and Chris, largely on the back of Dave's distribution. This system applies nationally for the Senate and also other jurisdictions such as the Tasmanian lower house and Tasmanian and Victorian and local government.

A manual count can use distribution sheets but input into a computer program is often used given the nature of the calculations

## **Ticket Voting**

Ticket voting effectively describes the current How to Vote Cards that are distributed in State and Federal politics and on occasion Local Government. If voters were mature enough to ignore them, as they are only advisory in nature, then the impact would be minimal, but as history shows they are effective. They only work if the ballot papers are the same on all occasions. There is also a potential advantage if a person draws the top spot on the ballot paper.

However, if the ballot papers are randomly ordered the use of How to Vote Cards becomes redundant and would be confusing to the voter. Tasmania use the Robson Rotation method of random order with the number of variations depending on the number of candidates. They also have a law making it illegal to distribute how to vote cards at voting stations.

## **Summary**

As a summary it is considered that for one vacancy elections Preferential Voting is the preferred democratic method but for multi position elections Proportional Representation should be used. Both are in widespread use in Australia for these types of situations. First past the post only has the advantages in that it may be more easier understood, simple and quick. Use of randomly ordered ballot papers should also be used to reduce / eliminate the potential effect of "*Ticket Voting*."

**Bill Boehm**  
**Chief Executive Officer**

## VOTE COUNTING SYSTEMS – PREFERENTIAL AND PROPORTIONAL REPRESENTATION

Candidates in local government elections are elected under one of two vote counting systems, depending on the electoral structure of the particular council.

In **single-member wards**, votes are counted under the 'full preferential' system (also known as 'majority preferential'). Under this system:

- all candidates must be given a preference by the voter for the vote to be counted
- all first preference votes are counted for each candidate. If a candidate receives an 'absolute majority' of formal first preference votes, i.e. 50 per cent of votes plus one, that candidate is elected
- if no candidate has an absolute majority, the candidate with the fewest first preference votes is excluded and the second preference votes from their ballot papers are transferred to the other candidates at full value
- if still no candidate has an absolute majority, the next candidate with fewest first preference votes is excluded and their second preference votes are transferred at full value
- this process continues until one candidate obtains an absolute majority and is declared elected
- a by-election is required when an extraordinary vacancy occurs and where the preferential system was used at the previous election.

The full preferential system is used for the House of Representatives at the federal level, the lower houses in Victoria, South Australia, Western Australia and the Northern Territory, and in many local government elections where a single member is to be elected. It is designed to ensure that the elected candidate is acceptable to a majority of people who cast a valid vote.

In **multi-member wards** and **unsubdivided** councils, the proportional representation system of vote counting is used to elect councillors. Under this system:

- All candidates must be given a preference by the voter.
- All first preference votes are counted for each candidate.
- To be elected, a candidate must receive a 'quota', which is calculated by dividing the total number of formal ballot papers by one more than the number of candidates to be elected, and adding one to the result.

### Example

Where four councillors are to be elected from 5,000 formal votes:

$$\text{The quota} = \frac{5,000}{(4 + 1)} + 1 = 1,001$$

- Each elected candidate's surplus votes (if any) are transferred to the remaining candidates according to the preferences on the ballot papers. Because it is not possible to tell which votes elected the candidate and which are surplus, all the elected candidate's votes are transferred, but at a value less than one.
- The value of the transferred votes is worked out by dividing the surplus by the total number of ballot papers for the candidate. Each ballot paper transferred to another candidate has this value.

### Example

If Candidate X receives 1,600 votes when the quota is 1,001, that candidate is elected and their surplus votes total 599. Their transfer value is:

$$\frac{599}{1,600} = 0.374$$

On transfer of the Candidate X's votes, their 1,600 ballot papers give 405 ballot papers to Candidate Y. Candidate Y therefore receives 151 votes (405 x 0.374).

- Any candidate who has gained the quota once the surplus votes have been transferred is elected.

