



ATTACHMENTS

Audit and Risk Committee Meeting
17 December 2024



Contents – Attachments

Attachment 5.1A – Minutes – Audit and Risk Committee Meeting 17 September 2024	3
Attachment 6.1A – Risk Dashboard Quarterly Report	21
Attachment 6.2A – 2024 Annual Report	47
Attachment 6.2B – 2024 Financial Management Letter	122
Attachment 7.1A – Local Government Financial Index - Workshop	131
Attachment 7.2A – Reform to Governance Committees	136

ATTACHMENT 5.1A
Minutes – Audit and Risk Committee Meeting
17 September 2024



MINUTES

Audit and Risk Committee
17 September 2024



NOTICE OF MEETING

Dear Committee Members and Members of the Public,

In accordance with the provisions of Section 5.5 of the Local Government Act, you are hereby notified that the Audit and Risk Committee Meeting has been convened for:

Date: Tuesday 17 September 2024

At: Shire Council Chambers
1 Longhurst Street, Narembeen

Commencing: 1.00pm

Rebecca McCall
Chief Executive Officer

12 September 2024

DISCLAIMER

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

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

Contents

1. OFFICIAL OPENING AND WELCOME.....	4
2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE	4
3. PUBLIC QUESTION TIME	4
4. DISCLOSURE OF INTEREST	4
5. CONFIRMATION OF PREVIOUS MEETINGS	4
5.1 Audit and Risk Committee Meeting 21 May 2024.....	4
6. OFFICER REPORTS.....	5
6.1 Risk Dashboard – Quarterly Report – June 2024.....	5
6.2 Risk Management Policy Review.....	8
6.3 Risk Management Framework Review	10
6.4 Interim Management Letter and Response	13
7. OTHER BUSINESS	17
8. CLOSURE OF MEETING	17

1. Official Opening and Welcome

The presiding person welcomed everyone to the meeting and declared the meeting open at 1.03pm

2. Record of Attendance / Apologies / Leave of Absence

Councillors:

Cr SW Stirrat	President
Cr HA Cusack	Deputy President
Cr TW Cole	
Cr HJ Bald	
Cr CD Bray	
Cr AM Hardham	

Staff:

Ms R McCall	Chief Executive Officer
Mr B Forbes	Executive Manager Corporate Services
Ms K Conopo	Executive Governance Officer

Member of Public:

Apologies:

Cr MJ Currie	
Mr K Markham	Executive Manager Infrastructure Services

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Previous Meetings

5.1 Audit and Risk Committee Meeting 21 May 2024

Attachment 5.1A

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation/ Committee Resolution – Item 5.1

That the minutes of the Shire of Narembreen Audit and Risk Committee Meeting held on Tuesday 21 May 2024, as presented, be confirmed as a true and correct record of proceedings.

MIN 7855/24

MOTION - Moved Cr. Cusack

Seconded Cr. Cole

CARRIED 6 / 0

For: Cr Stirrat, Cr Cusack, Cr Bray, Cr Cole, Cr Bald. Against: Nil

6. Officer Reports

6.1 Risk Dashboard – Quarterly Report – June 2024

Date:	9 September 2024
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Rebecca McCall, Chief Executive Officer
File Reference	ADM588
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.1A Risk Dashboard Quarterly Report – June 2024

Purpose of Report

☒ Executive Decision ☐ Legislative Requirement

Summary

This item presents the Risk Dashboard – quarterly monitoring report for June 2024 to the Audit and Risk Committee for consideration and receipt.

Background

The Risk Management Framework for the Shire of Narembeen sets out the approach to the identification, assessment, management, reporting and monitoring of risks. The objective is to ensure that all areas of the Shire adopt the outlined procedures to ensure:

- strong corporate governance;
- compliance with relevant legislation, regulations and internal policies;
- integrated Planning and Reporting requirements are met; and
- uncertainty and its effects on objectives are understood.

The Shire has adopted a ‘Three Lines of Defence’ model for the management of risk. This model ensures roles, responsibilities, and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the council, management, and community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate, and operational plans.

The Shire qualified its risk appetite through the development of the Shire’s Risk Assessment and Acceptance Criteria.

There is a requirement to assess and manage the risk profiles on an ongoing basis to monitor risks and treatments.

Comment

The quarterly review of risk profiles assessed emerging risks, control effectiveness and key indicator performance. Assigned actions are reflective of current risks and control environment.

Key indicators revised or introduced include:

Risk Theme - External Theft and Fraud
Key Indicator – bank reconciliations
Risk Theme - Inadequate Project Management/Change Management
Key Indicator – undocumented project variations
Key Indicator - failure to achieve project milestones
Key Indicator – project management framework to be documented
Key Indicator – documenting procedure manuals for positions together with relevant controls
Risk Theme – Provide Inaccurate Advice/Information
Key Indicator – number of registered complaints (unresolved or not deemed to be immaterial)
Risk Theme – Inadequate Asset Sustainability Practices
Key Indicator – Plant rendered unusable due to preventable circumstances

The following risk themes are listed on the Risk Register as the overall control rating was ‘inadequate’:

- Business and Community Disruption
- Errors, Omissions and Delays
- Inadequate Document Management Process
- Inadequate Asset Sustainability Practices
- Ineffective Management of Facilities/Venues/Events

Consultation

Executive Manager Corporate Services

Statutory Implications

The *Local Government Act 1995* and Regulation 17 of the *Local Government (Audit) Regulations* is applicable.

Policy Implications

Risk Management Framework

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
 Objective: Well governed and efficiently managed Local Government
 Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls in Place	Risk Management Framework
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

There are no financial implications to Council in relation to this item as the Risk Dashboard identifies and evaluates risk.

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation/ Committee Resolution – Item 6.1

That Audit and Risk Committee receives the Risk Dashboard Quarterly Report – June 2024 as presented in Attachment 6.1A.

MIN 7856/24

MOTION - Moved Cr. Hardham

Seconded Cr. Bald

CARRIED 6 / 0

For: Cr Stirrat, Cr Cusack, Cr Bray, Cr Cole, Cr Bald. Against: Nil

6.2 Risk Management Policy Review

Date:	6 September 2024
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Rebecca McCall, Chief Executive Officer
File Reference	CORPORATE MANAGEMENT/POLICY/Policy Register
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.2A Risk Management Policy (new) 6.2B Risk Management Policy (old)

Purpose of Report

☒ Executive Decision ☐ Legislative Requirement

Summary

For the Audit and Risk Committee to review and recommend to Council for adoption of the reviewed Risk Management Policy.

Background

The Shire of Narembeen is committed to implementing an organisation-wide approach to risk management, ensuring consistent and effective identification, assessment, and mitigation of risks in decision-making, operations, and planning. The attached Risk Management Policy represents an updated version of the 2021 policy, reflecting a thorough review to ensure continued alignment with best practices and organisational needs. This updated policy aligns with AS/ISO 31000:2018 and applies to all council members, employees, and contractors engaged in Shire operations.

Comment

The policy establishes clear objectives, such as safeguarding organisational assets, ensuring business continuity, and promoting public safety. It assigns the Chief Executive Officer the responsibility for implementing and continuously improving the policy. Risk management is recognised as essential for achieving the Shire's goals and is subject to regular monitoring and review by the management team and the Audit and Risk Committee. This systematic approach ensures informed decision-making and a proactive stance in managing uncertainties across the organisation.

Approval of this reviewed policy will strengthen the Shire's operational resilience and ensure alignment with best practices in risk management.

Consultation

Executive Manager Corporate Services

Statutory Implications

The *Local Government Act 1995* and Regulation 17 of the *Local Government (Audit) Regulations* is applicable.

Policy Implications

Risk Management Framework

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
Objective: Well governed and efficiently managed Local Government
Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Moderate (3)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Moderate (5)
Key Controls in Place	Governance Calendar, Financial Management Framework and Legislation; Risk Management Framework & Policy
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

Nil

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation/ Committee Resolution – Item 6.2

That the Audit and Risk Committee

1. Receives the Risk Management Policy, as presented in Attachment 6.2A.
2. Recommends to Council that it adopts the Risk Management Policy

MIN 7857/24

MOTION - Moved Cr. Cusack

Seconded Cr. Cole

CARRIED 6 / 0

For: Cr Stirrat, Cr Cusack, Cr Bray, Cr Cole, Cr Bald. Against: Nil

6.3 Risk Management Framework Review

Date:	6 September 2024
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Rebecca McCall, Chief Executive Officer
File Reference	RISK MANAGEMENT/PLANNING/Risk Management Framework
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.3A Risk Management Framework 2024

Purpose of Report

☐ Executive Decision

☒ Legislative Requirement

Summary

For the Audit and Risk Committee to review and recommend to Council for adoption of the reviewed Risk Management Framework.

Background

The Shire of Narembreen's (Shire) Risk Management Framework sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks.

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

The initial Risk Management Framework was developed in 2014 and last reviewed in 2021. All components of the Framework were based on AS ISO 31000:2009 Risk Management Guidelines.

Comment

To ensure strong corporate governance the Risk Management Framework was reviewed for its appropriateness and effectiveness. The Framework was updated to align with the AS ISO 31000:2018 Risk Management Guidelines.

The Assessment and Acceptable Criteria quantifies the Shire's risk appetite. The criteria was reviewed and minor adjustments were made to the Measures of Consequences.

Approval of this reviewed policy will strengthen the Shire's operational resilience and ensure alignment with best practices in risk management.

Consultation

Executive Manager Corporate Services

Statutory Implications

The *Local Government Act 1995* and Regulation 17 of the *Local Government (Audit) Regulations* is applicable.

Policy Implications

Risk Management Policy

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
Objective: Well governed and efficiently managed Local Government
Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Moderate (3)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Moderate (5)
Key Controls in Place	Governance Calendar, Risk Management Policy
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

Nil

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

	Officers Recommendation/ Committee Resolution – 6.3
--	--

That the Audit and Risk Committee

1. Receives the Risk Management Framework, as presented in Attachment 6.3A
2. Recommends to Council that it adopts the Risk Management Framework.

MIN 7858/24

MOTION - Moved Cr. Bray

Seconded Cr. Bald

CARRIED 6/ 0

For: Cr Stirrat, Cr Cusack, Cr Bray, Cr Cole, Cr Bald. Against: Nil

6.4 Interim Management Letter and Response

Date:	6 September 2024
Location:	Not applicable
Responsible Officer:	Ben Forbes, Executive Manager Corporate Services
Author:	Ben Forbes, Executive Manager Corporate Services
File Reference	FINANCIAL MANAGEMENT\AUDIT\2024\Interim
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.4A Shire of Narembeen - Interim management letter, management response

Purpose of Report

☐ Executive Decision ☒ Legislative Requirement

Summary

For the Audit and Risk Committee to review and receive the draft interim management letter and management's responses to the findings raised.

Background

A Local Government is to prepare an annual report each financial year containing such information as prescribed by the Local Government Act 1995 Section 5.53(2) and Regulation 19 of the Local Government (Administration) Regulations 1996. This report, in addition to all associated accounting practices and records, is to be audited by an external party each year.

The audit of the financial statements is split into two components due to the quantity of work. Prior to 30 June an 'interim audit' is conducted to review profit and loss accounts and directly associated balance sheet accounts. After 30 June the 'annual audit' is conducted to review balance sheet accounts, associated methodologies and general compliance with laws, regulations and accounting standards.

Comment

Regarding findings 3 and 4, management notes that:

- Additional internal controls have been implemented to ensure that all accounting documentation (including payroll) is properly authorised – consistency of staff adoption and overall enforcement of adherence to new practices remains an ongoing process
- The workforce and asset management plans are nearing completion and will be provided to the auditors prior to the annual audit.

Regarding findings 1 and 2, management notes that:

- Staff receive regular IT training, and the auditors were advised of this prior to issuing the letter
- As noted in the comment to finding #2; Council's procurement policy specifically doesn't require purchase orders for acquisitions under \$5,000, so 3 of 4 findings are not considered to be an issue.

Consultation

Chief Executive Officer

Statutory Implications

Local Government Act 1995.

Part 5, Section 5.53

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
 - a) a report from the mayor or president; and
 - b) a report from the CEO; and
 - e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
 - f) the financial report for the financial year; and
 - g) such information as may be prescribed in relation to the payments made to employees; and
 - h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
 - ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
 - hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - i. the number of complaints recorded in the register of complaints; and
 - ii. how the recorded complaints were dealt with; and
 - iii. any other details that the regulations may require; and
 - iv. and such other information as may be prescribed.

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those Matters
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Local Government (Financial Management) Regulations 1996, Part 4 Financial Reports

Regulations 36 to 49 prescribe the contents and disclosures required in the financial statements and accompanying notes.

Regulation 51 prescribes that the Local Government's CEO provide a copy of the audited financial report to the CEO of the Department of Local Government Sport and Cultural Industries within 30 days of the receipt of the audit report.

Local Government (Audit) Regulations 1996, Regulation 10

- (1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
- (2) The report is to give the auditor's opinion on —
 - a. the financial position of the local government; and
 - b. the results of the operations of the local government.
- (3) The report must include a report on the conduct of the audit.
- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

Local Government (Administration) Regulations 1996, Regulation 10

19B. Information to be included in annual report

(2) For the purposes of section 5.53(2)(g) and (i), the annual report for a financial year beginning on or after 1 July 2020 must contain the following —

- (a) the number of employees of the local government entitled to an annual salary of \$130,000 or more;
- (b) the number of employees of the local government entitled to an annual salary that falls within each band of \$10 000 over \$130 000;
- (c) any remuneration and allowances paid by the local government under Schedule 5.1 clause 9 during the financial year;
- (d) any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year;
- (e) the remuneration paid or provided to the CEO during the financial year;
- (f) the number of council and committee meetings attended by each council member during the financial year;
- (g) if available, the gender, linguistic background and country of birth of council members;
- (h) if available, the number of council members who are aged —
 - (i) between 18 years and 24 years; and
 - (ii) between 25 years and 34 years; and
 - (iii) between 35 years and 44 years; and
 - (iv) between 45 years and 54 years; and
 - (v) between 55 years and 64 years; and
 - (vi) over the age of 64 years;
- (i) if available, the number of council members who identify as Aboriginal or Torres Strait Islander;
- (j) details of any modification made to a local government's strategic community plan during the financial year;

(k) details of any significant modification made to a local government's corporate business plan during the financial year.

Policy Implications

Risk Management Policy

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
Objective: Well governed and efficiently managed Local Government
Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Minor (2)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (2)
Key Controls in Place	Governance Calendar, Risk Management Policy
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

Nil

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation/ Committee Resolution – 6.4

That the Audit and Risk Committee receive the attached interim management letter.

MIN 7859/24

MOTION - Moved Cr. Cole

Seconded Cr. Hardham

CARRIED 6 / 0

For: Cr Stirrat, Cr Cusack, Cr Bray, Cr Cole, Cr Bald. Against: Nil

7. Other Business

Nil

8. Closure of Meeting

Details of the next meeting will be advised.

There being no further business, the Chair declared the meeting closed at 1.41pm.

ATTACHMENT 6.1A
Risk Dashboard Quarterly Report
November 2024

Shire of Narembeen
Risk Dashboard Report - November 2024

<u>Misconduct</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review Code of Conduct(s)	Apr-27	EMCS	
ICT Plan - Perform Annual Review	Aug-25	EMCS	
Conduct Annual Review of Delegation Framework	May-25	CEO / EMCS	
Conduct FMR Review & Regulation 17	Mar-27	CEO / EMCS	
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS	
Documenting Cash Handling Processes	Feb-25	EMCS	

<u>Inadequate Environmental Management</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Identify Strategy to Remove Illegal Dumped Material (near workers camp)	Dec-25	EHO	
Review Diesel Storage System (to ensure compliance)	Mar-25	EMCS	
Finalise Bendering Waste Facility Operational Plan	Dec-25	CEO / EMCS	
Develop Townsite Drainage and Water Harvesting Plan	Dec-25	CEO / EMCS	

<u>External Theft & Fraud (inc. Cyber Crime)</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Conduct Key Audit (staff access)	Mar-25	EMCS	
Documenting Cash Handling Processes	Feb-25	EMCS	

<u>Failure to Fulfil Statutory, Regulatory or Compliance Requirements</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Conduct Financial Management Review	Mar-27	EMCS	
Conduct CEO Regulation 17 Review	Mar-27	EMCS	
Financial and Performance Audit Year Ended 30 June 2024 - Actioned Findings	Mar-25	EMCS	
Document Governance Framework	Mar-25	CEO	
Review Information Management Framework	Jun-25	EMCS	

<u>Business & Community Disruption</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Business Continuity Plan - Conduct Annual Review	Jan-25	EMCS	
ICT Plan - Conduct Annual Desktop Review	Aug-25	EMCS	
Develop Communication and Power Outage Response Plan	Aug-24	CEO / EMCS	
Emergency Management & Training - Conduct Review	Sep-24	CEO	

<u>Errors, Omissions & Delays</u>		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Conduct Staff Inductions	As Required	Senior Management	
Implement Annual Training Plan 2024/2025	Jun-25	Senior Management	
Document Procedures and Checklists	Jun-25	Senior Management	
Conduct Annual Performance Reviews	Apr-25	Senior Management	

<u>Failure of IT &/or Communication Systems and Infrastructure</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
ICT Plan - Perform Annual Review	Aug-25	EMCS	
Review ICT Replacement Program	Jan-25	EMCS	
Develop Communication and Power Outage Response Plan	Sep-24	CEO / EMCS	
Investigate Replacement of Telephone System	Dec-24	EMCS	

<u>Inadequate Safety and Security Practices</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Conduct Security Access for Shire Buildings Audit	Jun-25	EMIS	
Conduct WHS Framework Review	Dec-24	CEO	
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS	

Shire of Narembeen
Risk Dashboard Report - November 2024

<u>Providing Inaccurate Advice / Information</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Develop 2024-2025 Staff Training Plan	May-24	Senior Management	
Review Complaints Handling Process	Dec-24	CEO	
Review Complaints Register	Dec-24	CEO	
Develop Communication and Engagement Plan	Aug-24	CEO	
Develop Customer Service Charter	Jun-24	CEO	

<u>Inadequate Document Management Processes</u>		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review Information Management Framework	Jun-25	EMCS	
Record Keeping Plan Reviewed	Jun-25	EMCS	
Document Governance Framework	Mar-25	CEO	

<u>Inadequate Engagement Practices</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Conduct Community Satisfaction Survey	Jun-24	CEO	
Review Complaints Handling Process	Dec-24	CEO	
Review Complaints Register	Dec-24	CEO	
Develop Communication and Engagement Plan	Aug-24	CEO	
Develop Customer Service Charter	Jun-24	CEO	

<u>Inadequate Asset Sustainability Practices</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Asset Management Plan - Annual Desktop Review	Aug-25	EMCS	
Develop 2025/26 Building Maintenance Program	Apr-25	EMIS	
Develop Building Maintenance Program (10 Year)	Dec-25	EMIS	
Develop 2025/26 Construction and Road Maintenance Program	Apr-25	EMIS	
Review Fleet and Plant Replacement Program (10 Year)	Apr-25	EMIS	
Review Stock Control System	Mar-25	EMCS	
Develop Reserve Management Plan	Dec-25	EMIS	

<u>Ineffective Employment Practices</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Update Training Register	Mar-25	CEO	
Implement 2024-2025 Staff Training Plan	Jun-25	Senior Management	
Documenting Human Resource Management	Mar-25	CEO / EMCS	
Performance Reviews Conducted	Apr-25	Senior Management	
Staff Inductions and Refreshers Conducted	Mar-25	Senior Management	
Workforce Plan - Conduct Desktop Review	Aug-25	CEO	

<u>Inadequate Project / Change Management</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Document Project Management Methodology and Framework	Dec-24	Senior Management	
Communication and Engagement Framework - Conduct Review	Aug-26	CEO	
Document procedure manuals for positions together with relevant controls	Jun-25	EMCS	

<u>Inadequate Supplier / Contract Management</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Develop Standardised Contracts	Jun-25	CEO/EMCS	
Financial Controls Documented	Mar-25	EMCS	
Develop Centralised Contract Management System	Mar-25	CEO	

<u>Ineffective Management of Facilities / Venues / Events</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Document Event Management Framework	Jun-25	EMCS	
Document Facilities Booking Framework	May-25	EMCS	
Asset Management Plan - Conduct Desktop Review	Aug-25	EMCS	
Develop 2025/26 Building Maintenance Program	Apr-25	EMIS	
Develop Reserve Management Plan	Dec-25	EMIS	

Business & Community Disruption			Nov-24
Risk Context			
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes; · Lack of (or inadequate) emergency response / business continuity plans. · Lack of training to specific individuals or availability of appropriate emergency response. · Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident. · Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".			
Potential Causes			
Cyclone / Storm Surge / Fire / Earthquake	Extended Communication &/or Power Outage		
Terrorism / Sabotage / Criminal Behaviour	Economic Factors		
Epidemic / Pandemic	Loss of Key Staff		
Key Controls	Type	Date	Rating
Business Continuity Response Plan	Preventative	Jun-22	Adequate
Emergency Management & Training	Preventative	Unknown	Not Rated
LEM Exercises	Detective	Jun-22	Inadequate
LEMA & Recovery Plans	Recovery	Jun-22	Inadequate
ICT Disaster Recovery Plan 2024	Preventative	Aug-24	Adequate
Asset Management Plan	Preventative	Aug-24	Adequate
Long Term Financial Plan	Preventative	Jun-24	Adequate
Overall Control Rating			Adequate
Risk Ratings			Rating
<i>Consequence:</i>			Catastrophic
<i>Likelihood:</i>			Rare
Overall Risk Rating			Moderate
Key Indicators	Tolerance	Latest Result	Comment
BCP Training Exercises Undertaken	1 per annum	Not Rated	To be scheduled
LEMC Training Exercises Undertaken	1 per annum	Not Rated	Storm with destructive winds - run as desktop exercise in 2024
LEMC Meetings Convened	4 per annum	1	2 meetings convened in 2023
ICT Health Checks Performed	Monthly	10	Checks performed since Feb 2024
Business Continuity Plan Reviewed	Annually	Not Rated	Scheduled for Jan 2025
Comments			
Actions / Current Issues / Treatments			
Business Continuity Plan - Conduct Annual Review	Due Date	Responsible Manager	
ICT Plan - Conduct Annual Desktop Review	Jan-25	EMCS	
Develop Communication and Power Outage Response Plan	Aug-25	EMCS	
Emergency Management & Training - Conduct Review	Aug-24	CEO / EMCS	
	Sep-24	CEO	

Failure of IT &/or Communication Systems and Infrastructure

Nov-24

Risk Context

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

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

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

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

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

Potential Causes

Weather Impacts	Communications & Power Failure
Power outage at service provider	Infrastructure breakdown such as landlines, radio communications.
Out dated / inefficient hardware	Lack of training
Incompatibility between operating system and Microsoft	Software vulnerability (eg. MS Access)

Key Controls	Type	Date	Rating
Data Back-Up Systems	Recovery	Daily	Adequate
UPS	Preventative / Recovery	Unknown	Inadequate
ICT Management Service Agreement	Preventative	Mar-23	Adequate
ICT Disaster Recovery Plan 2024	Preventative	Aug-24	Adequate
ICT Replacement Program	Preventative	Dec-23	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
<i>Consequence:</i>	Moderate
<i>Likelihood:</i>	Possible

Overall Risk Rating	Moderate
---------------------	----------

Key Indicators	Tolerance	Latest Result	Comment
ICT Health Checks Performed	Monthly	10	Number of checks since Feb 24
ICT Disaster Recovery Test Performed	Annually	Not Rated	TBD on next test
Number of Cyber Breaches	Nil	Nil	None to date - login details found on dark web and fixed immediately.

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
ICT Plan - Perform Annual Review	Aug-25	EMCS
Review ICT Replacement Program	Jan-25	EMCS
Develop Communication and Power Outage Response Plan	Sep-24	CEO / EMCS
Investigate Replacement of Telephone System	Dec-24	EMCS

External Theft & Fraud (inc. Cyber Crime)

Nov-24

Risk Context
Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of; • Fraud – benefit or gain by deceit • Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems • Theft – stealing of data, assets or information (no deceit) Examples include: • Scam Invoices • Cash or other valuables from 'Outstations

Potential Causes	
Inadequate security of equipment / supplies / cash	Inadequate provision for patrons belongings
Robbery	Lack of Supervision
Scam Invoices	

Key Controls	Type	Date	Rating
Security Access for Shire Buildings	Preventative	Nov-18	Adequate
ICT Disaster Recovery Plan 2024	Preventative	Aug-24	Adequate
Financial Management Framework	Preventative	Dec-23	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
<i>Consequence:</i>	Moderate
<i>Likelihood:</i>	Unlikely
Overall Risk Rating	Moderate

Key Indicators	Tolerance	Latest Result	Comment
Number of Thefts or Fraud	Nil	Nil	No theft or fraud
Detected Non Compliant Procurement Processes	< 5	Nil	None
Cash Handling Processes	Documented	Not Rated	Drafted - process has been overhauled already. Anticipated completion Q1 2025
Bank Reconciliations	No detected variances	Nil	Bank recs now being done routinely - no variances or outstanding items from June 24

Comments		
Actions / Current Issues / Treatments	Due Date	Responsible Manager
Conduct Key Audit (staff access)	Mar-25	EMCS
Documenting Cash Handling Processes	Feb-25	EMCS

Inadequate Safety and Security Practices

Nov-24

Risk Context

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

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

Potential Causes

Lack of appropriate PPE / Equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained staff	Storage and use of Dangerous Goods
Rubbish / Litter Control	Ineffective / inadequate testing, sampling (similar) health based req'
Inadequate security arrangements	Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Rating
Security Access for Shire Buildings	Preventative	Unknown	Adequate
WHS Management Framework	Preventative	Unknown	Adequate
Human Resource Management Framework	Preventative	Not Documented	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely

Overall Risk Rating	Moderate
---------------------	----------

Key Indicators	Tolerance	Latest Result	Comment
Lost Time Injuries Per Quarter	Nil	Nil	Non this reporting period
Near Misses Per Quarter	Nil	Nil	Non this reporting period
Workers Compensation Claims	Nil	Nil	2 current claims
Security Access for Shire Buildings Audit	Completed	Not Rated	Scheduled for June 2025
WHS Policy Reviewed & Signed Annually	Completed	Nov-24	Next due Nov 2025
Conduct WHS Framework Review	Completed	Not Rated	Progressing

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Conduct Security Access for Shire Buildings Audit	Jun-25	EMIS
Conduct WHS Framework Review	Dec-24	CEO
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS

Misconduct

Nov-24

Risk Context

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

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

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

Potential Causes

Lack of Induction and Training	Lack of Clarity of Role
Changing of Job Titles and Responsibilities	Poor Internal Controls and Systems
Delegated Authority Process Inadequately Implemented	Password Sharing
Covering Up Poor Work Performance and/or Non-Compliance	Beaching of Code of Conduct
Disgruntled Employees	Poor Enforcement of Policies and Procedures

Key Controls	Type	Date	Rating
Delegation Framework	Detective	Nov-18	Adequate
ICT Plan 2020 - 2025	Preventative	Jun-22	Adequate
Employee Code of Conduct	Preventative	Apr-24	Adequate
Elected Member Code of Conduct	Preventative	Apr-24	Adequate
Financial Management Framework	Preventative	Not Documented	Adequate
Human Resource Management Framework	Preventative	Not Documented	Adequate
External Audit	Detective	May-24	Effective
Regulatory Declarations	Detective	Ongoing	Effective

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Rating	Moderate

Key Indicators	Tolerance	Latest Result	Comment
External Audit Findings (Misconduct Related)	Nil	Nil	None
Detected Non Compliant Procurement Processes	< 5	Not Rated	None
Breaches of Code of Conduct	Nil	Nil	None
Proven Internal & External Complaints (Major or Minor)	Nil	Nil	None

Comments

Codes of conduct to be reviewed every 3 years.

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Review Code of Conduct(s)	Apr-27	EMCS
ICT Plan - Perform Annual Review	Aug-25	EMCS
Conduct Annual Review of Delegation Framework	May-25	CEO / EMCS
Conduct FMR Review & Regulation 17	Mar-27	CEO / EMCS
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS
Documenting Cash Handling Processes	Feb-25	EMCS

Inadequate Project / Change Management

Nov-24

Risk Context

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

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

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential Causes

Lack of communication and consultation	Shire growth (too many projects)
Lack of investment	Inadequate monitoring and review
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	Lack of Project methodology knowledge and reporting requirements

Key Controls	Type	Date	Rating
Project Management Methodology and Framework	Preventative	Not Documented	Adequate
Communication and Engagement Framework	Preventative	Not Documented	Adequate
Risk Management Framework	Detective	Sep-24	Adequate
Financial Management Framework	Preventative	Not Documented	Inadequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Rating	Moderate

Key Indicators	Tolerance	Latest Result	Comment
Undocumented project variations	Nil	Nil	1
Failure to achieve Project Milestones	Nil	Nil	1
Project management framework to be documented	To be completed	Nil	Due Dec-24
Documenting procedure manuals for positions together with relevant controls	To be completed	Nil	Not started

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Document Project Management Methodology and Framework	Dec-24	Senior Management
Communication and Engagement Framework - Conduct Review	Aug-26	CEO
Document procedure manuals for positions together with relevant controls	Jun-25	EMCS

Errors, Omissions & Delays

Nov-24

Risk Context

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

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

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

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

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

Potential Causes

Human Error	Incorrect information
Inadequate procedures or training	Miscommunication
Lack of Staff (or trained staff)	

Key Controls	Type	Date	Rating
Documented Procedures and Checklists	Preventative		Inadequate
Complaints Handling Register	Preventative		Not Rated
Complaints Process	Recovery		Not Rated
Customer Service Charter	Preventative	Aug-24	Adequate
Segregation of Duties (Financial Control)	Preventative	Not Documented	Adequate
Staff Inductions	Preventative	Feb-24	Inadequate
Staff Training Plan	Preventative	Not Documented	Not Rated
Performance Management	Preventative	Feb-24	Adequate
Qualified Building, Health and Planning Officers	Preventative	Feb-24	Adequate

Overall Control Rating	Inadequate
------------------------	------------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Likely
Overall Risk Rating	High

Key Indicators	Tolerance	Date	Result
Staff Inducted	100%	May-24	Reviewing process
2024-2025 Staff Training Plan Implemented	100%	Jun-24	Implementing
Annual Performance Reviews Conducted	100%	Apr-24	Completed
Customer Service Charter	Adopted	Jun-24	Adopted Aug-24

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Conduct Staff Inductions	As Required	Senior Management
Implement Annual Training Plan 2024/2025	Jun-25	Senior Management
Document Procedures and Checklists	Jun-25	Senior Management
Conduct Annual Performance Reviews	Apr-25	Senior Management

Inadequate Document Management Processes

Nov-24

Risk Context
Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes: • Contact lists. • Procedural documents. • 'Application' proposals/documents. • Contracts. • Forms, requests or other documents.

Potential Causes	
Spreadsheet/Database/Document corruption or loss	Outdated record keeping practices / incompatible systems
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Incomplete authorisation trails

Key Controls	Type	Date	Rating
Information Management Framework		Unknown	Inadequate
Record Keeping Plan		2018	Inadequate
Governance Framework		Not Documented	Adequate

Overall Control Rating	Inadequate
------------------------	------------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Likely

Overall Risk Rating	High
---------------------	------

Key Indicators	Tolerance	Date	Result
Information Management Framework	Reviewed	Jun-25	Review progressing
Record Keeping Plan	Lodged	Jun-25	Formal plan is in draft with external consultation - revised statutory plan and framework being developed.