- If there are still vacancies to fill once the surplus votes have been distributed, the candidate with the lowest number of votes is excluded and their ballot papers are then transferred to the remaining candidates (at the value they were received) according to the preferences on them.
- A 'countback' is conducted to fill councillor extraordinary vacancies where proportional representation vote counting was used at the previous election. Votes cast for the vacating councillor at the previous election are redistributed to remaining candidates, rather than a by-election being required.

A council with a mix of single and multi-member wards will use both vote counting systems depending on the individual ward structure.

Proportional representation aims to produce 'proportional' election results, where councillors are elected in proportion to the votes cast. It is used in the Senate and in the upper houses of New South Wales, Victoria, South Australia and Western Australia.

### Other vote counting systems

There are a number of variations of the proportional representation system used in liberal democracies throughout the world. Australia and a small number of other countries use the 'single transferable vote' system, which places emphasis on votes cast for individual candidates. Western Europe generally uses other systems, which operate on the assumption that party lists are important to the electoral process – these however may not be suited to Victorian local government elections where political parties do not play a significant role.

Within Australia there are variations on how votes are counted. Tasmania – where no single-member wards currently exist in local government – uses the 'Hare-Clark' variation of proportional representation in its state and local government elections. A feature of this system is the requirement that the order of candidates on individual ballot papers is randomly selected (commonly known as the 'Robson rotation' system), which effectively renders ticket voting and candidate preferencing obsolete. This system

also has no 'above the line' voting (which occurs in the Senate and other state upper house elections), thus removing party control over how votes are distributed.

There are also variations within Australia on how many boxes need to be filled on ballot papers by voters. Western Australia uses 'first past the post' counting in local government elections. Voters place an indication against only one candidate – preferences are not required. In Queensland state and single-member local government ward elections, 'option preferential voting' is used. Voters may mark numbers against as many candidates' names on ballot papers as they like.

Both 'first past the post' and optional preferential voting have advantages in that voting is simplified and informality is reduced, however both can result in candidates being elected with very little support across the whole electorate.

Having two systems to elect councillors may confuse candidates (but not necessarily be of concern to voters). Under a uniform vote counting system, all councillors would be elected by either preferential or proportional representation systems. This may have particular relevance to those councils with both single and multi-member wards where both preferential and proportional representation is mandated, and councillors are elected under different voting rules and with differing levels of support.

### Filling extraordinary vacancies

The countback system is a recognised system of filling vacancies under proportional representation. It uses the votes cast at the general election to ascertain which of the remaining candidates was most supported by the voters who voted for the vacating councillor. It is used in Victorian and Tasmanian local government, but not in New South Wales or South Australian local government, where proportional representation is used.

Previously elected councillors are excluded from the countback. If a vacancy cannot be filled by countback – for example there are no remaining unelected candidates – a by-election is conducted.

Countbacks have three distinct advantages:

- they enable the proportionality of representation achieved at the general election to be retained
- they allow a vacancy to be filled in a few weeks (avoiding a delay of about three months in the case of a by-election) and
- are significantly less expensive to conduct than a new election.

Concerns have been raised that countbacks are based on dated nominations and votes, and that as people may have changed their views in the intervening period, they should be given a fresh vote. Other concerns centre on the justifiability of automatically electing a sole remaining candidate without a count. That candidate may have received very few votes in the first place, and there is no reason to think that the voters who elected the departing councillor would support the remaining candidate as a replacement.



## Questions

- 6.5 Is the vote counting method important to how electorates are represented? Why?
- 6.6 Which system do you think offers the best means of ensuring effective representation? Why?