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Review Information Management Framework	Jun-25	EMCS
Record Keeping Plan Reviewed	Jun-25	EMCS
Document Governance Framework	Mar-25	CEO

Inadequate Supplier / Contract Management

Nov-24

Risk Context
This Risk Theme is defined as: Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes: • Concentration issues • Vendor sustainability

Potential Causes	
Funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Inadequate tendering process	Lack of planning and clarity of requirements
Geographical remoteness	Historical contracts remaining

Key Controls	Type	Date	Rating
Budget review	Preventative	Feb-24	Adequate
Financial Management Framework	Preventative	Progressing	Adequate
Access to Independent Advice (Legal / WALGA) & Peer Review	Preventative	Ongoing	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible

Overall Risk Rating	Moderate
---------------------	----------

Draft Key Indicators	Tolerance	Date	Result
Contract management framework and control procedures documented and implemented	100%	Jun-24	Not started
Detected Non Compliant Tender Processes	Nil	Jun-24	None
Employment contracts reviewed within 6 months of expiry	100%	Ongoing	Mechanic contract not within timeframe
Supplier contracts reviewed prior to expiry	100%	Ongoing	No non-compliance

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Develop Standardised Contracts	Jun-25	CEO/EMCS
Financial Controls Documented	Mar-25	EMCS
Develop Centralised Contract Management System	Mar-25	CEO

Providing Inaccurate Advice / Information

Nov-24

Risk Context			
Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct. Examples include; - incorrect planning, development or building advice, - incorrect health or environmental advice - inconsistent messages or responses from Customer Service Staff - any advice that is not consistent with legislative requirements or local laws.			
Potential Causes			
Lack of qualified staff	Lack of appropriate technical knowlegde relevant to the context		
Long lead times for responses	Poor working relationships between internal staff/departments		
Increasing workloads			
Key Controls	Type	Date	Rating
Staff Training Plan	Preventative	Ongoing	Inadequate
Peer Review Process - Building / Health / Planning Advice	Preventative	Ongoing	Adequate
Complaints Handling Process	Preventative	Unknown	Adequate
Complaints Register	Detective	Unknown	Adequate
Overall Control Rating			Adequate
Risk Ratings		Rating	
Consequence:		Minor	
Likelihood:		Possible	
Overall Risk Rating		Moderate	
Key Indicators	Tolerance	Date	Result
2024-2025 Staff Training Plan Implemented	100%	Jun-25	Implementing
Number of Registered Complaints - Unresolved or not deemed to be immaterial			Not Rated
Comments			
Key Indicator - Number of Registered Complaints - tolerance to be determined			
Actions / Current Issues / Treatments	Due Date		Responsible Manager
Develop 2024-2025 Staff Training Plan	May-24		Senior Management
Review Complaints Handling Process	Dec-24		CEO
Review Complaints Register	Dec-24		CEO
Develop Communication and Engagement Plan	Aug-24		CEO
Develop Customer Service Charter	Jun-24		CEO

Ineffective Employment Practices

Nov-24

Risk Context
Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are; • Breaching employee regulations (excluding OH&S). • Discrimination, Harassment & Bullying in the workplace. • Poor employee wellbeing (causing stress) • Key person dependencies without effective succession planning in place. • Induction issues. • Terminations (including any tribunal issues). • Industrial activity. Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

Potential Causes	
Leadership failures	Ineffective performance management programs or procedures.
Available staff / volunteers are generally highly transient.	Ineffective training programs or procedures.
Single Person Dependencies	Limited staff availability - mining / private sectors (pay & conditions).
Poor internal communications / relationships	Inadequate Induction practices.

Key Controls	Type	Date	Rating
Human Resource Management Framework	Preventative	Not Rated	Adequate
Training Needs Analysis & Training Register	Preventative	Nov-18	Inadequate
Workforce Plan (Succession Planning Component)	Preventative	Aug-24	Adequate
Staff Inductions (Code of Conduct Component)	Preventative	Nov-18	Adequate
Performance Review Process	Detective	Nov-18	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Rating	Moderate

Key Indicators	Tolerance	Date	Result
Training Register Current	100%	Jun-24	Progressing
2024-2025 Staff Training Plan Implemented	100%	Jul-25	Implementing
2024 Performance Reviews Conducted	100%	Apr-24	Conducted
Staff Inductions and Refreshers Conducted	100%	Jun-24	Progressing
Procedure manuals and legacy planning	To be completed	Jun-25	Progressing

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Update Training Register	Mar-25	CEO
Implement 2024-2025 Staff Training Plan	Jun-25	Senior Management
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS
Performance Reviews Conducted	Apr-25	Senior Management
Staff Inductions and Refreshers Conducted	Mar-25	Senior Management
Workforce Plan - Conduct Desktop Review	Aug-25	CEO

Failure to Fulfil Statutory, Regulatory or Compliance Requirements

Nov-24

Risk Context

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

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

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

Potential Causes

Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff Turnover	Councillor Turnover
Inadequate record keeping	Breakdowns in Tender process
Ineffective processes	Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Rating
Governance Framework	Preventative	Not Documented	Adequate
Information Management Framework	Preventative	Unknown	Adequate
Human Resource Management Framework	Preventative	Not Documented	Adequate
Access to Legislation and Regulations	Preventative	Ongoing	Effective
Access to Independent Advice (DLGSC / Legal / WALGA)	Preventative	Ongoing	Effective

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely

Overall Risk Rating	Moderate
---------------------	----------

Key Indicators	Tolerance	Date	Result
Compliance Annual Return (CAR)	As Per Legislation	Mar-24	Completed
Financial Management Review (Every 3 Years)	As Per Legislation	Apr-24	Completed March 2024
CEO Regulation 17 Review (Every 3 Years)	As Per Legislation	Apr-24	Completed March 2024
Financial and Performance Audit Qualification (Annual)	Unqualified Audit	Dec-23	Unqualified
Financial and Performance Audit - Actioned Findings	4 Months	Apr-24	Completed

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Conduct Financial Management Review	Mar-27	EMCS
Conduct CEO Regulation 17 Review	Mar-27	EMCS
Financial and Performance Audit Year Ended 30 June 2024 - Actioned Findings	Mar-25	EMCS
Document Governance Framework	Mar-25	CEO
Review Information Management Framework	Jun-25	EMCS
Documenting Human Resource Management Framework	Mar-25	CEO / EMCS

Inadequate Asset Sustainability Practices

Nov-24

Risk Context
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are; • Inadequate design (not fit for purpose) • Ineffective usage (down time) • Outputs not meeting expectations • Inadequate maintenance activities. • Inadequate financial management and planning. It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential Causes	
Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)
Outdated equipment	Unexpected breakdowns

Key Controls	Type	Date	Rating
Asset Management System	Preventative		Inadequate
Asset Management Plan	Preventative	Aug-24	Adequate
Building Maintenance Program (Annual)	Preventative		Not Rated
Road Construction and Maintenance Program (Annual)	Preventative	Jun-24	Adequate
Fleet and Plant Replacement Program (10 Year)	Preventative	Jun-24	Adequate
Road Asset Management System (RAMMS)	Preventative	Jun-24	Adequate
Stock Control Systems (Fuel and Materials)	Preventative		Not Rated

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Likely

Overall Risk Rating	High
---------------------	------

Key Indicators	Tolerance	Date	Result
Asset Management Plan Reviewed	Annually	Oct-24	First draft expected Aug 24
Annual Road Program Uploaded (ThinkProject)	Annually	Jul-24	EMIS
Long Term Financial Plan Reviewed	Annually	Jun-24	Framework completed - to be a live document
Plant rendered unusable due to preventable circumstances	Nil	Ongoing	None

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Asset Management Plan - Annual Desktop Review	Aug-25	EMCS
Develop 2025/26 Building Maintenance Program	Apr-25	EMIS
Develop Building Maintenance Program (10 Year)	Dec-25	EMIS
Develop 2025/26 Construction and Road Maintenance Program	Apr-25	EMIS
Review Fleet and Plant Replacement Program (10 Year)	Apr-25	EMIS
Review Stock Control System	Mar-25	EMCS
Develop Reserve Management Plan	Dec-25	EMIS

Inadequate Engagement Practices

Nov-24

Risk Context

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

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

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

Potential Causes

Budget / funding issues	Short lead times
Media attention	Miscommunication / Poor communication
Inadequate documentation or procedures	Relationship breakdowns with community groups

Key Controls	Type	Date	Rating
Communication and Engagement Framework	Preventative	Not Documented	Adequate
Complaint Handling Process	Preventative	Unknown	Adequate
Complaints Register	Detective	Unknown	Adequate
Customer Service Charter	Preventative	Aug-25	Adequate
Community Satisfaction Survey	Detective	2021	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely

Overall Risk Rating	Moderate
---------------------	----------

Key Indicators	Tolerance	Date	Result
Number of Complaints Registered			Tolerance to be Identified
Number of Complaints not Responded to			KI to be Identified
Community Satisfaction Survey Results			KI to be Identified

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Conduct Community Satisfaction Survey	Jun-24	CEO
Review Complaints Handling Process	Dec-24	CEO
Review Complaints Register	Dec-24	CEO
Develop Communication and Engagement Plan	Aug-24	CEO
Develop Customer Service Charter	Jun-24	CEO

Ineffective Management of Facilities / Venues / Events			Nov-24
Risk Context			
This Risk Theme is defined as: Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes; • Inadequate procedures in place to manage the quality or availability. • Ineffective signage • Booking issues • Financial interactions with hirers / users • Oversight / provision of peripheral services (eg. cleaning / maintenance)			
Potential Causes			
Double bookings	Animal contamination.		
Illegal alcohol consumption	Failed chemical / health requirements.		
Managing bond payments	Access to facilities / venues.		
Key Controls	Type	Date	Rating
Event Management Framework	Preventative	Not Documented	Adequate
Facilities Booking Framework	Preventative	Unknown	Adequate
Asset Management Plan	Detective	1/08/2024	Adequate
Building Maintenance Program (Annual)	Preventative	Not Documented	Inadequate
Statutory Public Building Compliance Requirements	Preventative	Ongoing	Adequate
Overall Control Rating			Adequate
Risk Ratings			Rating
<i>Consequence:</i>			Moderate
<i>Likelihood:</i>			Unlikely
Overall Risk Rating			Moderate
Draft Key Indicators	Tolerance	Date	Result
Equipment Tested and Tagged	As Per Legislation		Not Rated
Public Building Inspections Conducted	As Per Legislation		Not Rated
Comments			
Actions / Current Issues / Treatments		Due Date	Responsible Manager
Document Event Management Framework		Jun-25	EMCS
Document Facilities Booking Framework		May-25	EMCS
Asset Management Plan - Condcut Desktop Review		Aug-25	EMCS
Develop 2025/26 Building Maintenance Program		Apr-25	EMIS
Develop Reserve Management Plan		Dec-25	EMIS

Inadequate Environmental Management

Nov-24

Risk Context

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

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

Potential Causes

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	

Key Controls	Type	Date	Rating
Transfer Station Operational Management	Detective		Adequate
Bendering Waste Facility Operational Plan (In Draft)	Preventative		Adequate
Bendering Waste Facility Management Plan	Preventative		Adequate
Support Environmental Groups and Program	Preventative		Adequate
Re-Use Waste Water Management Plan	Preventative		Not Rated
Re-Use Waste Water Monitoring	Detective		Adequate
Swimming Pool Water Monitoring	Detective		Adequate
Asbestos Register	Detective	Jul-23	Adequate

Overall Control Rating	Adequate
------------------------	----------

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely

Overall Risk Rating	Moderate
---------------------	----------

Key Indicators	Tolerance	Date	Result
Annual Waste and Recycling Data Report Submitted	As Per Legislation	Sep-24	Submitted
Re-Use Waste Water Monitored	As Per Legislation		Compliant
Asbestos Register Maintained	Annually	Ongoing	Maintained

Comments

Actions / Current Issues / Treatments	Due Date	Responsible Manager
Identify Strategy to Remove Illegal Dumped Material (near workers camp)	Dec-25	EHO
Review Diesel Storage System (to ensure compliance)	Mar-25	EMCS
Finalise Bendering Waste Facility Operational Plan	Dec-24	CEO
Develop Townsite Drainage and Water Harvesting Plan	Dec-25	CEO / EMCS

Risk Register - Updated November 2024

Theme	Overall Control Rating	Consequence	Likelihood	Overall Risk Rating
Errors, Omissions & Delays	Indequate	Moderate	Likely	High
Indequate Document Management Process	Indequate	Moderate	Likely	High

Measure of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant 1	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor 2	First aid injuries	\$1,001 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate 3	Medical type injuries <5	\$10,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major 4	Lost time injury >5	\$50,001 - \$500,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic 5	Fatality, permanent disability	More than \$500,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood

Rating	Description	Frequency	Probability
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Measures of Likelihood			
Rating	Description	Frequency	Probability
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

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

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

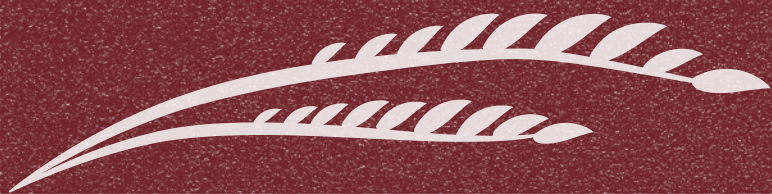
Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	1. Processes (Controls) operating as intended and aligned to Policies / Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist, or are not being complied with. 3. Have not been reviewed or tested for some time.

ATTACHMENT 6.2A 2024 Annual Report



Annual Report

2023 - 2024



Contents

Vision Statement & Values	3
Message from the Shire President.....	4
CEO's Report.....	6
Our Elected Members.....	8
Meeting Attendance & Training.....	9
Allowance.....	10
Demographics.....	11
Roads 2023/2024.....	12
Shire Snapshot.....	13
Community Services.....	14
Community Benefit Fund.....	15
Donations & Support.....	16
Projects 2023/2024.....	17
LRCI Projects Phase 3.....	19
Planning for the Future.....	20
Integrated Planning & Reporting.....	21
Integrated Planning Annual Progress Report.....	23
Governance & Statutory Statements	30
Financial Report for the Year Ended 30 June 2024.....	32

Vision Statement

Together we create the opportunity to grow

Our Values



Courage - We embrace resilience and encourage innovative approaches.



Empathy - We collaborate, support one another, and consider the impact of our actions on others.



Excellence - We strive to uphold high standards and consistently strive for the best outcomes.



Respect - We act with honesty and integrity, showing respect for each other and our customers.



Message from the Shire President

I am pleased to present the Shire of Narembeen's Annual Report for the year ended 30 June 2024.

The 2024 financial year has been a particularly busy one for the Shire, with the challenge of delivering several large projects by year-end. Federal funding for these projects has been invaluable, though securing skilled tradespeople to complete the work proved challenging due to competition with other regional local governments. Fortunately, the recruitment of our new Chief Executive Officer, Rebecca McCall, brought stability and strong leadership, helping us navigate these challenges.

This year, the Shire entered into an agreement with Livingston Medical to provide general practice services at the Narembeen Medical Centre. In addition, Dr. Livingston now supports the hospital, managing emergencies, in-patient care, and services for aged care residents. Council constructed a new 4x2 residence in Cheetham Way to accommodate the local doctor.

The Shire of Narembeen became a member of the Central East Aged Care Alliance (CEACA), which includes nine councils working together to develop independent living units for older people, those with disabilities, and individuals on low incomes. With 71 two-bedroom units already in place across the Central Eastern Wheatbelt, the focus is now on continuing to source external funding and develop business cases for the construction of additional housing across the nine member councils.

We faced an extended power outage in January, highlighting the need for a comprehensive review of our emergency preparedness strategies. It was heartening to witness the collaborative efforts of the Shire, local emergency services, and businesses to minimise the impact, especially for the elderly and vulnerable.

Notable community projects funded by the 'Local Roads and Community Infrastructure Program' in 2024 included the installation of the community electronic signboard, the Churchill Street redevelopment, townsite footpath extension, and the sealing of Savage Laneway.

During the 2024 Australia Day event, Kellie Mortimore, Julie Hayter, and the Narembreen District High School Centenary Committee were recognised for their outstanding contributions to the community.

The Community Resource Centre (CRC) has continued to excel in supporting a variety of community-focused events and services. A key achievement was the expansion of the annual Save Our Country Kids (SOCK) Week, which saw the Road Safety Commissioner attend the Fluoro Friday event and Memorial procession, showcasing the growing statewide impact of SOCK Week.

In the 2023 elections, Cr Hannah Bald, Cr Christopher Bray, and Cr Amy Hardham were elected unopposed for a four-year term. I also thank Cr Kellie Mortimore and Cr Warren Milner for their significant contributions during their tenures. Each Councillor brings a unique skill set that enriches our discussions and decision-making, fostering collaborative planning and governance.

I would like to extend my appreciation to the works crew for their diligent maintenance of our townsite and rural roads, ensuring safe and tidy infrastructure for the community. Special thanks also go to our cleaning staff for maintaining high standards of cleanliness, and to our Administration and CRC teams for their exceptional service delivery, all while upholding good governance and statutory compliance. Their efforts are vital to the smooth operation of the Shire and the well-being of our residents.

This year has been marked by a strong sense of purpose and optimism as we advance key projects, plan for the future, and nurture our vibrant community spirit. It is an honour to lead this Council as we work together to achieve our community's goals and aspirations.