**murchisonshire**

*Ancient land under brilliant skies*

## **VOTING EXAMPLES**

**First Past the Post**

**Preferential**

**Proportional Representation**

**December 2021**

<b>First PastThe Post</b>						
<b>Candidate</b>		<b>%</b>	<b>No Votes</b>	<b>Distrib</b>	<b>Subtotal</b>	
<i>Highest three elected. If a tie draw by lots</i>						
<b>1st Preference Votes</b>						
Abby	<b>A</b>	31.0%	31			
Bernie	<b>B</b>	10.0%	10			
Chris	<b>C</b>	10.0%	10			
Dave	<b>D</b>	40.0%	40			
Eddie	<b>E</b>	9.0%	9			
<b>Total</b>			<b>100</b>			
<b>Summary</b>						
<i>One Position - Dave is elected.</i>						
<i>Three Positions - Dave and Abby are elected. Eddie is eliminated. Draw by lots between Bernie and Chris for the remaining position</i>						



<b>Preferential Voting</b>					
<b>Candidate</b>		<b>%</b>	<b>No Votes</b>	<b>Distrib</b>	<b>Subtotal</b>
<i>Target is an absolute majority (No of votes / (no of vacancies +1) plus 1</i>					
<i>If no absolute majority after the first count eliminate lowest candidate and distribute their preference's. If no one has an absolute majority continue process until one is elected. Once one is elected redistribute first elected back to original votes and repeat process till next elected. Continue process until all positions are filled. On all occasions votes are transferred at a value of 1.</i>					
<b>1st Preference Votes</b>					
Abby	<b>A</b>	31.0%	31		
Bernie	<b>B</b>	10.0%	10		
Chris	<b>C</b>	10.0%	10		
Dave	<b>D</b>	40.0%	40		
Eddie	<b>E</b>	9.0%	9		
<b>Total</b>			<b>100</b>		
<b>Target</b>			<b>51</b>		
No Absolute Majority. Distribute Lowest Candidate Eddy					
Abby	<b>A</b>		31	4	35
Bernie	<b>B</b>		10	3	13
Chris	<b>C</b>		10	2	12
Dave	<b>D</b>		40	0	40
Eddie	<b>E</b>		9	-9	0
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
No Absolute Majority. Distribute Lowest Candidate Chris					
Abby	<b>A</b>		35	8	<b>43</b>
Bernie	<b>B</b>		13	4	<b>17</b>
Chris	<b>C</b>		12	-12	<b>0</b>
Dave	<b>D</b>		40	0	<b>40</b>
Eddie	<b>E</b>		0	0	<b>0</b>
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
No Absolute Majority. Distribute Lowest Candidate Bernie					
Abby	<b>A</b>		43	15	<b>58</b>
Bernie	<b>B</b>		17	-17	0
Chris	<b>C</b>		0	0	0
Dave	<b>D</b>		40	2	42
Eddie	<b>E</b>		0	0	0
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
Abby has an absolute majority and is elected. Now start again and redistribute Abby's preferences to the remaining candidates					
Abby	<b>A</b>		31	-31	0
Bernie	<b>B</b>		10	9	19
Chris	<b>C</b>		10	18	28
Dave	<b>D</b>		40	1	41
Eddie	<b>E</b>		9	3	12
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
None of the remaining candidates has an absolute majority. Now redistribute lowest candidate's preferences (Eddy) to the remaining candidates					
Abby	<b>A</b>		0	0	0
Bernie	<b>B</b>		19	8	27
Chris	<b>C</b>		28	4	32

Preferential Voting					
Candidate		%	No Votes	Distrib	Subtotal
Dave	D		41	0	41
Eddy	E		12	-12	0
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
None of the remaining candidates has an absolute majority. Now redistribute lowest candidate's preferences (Bernie) to the remaining candidates					
Abby	A		0	0	0
Bernie	B		27	-27	0
Chris	C		32	19	51
Dave	D		41	5	46
Eddy	E		0	0	0
<b>Total</b>			<b>100</b>	<b>-3</b>	<b>97</b>
Chris has an absolute majority and is elected. Now start again and redistribute Abby's and Chris's preferences to the remaining candidates					
Abby	A		31	-31	0
Bernie	B		10	27	37
Chris	C		10	-10	0
Dave	D		40	4	44
Eddie	E		9	10	19
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
None of the remaining candidates has an absolute majority. Now redistribute lowest candidate's preferences (Eddie) to the remaining candidates					
Abby	A		0	0	0
Bernie	B		37	17	54
Chris	C		0	0	0
Dave	D		44	2	46
Eddie	E		19	-19	0
<b>Total</b>			<b>100</b>	<b>0</b>	<b>100</b>
Bernie has an absolute majority and is elected.					
<b>Summary</b>					
<b>One Position</b> - Abby is elected					
<b>Three Positions</b> - Candidates elected in the following order - Abby, Chris and Bernie					