Cr Scott Stirrat
Shire President



Chief Executive Officer's report

I would like to express my sincere gratitude to the Narembeen community for their warm welcome during my first year as CEO. The past year has been one of focused dedication, marked by significant efforts to improve the Shire's operations, with a strong emphasis on best practices in governance, risk management, statutory compliance, and service delivery.

Community engagement has been at the heart of our work. We consulted with residents to review the Disability Access and Inclusion Plan and the Sport and Recreation Facilities Plan, and collaborated with the Basketball and Netball clubs to assess the feasibility of a multipurpose sports facility. Additionally, we developed a Club Night Light Plan in consultation with the tennis, hockey, and football clubs, leading to the submission of the first grant application for new lighting at the Narembeen Courts and an upgrade to LED lights at Mount Walker.

We also worked closely with Narembeen District High School students to identify their aspirations and needs in preparation for the development of a Youth Plan.

Throughout the year, we proudly supported a range of community activities and events, including the inaugural Bin 2 Bin Marathon. Our community development program plays a key role in strengthening our community's capacity, promoting health and wellbeing, and fostering a sense of empowerment. By creating opportunities for engagement, we aim to enrich the lives of residents and enhance the connection and pride within our Shire.

The continued success of the Community Benefit Fund, supported by Ramelius, Go Narembeen, and the Shire, has provided community groups the opportunity to initiate priority projects that add value to the community.

Collaboration remains essential, and our relationship as a member of Roe Regional Organisation of Councils (RoeROC) continues to grow. Through the renewal of our MOU, we have identified shared strategic goals and key actions for the future.

This year, we adopted the Housing Strategy for Narembreen, which addresses the diverse housing needs of the community, including staff housing, state employees, aged housing, and the management of existing properties. This strategy aligns with our Strategic Community Plan and Corporate Business Plan, guiding the actions we will take to meet these needs.

Building on this, we partnered with the Wheatbelt Development Commission to begin a Workforce Housing Investigation Study under the umbrella of RoeROC.

We also launched a comprehensive assessment of the Shire's stormwater infrastructure, mapping areas of concern and exploring solutions, including stormwater harvesting strategies to reduce reliance on potable water.

November 2023 marked the retirement of long-standing Works Manager Arthur Cousins, whose dedication over 28 years set a high standard of service. We were pleased to welcome Ken Markham as Executive Manager of Infrastructure Services, who is now leading our infrastructure team.

After 19 years demonstrating a strong commitment to serving the community, we also farewelled Michael 'Chick' Lethlean.

I would also like to acknowledge the dedication and teamwork of our Shire staff. Their commitment has been crucial to our successes this year, and I greatly appreciate their collective effort in strengthening Narembreen's future.

In closing, I thank the Council for their leadership and ongoing support. Despite the challenges, it has been a productive year, and we look forward to advancing key projects that align with our strategic priorities, ensuring a sustainable future for the Shire.

Rebecca McCall

Chief Executive Officer

Our Elected Members



Cr Scott Stirrat
Shire President

Term expires: 2025



Cr Holly Cusack
Deputy Shire President

Term expires: 2025



Cr Michael Currie
Councillor

Term expires: 2025



Cr Trevor Cole
Councillor

Term expires: 2025



Cr Christopher Bray
Councillor

Term expires: 2027



Cr Amy Hardham
Councillor

Term expires: 2027



Cr Hannah Bald
Councillor

Term expires: 2027

Elected Member Training

In accordance with Section 5.127 of the *Local Government Act 1995*, local governments are to report on the training undertaken by Councillors during the financial year. In addition to being provided on the Shire’s website the information is to be included in the Annual Report for that financial year.

In accordance with Section 5.123(1) of the *Local Government Act 1995* and Regulation 10 of the *Local Government (Administration) Regulations 1996*, newly elected or re-elected Councillors must complete the prescribed five courses within twelve months of their election. Councillors who have completed any of these courses within the period of five years ending immediately before the date on which they were elected/re-elected are exempt from the training course and need only to complete the online assessment.

Councillor	Training Course	Training Dates	Location	Training Provider	Cost
Cr Stirrat					
Cr Cusack					
Cr Cole					
Cr Currie					
Cr Bray					
Cr Hardham					
Cr Bald	- Understanding Local Government - Conflicts of Interest - Meeting Procedures - Understanding Financial Reports and Budgets - Serving on Council	8/12/2023 13/12/2023 6/2/2024 13/2/2024 23/05/2024	Online	WALGA	\$1,749

Elected Member Attendance

Regulation 19B(2)(f) of the *Local Government (Administration) Regulations* requires details of the number of council and committee meetings attended by each council member during the financial year. The number of meetings attended by Councillors during the period 1 July 2023 to 30 June 2024 is tabled below.

Councillor	Total Meetings	Council Attendance	Committee Attendance
Cr Mortimore	9	2	7
Cr Stirrat	35	11	24
Cr Milner	3	2	1
Cr Hardham	19	10	9
Cr Cole	19	11	8
Cr Currie	22	11	11
Cr Bray	25	11	14
Cr Cusack	31	11	20
Cr Bald	17	8	9



11

Council Meetings



48

Committee Meetings



8

Community AGM's



11

Working Group
Meetings

2

Citizenship
Ceremonies

1

Annual Electors
Meeting

Elected Member Allowance

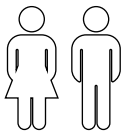
Councillors receive an annual allowance in recognition of their civic and statutory responsibilities, including policy development and acting as community representatives. They are also reimbursed for expenses incurred while performing their duties.

Total payments to Councillors for the period 1 July 2023 to 30 June 2024 are tabled below:

Elected Member Remuneration	
Description	Amount
Meeting Fees	\$28,193.75
Presidential Allowance	\$7,500.00
Deputy President's Allowance	\$1,875.00
ICT Allowance	\$7,250.00
Travel Expenses	\$2,138.71
TOTAL	\$46,957.46

Councillor Demographics

Gender



Male	Female
4	3

Age Demographic

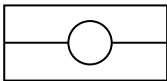
35-44	45-54	65+
2	3	2

Linguistic Background



English	Other
7	0

Identify as Aboriginal or Torres Strait Islander

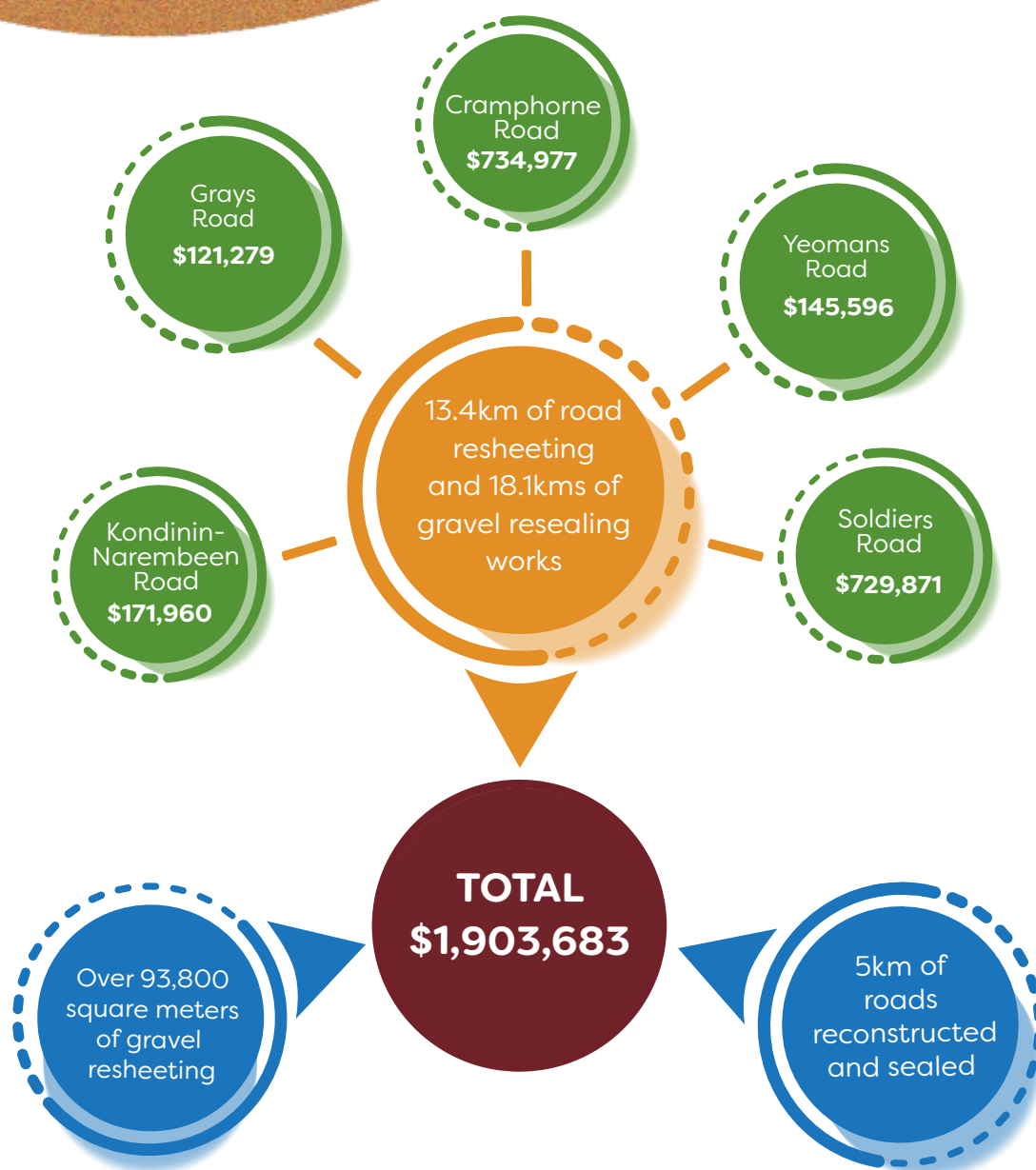


0



October 24, 2024 marked the 700th Ordinary Meeting of Council

Roads 2023/2024



RoadWise Council

Council endorsed to register the Shire of Narembeen as a RoadWise Council at its May meeting. The registration provides benefits including:

- Priority access to WALGA's road safety services and products
- Guaranteed minimum support time from our Road Safety Advisor
- Formal recognition for road safety management and actions along with support in benchmarking and monitoring progress on road safety outcomes through the RoadWise Recognised initiative
- Use of the RoadWise Councils logo.

Shire Snapshot

Development Services



Building approvals
issued:
7



Number of demolitions
completed:
0



Registered pets:
189 dogs
and **25** cats



Planning
applications:
8

Our Community



Estimated visitors to the
Caravan Park:
2,632



Number of
Gym Memberships: **105**



Successful
Grants:
28

Community Events
organised & held:
53



Asset Expenditure



Road construction &
maintenance
\$3,271,641



Footpaths constructed
\$10,000



Building maintenance &
renovations
\$1,079,138



Parks & gardens
\$200,840



Plant replacement program
\$1,236,814



Other capital expenditure
\$683,303

Community Services

The Shire of Narembeen Community Resource Centre (the CRC) had a very busy year in 2024 with multiple accomplishments including the continuation of the CRC trainee program and many successful community events and initiatives.

The CRC continues to be a pillar of the Narembeen community by facilitating programs and events that service various demographics and which see regular community participation including visitors from surrounding districts.

Seniors Luncheon

In partnership with Holyoake, Amity Health and the Commonwealth Department of Aging, the Narembeen CRC facilitated a Social Prescribing Community Health & Wellbeing luncheon for older adults during Seniors Week in November 2023. Over 50 older adults attended the day, involving presentations, interactive games and quizzes as well as informative handouts. A lot of positive feedback was received for this event.



SOCK Week

Following from the previous success of Narembeen’s Save Our Country Kids (SOCK) Week initiative, the program has become more impactful and reached further than anyone could have anticipated with over 20 other communities taking part in SOCK Week activities. This was made possible in partnership with the Road Safety Commission, enabling the CRC to spread the message, and funding, of SOCK to other Community Resource Centres all around Western Australia.



Business Services to the District

In addition to events and initiatives, the CRC has continued to be a proponent of economic development in Narembeen by offering support to businesses in town that would otherwise be unavailable. From secretarial assistance to graphic design, the CRC continues to work collaboratively with the local business community to ensure the prosperity of the district.



Shire of Narembeen Facebook
followers:
1,207



Visit Narembeen Instagram
followers:
528



Shire of Narembeen Website
visits:
10,023



‘From the Chief’ editions
published in the Fencepost:
26

Community Benefit Fund

The Narembeen Community Benefit Fund is a committee-run program between the Shire of Narembeen, Ramelius Resources Limited and Go Narembeen that provides funding to community groups or supports the installation of infrastructure to the betterment of the community.

The Narembeen Community Benefit Fund provided funding to the following recipients for the year ended 30 June 2024:

Round 5 - October 2023		
Organisation	Project	Amount
Hurt to Help	Gala Launch - Local Charity	\$5,500
Mt Walker Golf Club	Seating	\$1,922
Community Resource Centre	Christmas Party	\$4,500
Narembeen Football Club	Electronic Scoreboard	\$20,000
Narembeen P&C	Indigenous Mural	\$4,500
TOTAL		\$36,422

Round 6 - March 2024		
Organisation	Project	Amount
Mt Walker Golf Club	Sporting Club Challenge	\$750
Narembeen P&C	Breakfast Club	\$830
Wadderin Wildlife Sanctuary	Road Signs	\$2,990
Community Resource Centre	Art & Craft Workshop Series	\$1,021
Homes for the Aged	Reticulation Replacement	\$3,500
Narembeen Playgroup	Playgroup Term 2 & 3	\$1,000
Narembeen Recreation Centre	Digital Honour Board	\$1,925
Livingston Medical	Sandpiper Bag	\$6,000
TOTAL		\$18,016

Community Donations and Support

In the year ended 30 June 2024, the Shire of Narembreen proudly supported a range of community initiatives through direct contributions and donations, fostering local projects, events, and activities that enhance the social, cultural, and recreational fabric of our community.

Community Group	Purpose	Value
For the Country Kids	Town Hall (End of Year Showcase)	\$190
DDHS	Town Hall Hire	\$190
Lions Club	Senior Citizens Christmas Dinner 2023	\$2,000
VacSwim	Swimming Pool Access	Staff Time
Town Teams	Street Calming Mural Contribution	\$3,555
E-Rotary	Rotary Youth Program of Enrichment	\$680
NDHS	Swimming Carnival – Swimming Pool Access	Staff Time
Swimming Club	Swim Meet - Swimming Pool Access	Staff Time
Hurt to Help	Bin 2 Bin (accommodation, bus hire)	\$680
Lions Club	Recycling Contribution	\$2,000
SOCK Week	Accommodation	\$560
For the Country Kids	Town Hall (Mid-Year Dance Showcase)	\$190
TOTAL		\$10,045





Projects 2023 - 2024

Airfield Lighting

The automated pilot lighting system at the airstrip was replaced to ensure safe aircraft access and maintain compliance. An audit of the lighting was conducted in preparation for seeking external funding to subsidise the cost of replacing the aging runway lights, further enhancing safety and operational reliability.

Shaded Seating at Cemetery

Shaded seating, locally manufactured by Narembeen Engineering, was installed at the cemetery to improve both the amenity and functionality of the site. This addition provides visitors with a comfortable area to rest and reflect, enhancing the overall experience while contributing to the cemetery's aesthetic appeal and accessibility.



Community Water Supplies Partnerships

In collaboration with the Department of Water and Environmental Regulation (DWER), the Shire of Narembeen completed a water supply project at Gibb Rock. This project involved the installation of an automated standpipe, which is now operational and managed by the Shire.

Emergency Preparedness

The installation of a generator at the Narembeen Recreation Centre ensures uninterrupted power supply in the event of an emergency, reinforcing its role as the community's recognised emergency centre. Additionally, the installation of Starlink provides a more reliable communication service at the Recreation Centre, supporting daily operations and ensuring uninterrupted communications during emergencies. This combined upgrade enhances the community's preparedness and resilience in critical situations.

New Home on Cheetham Way

Modular WA was awarded the tender for the design and construction of a 4x2 house at 24 Cheetham Way to accommodate the local doctor. The fencing materials were sourced locally, and local trades were engaged to complete the landscaping, pathway extension, shed installation, and stormwater drainage.



Lake Wakeman

The Department of Transport have finalised the surveying of Lake Wakeman and identified the navigable water regulated areas to include the permitted skiing area, designated take-off and landing area. The Department raised the gazettals' which were published on 16 April 2024.

LED Community Sign

The successful installation of the LED community sign on Currall Street has been well received by the community. This new sign provides a valuable platform for broadcasting important local messages, enhancing communication and engagement. The project has been a positive addition to the town, offering a visible and effective way to keep residents informed.



Water Harvesting

The project involved harvesting and storing rainwater from the 2,854m² roof of the Narembuen District High School into four 247,874-litre tanks, providing water for the school's sports oval during the summer months. Made possible through funding secured from the Community Water Supply Program, the initiative reduces reliance on scheme water, which was previously used at a rate of 40,000 litres twice a week for irrigation. The project will save approximately 960,000 litres of scheme water over the summer, resulting in an estimated \$20,000 annual saving for the school. This project was brought to fruition through the collaboration of the Narembuen School and the Parents and Citizens Association, contributing to future-proofing the community's water supply in a drying climate.



Wayfind Signage

The Wayfinding Signage Project is a staged initiative aimed at replacing outdated directional signage to enhance appropriateness, functionality, and overall amenity. Future stages will introduce additional signage to improve the flow of directions, ensuring better connectivity for locals, visitors, and passers-through. This ongoing project will contribute to a more user-friendly and accessible environment.



Local Roads and Community Infrastructure (LRCI) Phase 3 Projects

Through the Federal Local Roads and Community Infrastructure Fund Phase 3, the Shire of Narembreen delivered several key projects, enhancing local infrastructure and improving community amenities.

Caravan Rest Area

The sealing of the agricultural heritage precinct has created a designated caravan and RV rest area, encouraging tourists to stop and explore local goods and services. This development aims to enhance visitor experiences and support the local economy. Further improvements are planned for the 2024/25 financial year, including landscaping and the installation of interpretative signage to better showcase the heritage agricultural implements in the area.

Churchill Street Redevelopment

Stage 3 of the Churchill Street redevelopment focused on enhancing infrastructure and safety. The removal of trees was necessary to prevent tree roots from damaging surrounding infrastructure. The project included sealing the road, repairing the footpath to eliminate trip hazards, and reducing the gradient between the IGA and the hardware store for easier access to street parking. New line marking was also applied, further improving the overall safety and functionality of the area.

Pathway Links

Newly constructed pathways connecting Churchill and Longhurst Streets have enhanced accessibility and connectivity for residents. These pathways provide a safer and more convenient option for biking and walking, supporting active lifestyles and improving links between key precincts.



Savage Lane

The sealing of Savage Lane, along with the installation of kerbing, has significantly improved accessibility for rear access to commercial businesses. This enhancement not only provides better functionality for local businesses but also contributes to the overall amenity of the area, making it more user-friendly and visually appealing.





Planning for the Future

Administration Refurbishment

The architectural plans for the refurbishment of the Administration Office have been finalised, with the project scheduled in the Long-Term Financial Plan for 2027-2028. If this project comes to fruition, it will modernise the Shire's Administration Centre, enhancing both functionality and amenity for staff. The upgrade is designed to create a more efficient and comfortable workspace, aligning with the Shire's long-term vision for improved service delivery and organisational effectiveness.

Multipurpose Sports Feasibility Study

The Shire of Narembeen commissioned a feasibility study to guide the upgrade of the multi-purpose sports courts at Narembeen Reserve, as identified in the Sport and Recreation Facilities Plan. The study assessed current use, infrastructure, and community needs, recommending improvements such as roofing over two courts to enhance functionality and cater to multiple sports. Key findings highlighted the need for repairs to the existing courts, the potential for site constraints, and infrastructure upgrades. Concept plans were developed to address these issues and ensure the project meets the community's long-term recreational needs. The completed study will now be presented to the Basketball and Netball Clubs to identify a preferred option in collaboration with the Shire.

Residential Subdivision

In alignment with the Housing Strategy, work has commenced to subdivide Lot 61 Cheetham Way into two green title lots, leveraging the provision in the Town Planning Scheme and R-Code 30. This provision allows for subdivision on corner lots with road frontage and utility access. The increased density will enable the Shire to develop 3x2 housing configurations with reduced garden space, specifically for staff housing. The design and construction of these homes are planned for the 2025/26 financial year.

Stormwater Infrastructure Planning

The stormwater infrastructure was mapped and assessed to provide a comprehensive overview of specific concerns and their implications. The report outlines practical solutions to address these issues. Plans are in place to stage investments for infrastructure improvements, including stormwater pits, kerbing, and pathways, enhancing functionality, safety, and longevity. Additionally, the assessment explored water harvesting options across the townsite, aiming to implement key projects that improve drought resilience, reduce reliance on potable water, and create cost-saving efficiencies.

Wakeman Lake

Engineers were engaged to survey the ski lake with the goal of designing a gated system to control water flow from the catchment area, in consultation with the Narembeen Ski Club. By managing water flow during years of sufficient rainfall and optimal water levels, the system will support skiing as a recreational activity. If the project proceeds, it will create an attractive recreation precinct for both locals and visitors. The design will be costed, and a project plan will be developed for Council and the Ski Club to review and consider.

Integrated Planning and Reporting

Our Strategic Community Plan 2022-2032 reinforces our commitment to the people who live, work and visit Narembeen. The purpose of this document is to provide a clear purpose and strategic direction for our Shire, and to source the funding and support required to address the community priorities detailed later in this document. It was developed based on;

- The State Government’s Blueprint for the region and other relevant policies, plans and strategies from both the State and Federal Governments.
- Community engagement on what is important to the people that live within our Shire.
- Input from Elected Members and Staff based on feedback they have received and their strong desire to deliver positive outcomes for their community.
- Current partnerships and projects already being delivered.

Informing Strategies

The Shire of Narembeen’s Integrated Suite of Plans include the following strategies:

- Corporate Business Plan
- Asset Management Plan
- Long-Term Financial Plan
- Community Wellbeing Plan
- Housing Strategy
- Public Health Plan
- Sport and Recreational Facilities Plan

Housing Strategy

The Housing Strategy for Narembeen aims to address the diverse housing needs within the community, encompassing provisions for staff housing, state employees, aged housing, and management of existing properties. This strategy outlines key actions to be taken in alignment with the Strategic Community Plan 2022-2023 and the Corporate Business Plan 2022/23 – 2026/27.

Sport and Recreation Facilities Plan

As part of Council's review of long-term planning, 150Square facilitated the engagement process to review Narembeen's Sport and Recreation Facilities Plan. The aim is to finalise the review by August 2024, incorporating feedback from local sporting groups.

Youth Plan

Staff engaged with students to understand their aspirations and needs, resulting in the documentation of a draft Youth Plan outlining key initiatives. It is anticipated that the plan will be finalised in August 2024. This new plan will serve as an informing strategy, integrating into our suite of plans. It has been a pleasure working closely with the school and listening to their enthusiastic input.

Review and Monitoring

The Shire of Narembeen has adopted a traffic light-based quarterly update to report progress against the priorities as detailed in the Corporate Business Plan. Results are formally communicated to the community annually via the legislated Annual Report. The Strategic Community Plan will be subjected to a minor review in 2025 and a major review requiring extensive community engagement in 2027 as legislated. In addition, the Corporate Business Plan 2022-2026 is reviewed and updated annually to reflect any changes to priorities, service levels and the budget



Integrated Planning Annual Progress Report – 2023/2024

Action Legend

Develop



Implement



Continue/Maintain



Progress Legend

Limited progress or strategy unable to be delivered



Project yet to commence or some issues identified impact delivery



Good progress on delivering strategy or strategy completed



1. COMMUNITY: Happy, safe, healthy and inclusive community								
STRATEGY		ACTION	22/23	23/24	24/25	25/26	Comment	Progress
1.1	Together with key stakeholders identify and deliver opportunities for young people across the Shire	a. Develop and Implement a Youth Plan	D	I	C/M	C/M	Youth consultation finalised. Youth Plan 2024-2028 in draft.	
		b. Maintain a strong supportive relationship with the Narembeen District High School to encourage youth development	C/M	C/M	C/M	C/M	Ongoing support provided: • annual student academic scholarship • hosted SOCK & Youth Week activities • hosted triathlon • regular meetings with student council to incorporate youth ideas • sponsored technology awards • waived fees for venue hire	
1.2	Facilitate and advocate for quality health services, health facilities and programs in the Shire	a. Continued support for the retention of the ambulance service, hospital, general practitioner and police service	C/M	C/M	C/M	C/M	Ongoing support provided: • maintained support for GP • maintained support for OIC • replaced airport automated pilot lighting	
		b. Co-ordinate regular schedule of seniors programs and events by the Shire	C/M	C/M	C/M	C/M	• attended aging in place expo • coordinated representation at senior games • hosted Morning Coffee Club • hosted Senior Movies • hosted Seniors Week luncheon • maintained relationship with hospital and lodge residents • supported annual Seniors Christmas Dinner	

		c. Develop and Implement Aged Friendly Community Plan		D	I	C/M	Aged Friendly Community Plan 2016 due for review.	○
		d. Implement the Public Health Plan and Community Wellbeing Plan		I	C/M	C/M	Public Health Plan 2022-2026: - implemented mosquito fogging program - monitoring of public aquatic and recreational water - supported health and wellbeing initiatives to improve mental and physical health - surveillance of food premises Community Wellbeing Plan: - coordinated CWP meetings - implementing proposed CWP actions - hosted SOCK Week	○
1.3	Inclusive community activities, events, and initiatives	a. Develop and implement annual community development operational plan and ensure it is aligned with IPR Suite of Plans.	I	D	I	D	2023-2024 operational plan delivered in alignment to IPR Suite of Plans.	○
		b. Source funding and co-ordinate delivery on initiatives that support arts, culture, and learning	C/M	C/M	C/M	C/M	- hosted art workshops - hosted Story Time - CRC 30th celebration planning - Shire 100th celebration planning - supported Town Teams cubby house and mural installations	○
		c. Implement the conservation plan Old Church Museum and Town Hall (State Heritage listed)	I	I	I	C/M	Sought contractors to address rising damp and fix pointing and plastering damaged by rising damp.	○
1.4	Recreational, social and heritage spaces are safe and celebrate our lifestyle and active and healthy pursuits	a. Progressive achievement of the Sport and Recreation Facilities Plan	D	D	I	I	- commenced consultation with the sporting clubs to review Sport and Recreation Facilities - design for ski lake gated system progressing - engaged consultation to carry out Multipurpose Facility Feasibility Study - engaged a consultant to design a lighting upgrade for football and hockey - secured funding for Narembeen Tennis Club night light project - secured funding for the upgrade of the Mt Walker Tennis lights to LED	○

		b. Undertake review of green spaces / reserves to maximize usage and identify optimum service levels for ovals and reserves.			D	I	Review of green spaces scheduled for 2024/2025.	○
		c. Support and promote local heritage education and maintenance of heritage facilities	D	I	C/M	C/M	- agricultural heritage plan refurbishment planning commenced - scheduled maintenance of Spotters Cottage completed	○
1.5	Support local volunteer organisations through initiatives that reduce volunteer fatigue and strengthen their resilience	a. Investigate and quantify volunteer contributions across our Shire			D	I	Action deferred until 2025/2026	○
		b. Deliver initiatives to support volunteer organisations		D	I	C/M	Direct deliverables: - Bin 2 Bin Marathon - Lions Club - Town Teams - Wadderin Wildlife Sanctuary Indirect deliverables: - Fence Post	○
		c. Offer the Community Grant Scheme with Go Narembeen and Ramelius Resources	C/M	C/M	C/M		Narembeen Community Benefit Fund – Rounds 5 and 6 provided funding to thirteen community recipients.	○
1.6	Support emergency services planning, risk mitigation, response, and recovery	a. Active leadership and participation in Emergency Management	I	C/M	C/M	C/M	- Bushfire Advisory Committee AGM held - LEMC general meetings held	○
		b. Update the Animal Welfare Plan	D	I			Animal Welfare Plan adopted.	○
		c. Undertake review of Bush Fire Brigade management and operation	D	I			- commenced review of Bushfire Framework - submitted LGGS annual funding application	○

2. ECONOMY: Retain and grow existing businesses, employment and attract new industry

STRATEGY		ACTION	22/23	23/24	24/25	25/26	Comment	Progress
2.1	Support the diverse industry across the Shire.	a. Townsite intersection improvements completed	I				Project completed.	○
		b. Continue to improve townsite attractiveness in collaboration with business and community groups	D	I	C/M	C/M	- townsite landscaping designing progressing - wayfinding stage 1 installed	○
		c. Develop and Implement Economic Development Plan			D	I	Action deferred until 2024/2025	○
		d. Undertake industrial land subdivision	D	I			Project deferred due to other corporate priorities	○
		e. Facilitate expansion of telecommunications networks across the Shire and advocate for reduced number of black spots	D	I	CM	CM	Installation of Starlink at: - Administration Office - CRC - Recreation Centre	○
		f. New Action Facilitate the implementation of telecommunication backup systems to address extended power outages				D	- Installation of a generation at the Recreation Centre near complete - Disaster Ready Fund application submitted for the installation of a generator at the CRC precinct (unsuccessful) - AWARE application submitted for the installation of a generator at the Administration Office (unsuccessful)	○
		g. Review town planning scheme				D	Action deferred until 2025/2026.	○
		h. Work with Go Narembeen to deliver positive economic outcomes	C/M	C/M	C/M	C/M	Continue to collaborate and engage where possible	○
		i. Promote commercial spaces to maximise utilisation		D	I	C/M	8 commercial spaces leased - limited promotion of Pop-Up shop	○

		j. Implement a Marketing Plan that promotes Narembeen lifestyle and opportunities			D	I	Development of Marketing Plan 2024-2025 deferred due to lack of staff capacity.	○
2.2	Safe and efficient transport network enables economic growth	a. RAV Network assessment is completed	I	C/M	C/M	C/M	Assessment progressing.	○
		b. Maintain and upgrade infrastructure assets in line with plans	D	D	D	D	Consultant engaged to review the Asset Management Plan.	○
		c. Review 10 Year Road Plan		D	I		Review of 10-Year Road Program underway.	○
2.3	Coordinated planning and promotion of the visitor and tourist experience	a. Promote and develop tourism opportunities in partnership with Roe Tourism and Go Narembeen	D	I	C/M	C/M	- attended Roe Tourism meetings - Narembeen incorporated in astro-tourism stargazing map for Eastern Wheatbelt - planning for town centre wayfinding underway - procurement for Roe Tourism boundary signage finalised	○
		b. Finalise lease of Wadderin Wildlife Sanctuary	I				Lease signed and executed.	○
		c. Support the development of the Wadderin Wildlife Sanctuary as a tourism product in collaboration with Wadderin Wildlife Sanctuary Inc	C/M	C/M	C/M	C/M	Promotion of tours.	○
2.4	Retain and grow our local skills base	a. Develop and Implement Housing Strategy	D	I	C/M	C/M	- attended CEACA meetings - adopted Housing Strategy - constructed 4x2 dwelling - engaged consultants to undertake ROEROC Workforce Housing Investigation Study	○
		b. Offer apprenticeships and traineeships in our workforce	D	I	C/M	C/M	- hosted CRC trainee - hosted work experience placement	○
		c. Advocate for a reliable and consistent childcare service that meets the needs of the community	D	I			Formal investigations not commenced.	○

3. ENVIRONMENT: Care and protection of the environment								
STRATEGY		ACTION	22/23	23/24	24/25	25/26	Comment	Progress
3.1	Maintain a high standard of environmental health and waste services	a. Participate in the ROE Environmental Health Scheme	C/M	C/M	C/M	C/M	- continued participation - new MOU signed	○
		b. Investigate waste minimisation and education strategies through ROEROC		D	I	C/M	Not yet commenced	○
		c. Effective management of Bendering Regional Waste Site and Naremben Transfer Station site	C/M	C/M	C/M	C/M	Progressing finalisation of the Bendering Waste Facility Operational Plan	○
3.2	Conservation of our natural environment	a. Effective management of invasive species programs to the community	D	I	C/M	C/M	- attended Eastern Wheatbelt Biosecurity meetings - promoted Red Card campaign	○
		b. Support the conservation and activation of the Wadderin Wildlife Sanctuary	C/M	C/M	C/M	C/M	- financial support of \$4,000 per annum to cover insurance premiums - Community Benefit application to contribute towards internal road signage supported	○

4. CIVIC LEADERSHIP: Well governed and efficiently managed Local Government								
STRATEGY		ACTION	22/23	23/24	24/25	25/26	Comment	Progress
4.1	Forward planning and implementation of plans to achieve strategic priorities	a. Continue to implement and monitor the Integrated Planning and Reporting milestones.	C/M	C/M	C/M	C/M	- adopted CBP quarterly reports - annual CBO review completed	○
		b. Review of Asset Management Plan and Long-Term Financial Plan		D	I	C/M	- consultant engaged to review the Asset Management Plan - review of Long-Term Financial Plan completed	○
		c. Active participation in ROEROC, GECZ and regional groupings		D	I	C/M	Attended scheduled GECZ, ROEROC and Regional Road Group meetings	○

		d. Develop, implement and review the community engagement policy / framework	C/M	C/M	C/M	C/M	Framework in draft	○
		e. Develop and implement Workforce Plan	C/M	C/M	C/M	C/M	Review of 2014-2023 Workforce Plan deferred until August 2024.	○
4.2	Compliant and resourced Local Government	a. Continue to meet compliance with statutory and regulatory requirements	D	I	C/M	C/M	Compliance requirements included: • Compliance Annual Return • Disabilities & Inclusion Plan • Equal Employment Opportunity Plan • Financial Management Audit • Regulation 19 Audit • Waste Annual Return	○
		b. Review financial and asset management policies and practices	C/M	C/M	C/M	C/M	Procurement framework reviewed	○
		c. Undertake community satisfaction surveying to assess a range of performance measures	C/M	C/M	C/M	C/M	Planning underway for August 2024 implementation	○
		d. Ensure asset valuations are undertaken in line with relevant Accounting Standards	C/M	C/M	C/M	C/M	• Land & Buildings 2021-2022 • Roads & Other Infrastructure 2022-2023	○
		e. Review of Workplace Health and Safety processes and procedures to ensure compliance and minimise risk	C/M	C/M	C/M	C/M	WHS policy reviewed December 2023	○

Governance & Statutory Reporting Standards

Competitive Neutrality

The principle of *Competitive Neutrality* ensures that government businesses neither gain an advantage nor suffer a disadvantage due to public sector ownership. It applies to business activities generating over \$200,000 annually unless deemed contrary to the public interest, as determined by a Public Benefit Test. The Shire of Narembeen confirms it does not operate any business activities exceeding this income threshold.