Proportional Representation							
Candidate		Quota	No Ballot Papers	Transfer Ballot Papers	Transfer Value	Actual Votes	Subtotal
<p>Target is the (number of votes divided by the no of vacancies plus 1) plus 1 ignoring decimals (Quota)                      If no one has a quota eliminate lowest candidate and distribute their preferences to other candidates. Preferences are transferred at a value of 1. Once a person reaches a quota and is elected distribute that persons excess votes to continuing candidates at a transfer value in proportion to the number of first preference that they received. Repeat process as required for continuing candidates until a quota is achieved. If a quota is not achieved, but all continuing candidates have been eliminated, then that person is elected</p>							
<b>Ist Preference Votes</b>							
Abby	A	1.192	31				
Bernie	B	0.385	10				
Chris	C	0.385	10				
Dave	D	1.538	40				
Eddie	E		9				
<b>Total</b>			<b>100</b>				
<b>Target</b>			<b>26</b>				
<p>Dave &amp; Abby have reached a quota and are elected. Now redistribute Dave's and Abby's excess preferences to all other candidates at a transfer value based on their votes in excess over the quota</p>							
Distribute Daves at a Transfer Value>>>>					0.350		
Abby	A	Elected	31	0	0.000	31.000	
Bernie	B	Continuing	10	8	2.800	12.800	
Chris	C	Continuing	10	6	2.100	12.100	
Dave	D	Elected	40	-40	-14.000	26.000	
Eddie	E	Continuing	9	26	9.100	18.100	
<b>Total</b>			<b>100</b>	<b>0</b>	<b>0.000</b>	<b>100.000</b>	
Distribute Abby's at a Transfer Value>>>>					0.161		
Abby	A	Elected	31.000	-31	-5.000	26.000	
Bernie	B	Continuing	12.800	9	1.452	14.252	
Chris	C	Continuing	12.100	19	3.065	15.165	
Dave	D	Elected	26.000	0	0.000	26.000	
Eddie	E	Continuing	18.100	3	0.484	18.584	
<b>Total</b>			<b>100.000</b>	<b>0.000</b>	<b>0.000</b>	<b>100.000</b>	
<p>No one of the continuing candidates has reached a quota so the lowest (Bernie) is eliminated. Now redistribute Bernie's preferences to all other continuing candidates at a transfer value of 1 plus those transferred votes that Bernie received from Dave and Abby in the previous distribution at their respective transfer values</p>							
			Initial	Bernie Transfer	Bernie via Dave Transfer	Bernie via Abby Transfer	
Abby	A	Elected	26.000	0	0.000		26.000
Bernie	B	Eliminated	14.252	0	-2.800	-1.452	10.000
Chris	C	Continuing	15.165	4	1.750	1.129	18.044
Dave	D	Elected	26.000	0	0.000		26.000
Eddie	E	Continuing	18.584	6	1.050	0.323	19.956
<b>Total</b>			<b>100.000</b>	<b>10</b>	<b>0.000</b>	<b>0.000</b>	<b>100.000</b>
<p>Eddie is now then highest ranked candidate and Chris is now eliminated. As a result notwithstanding that Eddie has not achieved a quota he is elected as the last remaining candidate</p>							
<b>Summary</b>							
<b>One Position - Not Applicable</b>							
<b>Three Positions - Candidates elected in the following order - Dave, Abby and Eddie</b>							