Disability Access Inclusion Plan 2024 – 2029

The *Disability Services Act 1993 (WA)* and its 2004 amendments, require that all State and Local Government Authorities implement a Disability, Access and Inclusion Plan (DAIP). The purpose of the plan is for the relevant authority to ensure that people with disabilities have equal access to its facilities and services.

The Shire of Narembeen (the Shire) recognises that the more diverse and inclusive the local community is, the richer it will become. It also acknowledges that with an ageing population, most of the community will face access and inclusion challenges at some time in their lives.

The Shire is committed to furthering the principles and objectives of the *Disabilities Service Act 1993* and its 2004 amendments as well as meeting the seven standards in the *Disabilities Services Regulations 2013*.

The Shire has developed its DAIP for the period 2024 to 2029 to identify the strategies, improvements and projects which will be undertaken over this period to continually improve accessibility and inclusion across Narembeen for people with disability.

Employee Remuneration

Regulation 19B(2)(b) of the *Local Government (Administration) Regulations 1996* requires that the Annual Report include the number of Shire employees earning an annual salary of \$130,000 or more. Additionally, it must specify the number of employees within each \$10,000 salary band above \$130,000.

The following table outlines the relevant salary entitlements per \$10,000 band, as required by the regulations:

Salary Range	2023	2024
\$130,000 - \$139,999	0	1
\$140,000 - \$149,999	1	0
\$150,000 - \$159,999	0	1

Regulation 19B(2)(e) of the *Local Government (Administration) Regulations 1996* requires details of the remuneration paid or provided to the CEO the financial year to be included in the annual report, which was \$232,166.

Equal Employment Opportunity

Under the Western Australian *Equal Opportunity Act 1984*, Local Government Authorities are required to prepare and implement an Equal Employment Opportunity (EEO) Management Plan to eliminate discrimination and promote equal employment opportunities. The Shire of Narembeen's EEO Management Plan, was considered at the June Ordinary Meeting, to include a policy statement affirming the commitment to providing a workplace where all employees are treated equally, fairly, and without prejudice, regardless of sex, marital status, pregnancy, family status, sexual orientation, race, religious or political beliefs, impairment, age, or gender history.

Freedom of Information

Section 22 of the *Freedom of Information Act 1992* requires local governments to publish an Information Statement.

The Shire of Narembeen's Information Statement outlines its responsibility for the good governance of the Shire, including statutory compliance and the delivery of services and facilities. The full statement is available on the Shire's website.

In 2024, one Freedom of Information request was received.

Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the reporting of public interest information, offering protection to both whistleblowers and individuals subject to disclosures. The Act establishes a framework for investigating disclosures and taking appropriate action.

The Shire of Narembeen confirms that no complaints were received during the year under review and declares full compliance with the *Public Interest Disclosure Act 2003 and Section 5.21 of the Local Government Act 1995*.

Record Keeping Plan (RKP)

The *State Records Act 2000* is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan that has been approved by the State Records Commission. A government's organisation, including local governments, record keeping plan sets out matters about which records are to be created by the organisation and how it is to keep its record.

The Record Keeping Plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system, disposal arrangements, policies and practices and processes will be essential components of the record keeping plan held by a local government. The inclusion of such documentation will constitute evidence of compliance.

The Shire's Record Keeping Plan has been adopted by Council and approved by the State Records Commission.

Register of Minor Complaints

Section 5.121 of the *Local Government Act 1995* requires a Local Government to maintain a register of complaints that result in an action or a finding under section 5.110(2)(a) of the Act. An up-to-date register is available on the Shire's website at www.narembeen.wa.gov.au. The Shire of Narembeen did not receive any minor breach complaints for the 2024 financial year.



Shire of Narembeen

FINANCIAL REPORT

For the year ended 30 June 2024

SHIRE OF NAREMBEEN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	40

The Shire of Narembeen conducts the operations of a local government with the following community vision:

Together we create opportunities to grow

Principal place of business:
1 Longhurst Street
Narembeen WA 6369

**SHIRE OF NAREMBEEN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The accompanying financial report of the Shire of Narembeen has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 4th day of December 2024

Rebecca McCall

Rebecca McCall



**SHIRE OF NAREMBEEN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),24	2,054,447	2,046,893	1,955,115
Grants, subsidies and contributions	2(a)	3,332,249	731,743	4,421,133
Fees and charges	2(a)	539,721	604,679	651,074
Interest revenue	2(a)	394,791	198,049	181,927
Other revenue	2(a)	251,766	74,600	72,342
		6,572,974	3,655,964	7,281,591
Expenses				
Employee costs	2(b)	(2,054,555)	(2,052,097)	(2,076,781)
Materials and contracts		(1,681,671)	(1,599,354)	(1,473,795)
Utility charges		(266,465)	(231,113)	(258,903)
Depreciation		(2,909,267)	(3,100,700)	(3,238,579)
Finance costs		(36,450)	(36,582)	(30,917)
Insurance		(239,698)	(239,698)	(216,439)
Other expenditure	2(b)	(136,593)	(168,482)	(55,208)
		(7,324,699)	(7,428,026)	(7,350,622)
		(751,725)	(3,772,062)	(69,031)
Capital grants, subsidies and contributions	2(a)	2,944,147	3,189,736	3,141,192
Profit on asset disposals		104,239	170,000	0
Loss on asset disposals		(59,617)	(39,500)	(2,755)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
Share of net profit of associates accounted for using the equity method	21(e)	26,779	0	(5,898)
		3,017,229	3,320,236	3,136,225
Net result for the period		2,265,505	(451,826)	3,067,194
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	64,994,868
Total other comprehensive income for the period	15	0	0	64,994,868
Total comprehensive income for the period		2,265,505	(451,826)	68,062,062

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



**PITCHER
PARTNERS**

SHIRE OF NAREMBEEN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	10,247,647	9,771,985
Trade and other receivables	5	489,689	274,958
Other financial assets	4(a)	18,273	15,836
Inventories	6	5,526	6,021
TOTAL CURRENT ASSETS		10,761,135	10,068,800
NON-CURRENT ASSETS			
Trade and other receivables	5	0	8,459
Other financial assets	4(b)	141,501	155,954
Inventories	6	173,516	202,636
Investment in associate	21(a)	65,977	42,199
Property, plant and equipment	7	22,821,652	22,232,657
Infrastructure	8	145,864,561	144,290,722
TOTAL NON-CURRENT ASSETS		169,067,207	166,932,627
TOTAL ASSETS		179,828,342	177,001,427
CURRENT LIABILITIES			
Trade and other payables	10	245,947	142,417
Other liabilities	11	475,004	120,960
Borrowings	12	84,837	76,539
Employee related provisions	13	351,067	317,362
Other provisions	14	149,794	0
TOTAL CURRENT LIABILITIES		1,306,649	657,278
NON-CURRENT LIABILITIES			
Borrowings	12	580,909	665,746
Employee related provisions	13	29,781	32,903
TOTAL NON-CURRENT LIABILITIES		610,690	698,649
TOTAL LIABILITIES		1,917,339	1,355,927
NET ASSETS		177,911,003	175,645,500
EQUITY			
Retained surplus		55,611,265	53,971,139
Reserve accounts	27	5,360,193	4,734,815
Revaluation surplus	15	116,939,545	116,939,545
TOTAL EQUITY		177,911,003	175,645,499

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



**PITCHER
PARTNERS**

**SHIRE OF NAREMBEEN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		51,505,194	4,133,569	51,944,676	107,583,437
Comprehensive income for the period					
Net result for the period		3,067,194	0	0	3,067,194
Other comprehensive income for the period	15	0	0	64,994,868	64,994,868
Total comprehensive income for the period		3,067,194	0	64,994,868	68,062,062
Transfers from reserve accounts	27	259,737	(259,737)	0	0
Transfers to reserve accounts	27	(860,983)	860,983	0	0
Balance as at 30 June 2023		53,971,139	4,734,815	116,939,545	175,645,499
Comprehensive income for the period					
Net result for the period		2,265,505	0	0	2,265,505
Total comprehensive income for the period		2,265,505	0	0	2,265,505
Transfers from reserve accounts	27	185,000	(185,000)	0	0
Transfers to reserve accounts	27	(810,378)	810,378	0	0
Balance as at 30 June 2024		55,611,265	5,360,193	116,939,545	177,911,003

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



**SHIRE OF NAREMBEEN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,958,346	1,978,638
Grants, subsidies and contributions		3,212,969	4,433,717
Fees and charges		577,072	651,070
Interest revenue		394,791	181,927
Goods and services tax received		43,699	0
Other revenue		254,767	72,345
		6,441,644	7,317,697
Payments			
Employee costs		(2,023,512)	(2,002,008)
Materials and contracts		(1,447,938)	(1,982,007)
Utility charges		(266,465)	(258,903)
Finance costs		(36,450)	(30,808)
Insurance paid		(239,698)	(216,439)
Goods and services tax paid		0	(118,858)
Other expenditure		(136,593)	(55,208)
		(4,150,656)	(4,664,231)
Net cash provided by operating activities	16(b)	2,290,988	2,653,466
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7	(1,822,867)	(232,707)
Payments for construction of infrastructure	8	(3,437,538)	(3,289,601)
Capital grants, subsidies and contributions		3,245,874	2,055,197
Proceeds for financial assets at amortised cost		0	1,760,392
Proceeds from financial assets at amortised cost - self supporting loans		13,699	15,545
Proceeds from sale of property, plant & equipment		262,046	0
Net profit on sale of inventory		0	(2,755)
Net cash provided by (used in) investing activities		(1,738,786)	306,071
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(76,540)	(74,874)
Net cash (used in) financing activities		(76,540)	(74,874)
Net increase in cash held		475,662	2,884,663
Cash at beginning of year		9,771,985	6,887,323
Cash and cash equivalents at the end of the year	16(a)	10,247,647	9,771,986

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



**PITCHER
PARTNERS**

**SHIRE OF NAREMBEEN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	2,024,559	2,022,804	1,931,952
Rates excluding general rates	24	29,888	24,089	23,163
Grants, subsidies and contributions		3,332,249	731,743	4,421,133
Fees and charges		539,721	604,679	651,074
Interest revenue		394,791	198,049	181,927
Other revenue		251,766	74,600	72,342
Profit on asset disposals		104,239	170,000	0
Share of net profit of associates accounted for using the equity method	21(e)	26,779	0	(5,898)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
		6,705,673	3,825,964	7,279,379
Expenditure from operating activities				
Employee costs		(2,054,555)	(2,052,097)	(2,076,781)
Materials and contracts		(1,681,671)	(1,599,354)	(1,473,795)
Utility charges		(266,465)	(231,113)	(258,903)
Depreciation		(2,909,267)	(3,100,700)	(3,238,579)
Finance costs		(36,450)	(36,582)	(30,917)
Insurance		(239,698)	(239,698)	(216,439)
Other expenditure		(136,593)	(168,482)	(55,208)
Loss on asset disposals		(59,617)	(39,500)	(2,755)
		(7,384,316)	(7,467,526)	(7,353,377)
Non cash amounts excluded from operating activities	25(a)	2,841,522	2,966,700	3,284,483
Amount attributable to operating activities		2,162,879	(674,862)	3,210,485
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,944,147	3,189,736	3,141,192
Proceeds from disposal of assets		262,046	663,500	0
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	13,699	15,835	15,545
		3,219,892	3,869,071	3,156,737
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(1,822,867)	(3,427,717)	(232,707)
Purchase and construction of infrastructure	8(a)	(3,437,538)	(3,741,741)	(3,289,599)
		(5,260,406)	(7,169,458)	(3,522,306)
Amount attributable to investing activities		(2,040,514)	(3,300,387)	(365,568)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	27	185,000	726,907	259,737
		185,000	726,907	259,737
Outflows from financing activities				
Repayment of borrowings	26(a)	(76,540)	(78,677)	(74,874)
Transfers to reserve accounts	27	(810,378)	(384,571)	(860,983)
		(886,918)	(463,248)	(935,857)
Amount attributable to financing activities		(701,918)	263,659	(676,120)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	4,737,411	3,711,589	2,568,613
Amount attributable to operating activities		2,162,879	(674,862)	3,210,485
Amount attributable to investing activities		(2,040,514)	(3,300,387)	(365,568)
Amount attributable to financing activities		(701,918)	263,659	(676,120)
Surplus or deficit after imposition of general rates	25(b)	4,157,857	0	4,737,411

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

**SHIRE OF NAREMBEEN
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Property, Plant and Equipment	15
Note 8	Infrastructure	17
Note 9	Fixed Assets	19
Note 10	Trade and Other Payables	21
Note 11	Other Liabilities	22
Note 12	Borrowings	23
Note 13	Employee Related Provisions	24
Note 14	Other Provisions	25
Note 15	Revaluation Surplus	26
Note 16	Notes to the Statement of Cash Flows	27
Note 17	Contingent Liabilities	28
Note 18	Capital Commitments	28
Note 19	Related Party Transactions	29
Note 20	Joint Arrangements	31
Note 21	Investment in Associates	32
Note 22	Events Occurring After the End of the Reporting Period	34
Note 23	Other Material Accounting Policies	35
 Information required by legislation		
Note 24	Rating Information	36
Note 25	Determination of Surplus or Deficit	37
Note 26	Borrowing and Lease Liabilities	38
Note 27	Reserve accounts	39

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

1. BASIS OF PREPARATION

The financial report of the Shire of Narembreen which is a Class 4 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1996* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls ;

are measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 7
 - Infrastructure - note 8
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 13
- Measurement of provisions - note 14

Fair value hierarchy information can be found in note 23.

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.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 Amendments to Australian Accounting Standards - *Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
 - AASB 2020-1 Amendments to Australian Accounting Standards - *Classification of Liabilities as Current or Non-Current*
 - AASB 2021-7c Amendments to Australian Accounting Standards - *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
 - AASB 2022-5 Amendments to Australian Accounting Standards - *Lease Liability in a Sale and Leaseback*
 - AASB 2022-6 Amendments to Australian Accounting Standards - *Non-current Liabilities with Covenants*
- These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 2022-10 Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 Amendments to Australian Accounting Standards - *Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management	Waste treatment, recycling and disposal service	Single point in time	Payment in advance whe issued	None	At point of issuing notice
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,054,269	178	2,054,447
Grants, subsidies and contributions	332,249	0	0	3,000,000	3,332,249
Fees and charges	540,155	0	0	(434)	539,721
Interest revenue	394,791	0	0	0	394,791
Other revenue	0	0	0	251,766	251,766
Capital grants, subsidies and contributions	0	2,891,830	0	52,317	2,944,147
Total	1,267,195	2,891,830	2,054,269	3,303,827	9,517,121

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,955,115	0	1,955,115
Grants, subsidies and contributions	4,421,133	0	0	0	4,421,133
Fees and charges	651,074	0	0	0	651,074
Interest revenue	181,927	0	0	0	181,927
Other revenue	0	0	0	72,342	72,342
Capital grants, subsidies and contributions	0	3,141,192	0	0	3,141,192
Total	5,254,134	3,141,192	1,955,115	72,342	10,422,783

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	1,065	1,693
Interest on reserve account	232,287	119,015
Trade and other receivables overdue interest	13,850	11,850
Other interest revenue	147,589	49,369
	<u>394,791</u>	<u>181,927</u>

The 2024 original budget estimate in relation to:
Trade and other receivables overdue interest was \$16,000.

Fees and charges relating to rates receivable

Charges on instalment plan	1,970	1,680
----------------------------	-------	-------

The 2024 original budget estimate in relation to
charges on instalment plan was \$2,300.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	36,090	39,000
- Other services – grant acquittals	3,000	1,500
	<u>39,090</u>	<u>40,500</u>

Employee Costs

Employee benefit costs	2,000,971	2,035,152
Other employee costs	53,584	41,629
	<u>2,054,555</u>	<u>2,076,781</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	36,450	40,202
	<u>36,450</u>	<u>40,202</u>

Other expenditure

Sundry expenses	136,593	55,208
	<u>136,593</u>	<u>55,208</u>



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	4,887,455	5,519,403
Term deposits	5,360,192	4,252,582
Total cash and cash equivalents	10,247,647	9,771,985
Held as		
- Unrestricted cash and cash equivalents	4,388,124	4,898,344
- Restricted cash and cash equivalents	16(a) 5,859,523	4,873,641
	10,247,647	9,771,985

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Note	2024	2023
	\$	\$
	18,273	15,836
	18,273	15,836

Other financial assets at amortised cost

Self supporting loans receivable

	18,273	15,836
	18,273	15,836

Held as

- Unrestricted other financial assets at amortised cost

	18,273	15,836
	18,273	15,836

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit or loss

	58,330	74,464
	83,171	81,490
	141,501	155,954

Financial assets at amortised cost

Self supporting loans receivable

	58,330	74,464
	58,330	74,464

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

	81,490	77,804
	1,681	3,686
	83,171	81,490

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowings disclosed in Note 26(a) as self-supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	204,287	80,103
Trade receivables	131,251	118,295
Net receivables from Australian Taxation Office	34,871	78,570
Allowance for credit losses of trade receivables	0	(2,010)
Contract assets	117,686	0
Pensioner rate and ESL rebates receivable	1,594	0
	<u>489,689</u>	<u>274,958</u>
Non-current		
Rates and statutory receivables	0	8,459
	<u>0</u>	<u>8,459</u>

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2024 Actual	30 June 2023 Actual
	\$	\$
Trade and other receivables from contracts with customers	131,251	118,295
Allowance for credit losses of trade receivables	0	(2,010)
Net trade and other receivables from contracts with customers	<u>131,251</u>	<u>116,285</u>

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

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

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



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

Note	2024	2023
	\$	\$
Current		
Fuel and materials	5,526	6,021
	5,526	6,021
Non-current		
Land held for resale		
Cost of acquisition	173,516	202,636
	173,516	202,636
The following movements in inventories occurred during the year:		
Balance at beginning of year	208,657	249,672
Inventory expensed during the year	(495)	(7,351)
Inventory sold	0	(33,664)
Inventory capitalised	(29,120)	0
Balance at end of year	179,042	208,657

MATERIAL ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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



**PITCHER
PARTNERS**

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Total Property				Plant and equipment		Total property, plant and equipment
	Land	Buildings - non-specialised	Buildings - specialised	Total Property	Furniture and equipment	Plant and equipment	
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	1,918,194	2,047,970	15,617,600	19,583,764	302,609	3,174,312	23,060,685
Additions	0	0	206,380	206,380	0	26,327	232,707
Depreciation	0	(88,772)	(431,903)	(520,675)	(79,237)	(460,823)	(1,060,735)
Balance at 30 June 2023	1,918,194	1,959,198	15,392,077	19,269,469	223,372	2,739,816	22,232,657
Comprises:							
Gross balance amount at 30 June 2023	1,918,194	2,047,970	15,823,980	19,790,144	508,310	4,022,633	24,321,087
Accumulated depreciation at 30 June 2023	0	(88,772)	(431,903)	(520,675)	(284,938)	(1,282,817)	(2,088,430)
Balance at 30 June 2023	1,918,194	1,959,198	15,392,077	19,269,469	223,372	2,739,816	22,232,657
Additions	0	0	113,607	113,607	11,602	1,697,658	1,822,867
Disposals	0	0	0	0	0	(217,424)	(217,424)
Depreciation	0	(65,291)	(440,697)	(505,988)	(26,494)	(513,086)	(1,045,568)
Transfers	29,120	16,500	(16,500)	29,120	0	0	29,120
Balance at 30 June 2024	1,947,314	1,910,407	15,048,487	18,906,208	208,480	3,706,964	22,821,652
Comprises:							
Gross balance amount at 30 June 2024	1,947,314	2,064,470	15,921,087	19,932,871	519,912	5,502,867	25,955,650
Accumulated depreciation at 30 June 2024	0	(154,063)	(872,600)	(1,026,663)	(311,432)	(1,795,903)	(3,133,998)
Balance at 30 June 2024	1,947,314	1,910,407	15,048,487	18,906,208	208,480	3,706,964	22,821,652

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Observable or estimated open market values/price per hectare
Buildings - non-specialised	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs.

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

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

(ii) Cost

Furniture and equipment	3	N/A	Cost	N/A	Actual costs incurred
Plant and equipment	3	N/A	Cost	N/A	Actual costs incurred

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	72,151,473	1,044,954	568,955	4,418,720	0	78,184,102
Additions	2,644,991	139,932	79,246	260,555	164,875	3,289,599
Revaluation increments / (decrements) transferred to revaluation surplus	64,035,983	(135,814)	750,942	343,754	0	64,994,865
Depreciation	(1,786,900)	(9,035)	(8,566)	(373,343)	0	(2,177,844)
Balance at 30 June 2023	137,045,547	1,040,037	1,390,577	4,649,686	164,875	144,290,722
Comprises:						
Gross balance at 30 June 2023	145,137,199	1,085,210	1,433,405	6,428,024	164,875	154,248,713
Accumulated depreciation at 30 June 2023	(8,091,652)	(45,173)	(42,828)	(1,778,338)	0	(9,957,991)
Balance at 30 June 2023	137,045,547	1,040,037	1,390,577	4,649,686	164,875	144,290,722
Additions	2,870,662	10,000	0	25,402	531,474	3,437,538
Depreciation	(1,438,431)	(2,277)	(17,383)	(405,608)	0	(1,863,699)
Transfers	0	0	0	0	0	0
Balance at 30 June 2024	138,477,778	1,047,760	1,373,194	4,269,480	696,349	145,864,561
Comprises:						
Gross balance at 30 June 2024	148,007,861	1,095,210	1,433,405	6,453,426	696,349	157,686,251
Accumulated depreciation at 30 June 2024	(9,530,083)	(47,450)	(60,211)	(2,183,946)	0	(11,821,690)
Balance at 30 June 2024	138,477,778	1,047,760	1,373,194	4,269,480	696,349	145,864,561

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
Infrastructure - footpaths	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
Infrastructure - drainage	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
Infrastructure - parks & ovals	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.

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

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

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	n/a
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
- subgrade	n/a
- pavement	50 years
- seal	10-20 years
Infrastructure - footpaths	15 to 20 years
Infrastructure - drainage	75 to 100 years
Infrastructure - parks and ovals	5 to 50 years



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Revaluation (continued)

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Bonds and deposits held
Trust funds
Transport licensing funds held

2024	2023
\$	\$
111,973	36,487
50,261	30,637
55,141	54,681
24,326	17,866
1,977	2,746
2,269	0
245,947	142,417

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

11. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	475,004	120,960
	475,004	120,960
Reconciliation of changes in contract liabilities	0	205,495
Opening balance	0	0
Additions	0	0
Revenue from contracts with customers included as a contract liability at the start of the period	0	(205,495)
	0	0
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	120,960	1,001,460
Additions	475,004	11,601
Revenue from capital grant/contributions held as a liability at the start of the period	(120,960)	(892,101)
	475,004	120,960

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to contract liabilities was \$475,004 for 2024 and \$120,960 for 2023.

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period within the next 12 months.

Performance obligations in relation to capital grant/contribution liabilities are satisfied when expenditure is incurred or projects are acquitted, as per the relevant funding agreement.

MATERIAL ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

12. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures	26(a)	84,837	580,909	665,746	76,539	665,746	742,285
Total secured borrowings		84,837	580,909	665,746	76,539	665,746	742,285

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Narembeen.

The Shire of Narembeen has complied with the financial covenants of its borrowing facilities during the 2023 and 2024 financial years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2024	2023
	\$	\$
Annual leave	188,771	181,083
Long service leave	162,296	136,279
	<u>351,067</u>	<u>317,362</u>
Total current employee related provisions	351,067	317,362
Long service leave	29,781	32,903
	<u>29,781</u>	<u>32,903</u>
Total non-current employee related provisions	29,781	32,903
Total employee related provisions	380,848	350,265

Provision is made for benefits accrued to employees in respect of wages, salaries, annual leave and long service leave, inclusive of associated on-costs, for services rendered up to the reporting date and are recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for more than 12 months after the end of the reporting period.

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits provisions 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.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

14. OTHER PROVISIONS

Provision for contractor final payment

	2024	2023
	\$	\$
Opening balance at 1 July 2023	0	0
Additional provision	149,794	0
Balance at 30 June 2024	149,794	0
Comprises		
Current liabilities	149,794	0
	149,794	0

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. The exact timing of payment of any non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the Local Government.

MATERIAL ACCOUNTING POLICIES

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.

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

15. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	1,062,357	1,062,357	1,062,357	0	1,062,357
Revaluation surplus - Buildings	7,600,218	7,600,218	7,600,218	0	7,600,218
Revaluation surplus - Furniture and equipment	53,279	53,279	53,279	0	53,279
Revaluation surplus - Plant and equipment	1,435,049	1,435,049	1,435,049	0	1,435,049
Revaluation surplus - Infrastructure - roads	103,514,377	103,514,377	39,478,393	64,035,984	103,514,377
Revaluation surplus - Infrastructure - footpaths	209,256	209,256	345,070	(135,814)	209,256
Revaluation surplus - Infrastructure - drainage	960,145	960,145	388,212	571,933	960,145
Revaluation surplus - Infrastructure - other	2,104,864	2,104,864	1,582,099	522,765	2,104,864
	116,939,545	116,939,545	51,944,677	64,994,868	116,939,545

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	10,247,647	9,771,985
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	5,859,523	4,873,641
		5,859,523	4,873,641
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	5,360,193	4,734,815
Contract liabilities	11	475,004	120,960
Bonds and deposits held	10	24,326	17,866
Total restricted financial assets		5,859,523	4,873,641

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		2,265,505	3,067,194
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(1,681)	(3,686)
Depreciation/amortisation		2,909,267	3,238,579
(Profit)/loss on sale of assets		(44,622)	2,755
Share of profits of associates		(23,778)	5,898
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(206,272)	(94,931)
(Increase)/decrease in inventories		495	41,015
Increase/(decrease) in trade and other payables		103,530	(457,397)
Increase/(decrease) in employee related provisions		30,583	(4,772)
Increase/(decrease) in other provisions		149,794	0
Increase/(decrease) in other liabilities		354,044	(1,085,995)
Capital grants, subsidies and contributions		(3,245,877)	(2,055,197)
Net cash provided by/(used in) operating activities		2,290,988	2,653,463

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

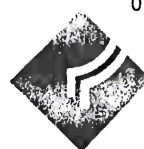
Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(3,151)	(11,678)
Total amount of credit unused	246,849	238,322

Loan facilities

Loan facilities - current	84,837	76,539
Loan facilities - non-current	580,909	665,746
Total facilities in use at balance date	665,746	742,285

Unused loan facilities at balance date

0 0



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

17. CONTINGENT LIABILITIES

The Shire of Narembeen has no contingent liabilities as at 30 June 2024.

18. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable no later than 12 months from the reporting date

2024	2023
\$	\$
68,556	54,688
0	694,010
68,556	748,698
68,556	748,698



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	7,500	7,500	7,200
President's meeting attendance fees	5,784	5,000	3,355
President's annual allowance for ICT expenses	1,250	0	0
President's travel and accommodation expenses	2,020	625	210
	16,554	13,125	10,765
Deputy President's annual allowance	1,875	1,875	1,800
Deputy President's meeting attendance fees	3,735	3,680	1,740
Deputy President's annual allowance for ICT expenses	1,000	0	0
Deputy President's travel and accommodation expenses	119	625	1,787
	6,729	6,180	5,327
All other council member's meeting attendance fees	18,675	19,620	12,005
All other council member's annual allowance for ICT expenses	5,000	0	0
All other council member's travel and accommodation expenses	0	3,750	458
	23,675	23,370	12,463
19(b)	46,958	42,675	28,555

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Note	2024 Actual \$	2023 Actual \$
Short-term employee benefits	511,858	523,516
Post-employment benefits	63,917	60,229
Other long-term employee benefits	39,424	74,422
Employee termination benefits	52,253	0
Council member costs	46,958	28,555
19(a)	714,410	686,722

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term employee benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Employee termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

19. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

No provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to the KMP compensation stated at 19(a) above, the following transactions occurred with related parties:

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	530	1,819
Purchase of goods and services	111,138	33,465
Amounts outstanding from related parties:		
Trade and other receivables	319	0
Amounts payable to related parties:		
Trade and other payables	17,205	547

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 19(a) and 19(b).

ii. Other Related Parties

Any entity controlled by or over which any KMP or close family member of KMP, have authority and responsibility for planning, directing and controlling, either directly or indirectly, are considered to be related parties.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. JOINT ARRANGEMENTS

Share of joint operations

The Shire, together with the Department of Communities, has a joint arrangement for the provision of 9 residential housing units located on Currall Street and Doreen Street, Narembreen. The Shire's share of the net assets of the housing units is included in Property, Plant and Equipment.

Statement of Financial Position

	2024 Actual	2023 Actual
	\$	\$
Land	10,694	10,694
Buildings (non-specialised)	141,097	141,097
Less: accumulated depreciation	(35,481)	(29,669)
Total assets	116,310	122,122

Statement of Comprehensive Income

Fees and charges	53,922	58,908
Depreciation	(5,813)	(30,000)
Other expense	(74,336)	(87,117)
Profit/(loss) for the period	(26,227)	(58,209)
Other comprehensive income	0	0
Total comprehensive income for the period	(26,227)	(58,209)

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2024	2023
	2024	2023	Actual	Actual
			\$	\$
Roe Regional Organisation of Councils	25.00%	25.00%	65,977	42,199
Total equity-accounted investments			65,977	42,199

(b) Share of Investment in Roe Regional Organisation of Councils

The Shire has a 25% interest in the Roe Regional Organisation of Councils. The Regional Council was formed to manage the provision of environmental health services and the Bendering waste site for the four member Shires.

AASB 12.9(e) - The Shire has determined it has significant influence over the Roe Regional Organisation of Councils as the Shire has a 25% share of the voting rights and the Shire has representation on the Regional Council and participates in policy-making decisions, including decisions regarding contributions and distributions.

AASB 12.21(b)(i) - The tables below reflect the summarised financial information of the material investments in associates.

AASB 12.B14 - The tables below are based on the audited results of the Regional Council; the below table does not reflect the Shire's share of those amounts. The amounts have been amended to reflect adjustments made by the Shire when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of comprehensive income

Note	2024 Actual \$	2023 Actual \$
Revenue	32,000	0
Expenditure	(55,744)	0
Depreciation	(30,343)	(23,592)
Profit/(loss) for the period	(54,087)	(23,592)
Other comprehensive income	161,200	0
Total comprehensive income for the period	107,113	(23,592)

Summarised statement of financial position

Cash and cash equivalents	0	0
Other current assets	0	0
Total current assets	0	0
Non-current assets	1,099,322	974,276
Total assets	1,099,322	974,276
Current financial liabilities		
Other current liabilities	247,252	237,812
Total current liabilities	247,252	237,812
Non-current financial liabilities		
Other non-current liabilities	588,161	567,668
Total non-current liabilities	588,161	567,668
Total liabilities	835,413	805,480
Net assets	263,909	168,796
Reconciliation to carrying amounts		
Opening net assets 1 July	168,796	192,388
Changes in members contributions	(12,000)	0
Profit/(Loss) for the period	(54,087)	(23,592)
Other comprehensive income	161,200	0
Closing net assets 30 June	263,909	168,796
Carrying amount at 1 July	42,199	48,097
- Share of associates comprehensive income arising during the period	26,779	(5,898)
- Distribution of equity by associate	(4,773)	0
- Contribution to equity in associate	1,773	0
Carrying amount at 30 June (Refer to Note 21(a))	65,977	42,199

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.



Investments in associates are accounted for using the equity method. The equity method of accounting is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

- (e) Share of associates net other comprehensive income for the period
Share of comprehensive income from Roe Regional Organisation of Councils

2024 Actual	2023 Actual
\$	\$
26,779	(5,898)
26,779	(5,898)



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No reportable events occurred after the end of the reporting period.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

23. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.



**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

24. RATING INFORMATION

(a) General Rates

RATE TYPE				2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2022/23
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Actual Total Revenue
				\$	\$	\$	\$	\$	\$	\$
(i) General rates										
Townsite	Gross rental valuation	0.12871	226	1,969,684	253,518	626	254,144	253,523	0	241,450
Rural & Mining	Unimproved valuation	0.01072	320	164,156,890	1,759,891	(3,328)	1,756,563	1,760,002	0	1,676,192
Total general rates			546	166,126,574	2,013,409	(2,702)	2,010,707	2,013,525	0	1,917,642
(ii) Minimum payment										
Townsite	Gross rental valuation	510	16	9,690	8,160	0	8,160	8,160	0	7,275
Rural & Mining	Unimproved valuation	510	72	959,610	36,720	0	36,720	36,720	0	35,890
Total minimum payments			88	969,300	44,880	0	44,880	44,880	0	43,165
Total general rates and minimum payments			634	167,095,874	2,058,289	(2,702)	2,055,587	2,058,405	0	1,960,807
(iii) Ex-gratia Rates										
CBH					29,888	0	29,888	24,089	0	23,163
Total amount raised from rates (excluding general rates)			0	0	29,888	0	29,888	24,089	0	23,163
Discounts given							(31,028)			(28,855)
Total Rates							2,054,447			1,955,115
Rate instalment interest							3,453			3,288
Rate overdue interest							10,397			8,562

Rate revenue was recognised from the rate record as soon the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising rates.

SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note	2023/24 (30 June 2024 Carried Forward)		
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(104,239)	(170,000)	0
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,681)	(3,500)	(3,686)
Less: Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(26,779)	0	5,898
Add: Loss on disposal of assets	59,617	39,500	0
Add: Depreciation	2,909,267	3,100,700	3,238,579
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	8,459	0	(8,459)
Employee benefit provisions	(3,122)	0	18,486
Inventory	0	0	33,665
Non-cash amounts excluded from operating activities	2,841,522	2,966,700	3,284,483
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27 (5,360,193)	(4,392,480)	(4,734,815)
Less: Financial assets at amortised cost - self supporting loans	4(a) (18,273)	0	(15,836)
Less: Investment in associate movements in current debtors	(3,000)	0	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 84,837	0	76,539
Total adjustments to net current assets	(5,296,629)	(4,392,480)	(4,674,112)
Net current assets used in the Statement of Financial Activity			
Total current assets	10,761,135	5,902,941	10,068,800
Less: Total current liabilities	(1,306,649)	(1,510,461)	(657,278)
Less: Total adjustments to net current assets	(5,296,629)	(4,392,480)	(4,674,112)
Surplus or deficit after imposition of general rates	4,157,857	0	4,737,410



SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual								Budget			
Purpose	NOTE	Loan Number	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Swimming pool		125	137,068	0	(23,934)	113,134	0	(25,560)	87,574	113,134	0	(25,560)	87,574
Recreation centre		128	574,249	0	(35,395)	538,854	0	(37,282)	501,572	538,853	0	(37,282)	501,571
Total			711,317	0	(59,329)	651,988	0	(62,842)	589,146	651,987	0	(62,842)	589,145
Self Supporting Loans													
Aged homes		127	22,105	0	(4,059)	18,046	0	(2,094)	15,952	18,046	0	(4,231)	13,815
Mt Walker tennis club		130	11,396	0	(3,758)	7,638	0	(3,799)	3,839	7,639	0	(3,799)	3,840
Narembeen Bowling Club		131	72,342	0	(7,728)	64,614	0	(7,805)	56,809	64,616	0	(7,805)	56,811
Total Self Supporting Loans			105,843	0	(15,545)	90,298	0	(13,698)	76,600	90,301	0	(15,835)	74,466
Total Borrowings	12		817,160	0	(74,874)	742,286	0	(76,540)	665,746	742,288	0	(78,677)	663,611

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
					\$	\$	\$
Swimming pool	125	WATC*	6.68%	30/04/2027	(7,138)	(7,138)	(8,763)
Recreation centre	128	WATC*	5.26%	1/04/2034	(27,860)	(27,860)	(29,746)
Total					(34,998)	(34,998)	(38,509)
Self Supporting Loans Finance Cost Payments							
Aged homes	127	WATC*	4.23%	29/06/2027	(382)	(900)	(893)
Mt Walker tennis club	130	WATC*	1.09%	25/02/2035	(73)	(73)	(114)
Narembeen Bowling Club	131	WATC*	0.97%	1/02/2031	(610)	(611)	(686)
Total Self Supporting Loans Finance Cost Payments					(1,065)	(1,584)	(1,693)
Total Finance Cost Payments					(36,063)	(36,582)	(40,202)

*WA Treasury Corporation

**SHIRE OF NAREMBEEN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

27. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Plant reserve	669,185	32,830	(135,000)	567,015	669,185	25,350	(335,000)	359,535	585,940	83,245	0	669,185
(b) Infrastructure reserve	1,921,195	544,253	0	2,465,448	1,921,195	277,985	0	2,199,180	1,631,810	549,122	(259,737)	1,921,195
(c) Land development reserve	374,214	18,359	(50,000)	342,573	374,214	14,176	(250,000)	138,390	373,254	960	0	374,214
(d) Avoca Farm/Wadderin reserve	80,261	3,938	0	84,199	80,261	3,040	0	83,301	45,761	34,500	0	80,261
(e) Recreation centre	620,413	138,526	0	758,939	620,413	23,503	0	643,916	613,980	6,433	0	620,413
(f) Leave reserve	275,611	33,521	0	309,132	275,611	10,441	0	286,052	264,014	11,597	0	275,611
(g) Housing reserve	559,832	27,465	0	587,297	559,832	21,208	(141,907)	439,133	479,509	80,323	0	559,832
(h) Heritage reserve	20,742	1,018	0	21,760	20,742	786	0	21,528	20,284	458	0	20,742
(i) Medical reserve	94,151	4,619	0	98,770	94,151	3,567	0	97,718	90,365	3,786	0	94,151
(j) Bendering landfill rehabilitation reserve	119,211	5,849	0	125,060	119,211	4,516	0	123,727	28,652	90,559	0	119,211
	4,734,815	810,378	(185,000)	5,360,193	4,734,815	384,571	(726,907)	4,392,480	4,133,569	860,983	(259,737)	4,734,815

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Plant reserve	To be used in the replacement and upgrade of Shire plant and equipment
(b) Infrastructure reserve	To be used for the construction of new or significantly improved infrastructure
(c) Land development reserve	To be used to finance future development within the Shire
(d) Avoca Farm/Wadderin reserve	To be used to develop Avoca farm and Wadderin reserve
(e) Recreation centre	To be used to provide new or upgrade existing recreation facilities within the Shire
(f) Leave reserve	To be used to fund annual and long service leave
(g) Housing reserve	To be used for the construction of new Shire housing and refurbishment of existing houses
(h) Heritage reserve	To be used to finance the maintenance of historical buildings within the Shire
(i) Medical reserve	To be used to assist in the future attraction and retention of medical services
(j) Bendering landfill rehabilitation reserve	To be used to assist in the future upgrade of plant, machinery and other requirements at Bendering Landfill site



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Narembeen

To the Council of the Shire of Narembeen

Opinion

I have audited the financial report of the Shire of Narembeen (Shire) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Narembeen for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2024

ATTACHMENT 6.2B

2024 Financial Management Letter

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Workforce Plan and Asset Management Plan Outdated	No		✓		✓
2. Unsigned contracts/agreements	No			✓	
3. Transport licensing account does not have a reconciliation	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

1. Workforce Plan and Asset Management Plan Outdated

Finding

We noted that the Shire's Workforce Plan 2014 – 2023 had not been reviewed and updated since 2014. We further noted that the Shire's Asset Management Plan 2014 – 2023 had not been reviewed and updated since 2013.

Section 5.56 of the *Local Government Act 1995* requires a local government to plan for the future of the district, and the plans made are to be in accordance with any regulations made about planning for the future of the district. This plan should be kept up to date to ensure relevance.

This issue was first raised in the prior year. Management response was that a review of the Workforce Plan has been held off until the adoption of the Community Strategic Plan which was due for adoption July 2022. Council's asset management plans requiring updating and the process has commenced for land and building and infrastructure.

Rating: Moderate (2023: Moderate)

Implication

The Shire has no current plans to follow in respect of matters relating to employment and management and renewal of assets.

Recommendation

We recommend that the Workforce Plan and Asset Management Plan are reviewed, updated and approved by Council to provide the Shire with up-to-date plans to administer employment matters and management and renewal of assets.

Management's comments

The workforce plan and asset management plan have been completed and adopted by Council, however, note that these were completed post 30 June 2024.

Responsible person:

Rebecca McCall (CEO) and Ben Forbes (EMCS)

Completion date:

30 June 2025 (Completed in September 2024 and October 2024)

2. Unsigned contracts/agreements

Finding 2024

All legal contracts/agreements should be formally approved by both parties to ensure that they are accurate and legally enforceable.

For the year ending 30 June 2024, it is noted that 1 out of 5 employees on the payroll testing did not have a signed and documented salary increase letter.

Rating: Minor

Implication

Unsigned legal contracts/agreements increase the risk that either party cannot be contractually held to the terms of the agreement. This may result in financial loss to the Shire or misstatement to the financial statements.

Recommendation

All legal agreements should be formally approved by both parties to ensure that they are accurate and legally enforceable.

Management Comment

Noted – work has already commenced to tighten controls around procedural payroll processing. Loss of skills with staff turnover has caused standards and controls to weaken but should be remedied regardless.

Responsible person: Ben Forbes (EMCS)

Completion date: 30 June 2025

3. Transport licensing accounts does not have a reconciliation

Finding 2024

During our review, identified that there is no reconciliation process in place between transport licensing accounts for monies collected and those transferred to the Department of Transport throughout the year. The variance noted amounts to \$2,270.

Rating: Moderate

Implication

An absence of reconciliation poses a significant risk to the Shire, as material errors or omissions may go undetected. Additionally, without a reconciliation process, there is a heightened risk that funds transferred to the Department of Transport may be incomplete, and potential misappropriation of funds may not be identified in a timely manner.

Recommendation

A reconciliation should be performed on a regular basis and reviewed by an independent senior employee to ensure funds collected and transferred to Department are complete and not misappropriately applied.

Management Comment

Noted. A process will be implemented on or before 30 June 2025.

Responsible person:	Ben Forbes (EMCS)
Completion date:	30 June 2025

ATTACHMENT 6.2C
2024 Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Narembeen

To the Council of the Shire of Narembeen

Opinion

I have audited the financial report of the Shire of Narembeen (Shire) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Narembeen for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2024

ATTACHMENT 7.1A
Local Government Financial Index -
Workshop



Department of
**Local Government, Sport
and Cultural Industries**



Local Government Financial Indicator
Data Response Workbook



Background, Guide & Ratio Definitions

What is the Local Government Financial Indicator?

Purpose

The Local Government Financial Indicator (LGFI) has been designed to provide community members, stakeholders and the DLGSC with at-a-glance insights to local government financial performance.
The LGFI does **NOT** purport to provide a definitive representation of a local government's financial health.
Rather, the LGFI provides point-in-time insights to a local government's ability to:

- o meet its short term financial obligations (**Liquidity**);
- o fund its longer term financial obligations (**Solvency**); and
- o access funding (either internal or external) to deliver services and maintain infrastructure (**Financial Flexibility**).

Background

The LGFI has been designed as a replacement to the currently-reported Financial Health Indicator (**FHI**).
Unlike the FHI, the LGFI does **NOT** attempt to assess a local government's financial sustainability (its financial capacity to fund maintenance and asset renewal as infrastructure reaches the end of useful life).

Approach

Consultative approach, which included WALGA, LG Professionals WA, Ron Back and Associates, WATC and a representative cohort of local governments.
Comparison to approaches adopted by other jurisdictions was undertaken.

Construction

The ratios underpinning the LGFI score are calculated annually by DLGSC using data extracted from each local government's annual financial results.
Prior to publishing LGFI scores on the MyCouncil website, DLGSC seeks validation from each local government of the data values used to generate the LGFI ratios and LGFI score.

User Guide

Step 1

Local Government representatives are asked to review and amend as necessary the values presented in "LGFI Inputs" sheet.
Cells in **yellow** can be amended with corrected values, which will then flow through the calculations and update ratios and charts in the spreadsheet.
A commentary section has been provided to enable each local government to provide context for each ratio as well as the overall LGFI scores.
Note: All comments will be available for review on the MyCouncil website. Note: The commentary fields will automatically increase in size to accommodate text.

Step 2

Once local government representatives have reviewed and verified the data, please return the updated workbook to DLGSC.

Step 3

The resulting LGFI ratios and scores, calculated from data verified by each respective local government, will be published on the MyCouncil website.

LGFI Ratios

Current Ratio

The Current ratio provides insights to the ability of a local government to meet its short-term financial obligations out of unrestricted current assets.
The benchmark score is 1.

Debt Service Coverage

The Debt Service Coverage ratio is the measurement of a local government's ability to repay its debt including lease payments.
The benchmark score is 2.

Operating Surplus

The Operating Surplus ratio is a measure of a local government's ability to cover its operational costs and generate funds available for capital funding or other purposes.
The benchmark score is 0.

Net Financial Liabilities

The Net Financial Liabilities ratio contrasts the level of debt of a local government to its operating revenue.
The benchmark score is 0.3.

Ratio Construction

Ratio name	Numerator/Denominator	Formula	Basis for Calculation
Current	Numerator	Current Assets	Per Statement of Financial Position (SoFP)
	Denominator	Current Liabilities	Per Statement of Financial Position (SoFP)
Debt Service Coverage	Numerator	Adjusted Operating Surplus w/exclusions	[Adjusted Operating Revenue (1) = Operating Revenues plus Federal Assistance Grants adjustment (see below)] Less [Adjusted Operating Expenses = Operating Expenses less (i) Depreciation Expense (ii) Interest Expense]
	Denominator	Debt Service Costs	[Debt Service Costs = Includes principal repayments (excluding refinancing loans) and Interest, including lease interest and repayments]
Operating Surplus	Numerator	Adjusted Operating Surplus	[Adjusted Operating Revenue (2) = Adjusted Operating Revenue (1) plus non-operating grants/contributions for asset renewal] Less [Operating Expenses = Sum of (i) employee costs, (ii) materials & contracts, (iii) depreciation on non-current assets, (iv) insurance (v) utility charges (vi) interest expense (to be amended to finance costs) and (vii) other expenditure]
	Denominator	Adjusted Operating Revenue (2)	Adjusted Operating Revenues (1) (see above) Plus [non-operating grants/contributions for asset renewal]
Net Financial Liabilities	Numerator	Net Financial Liabilities	[Total Liabilities = Per SoFP less liabilities for equity-accounted investments but including amounts in advance and Lease Liabilities] Less [Financial Assets = Sum of (i) current cash & cash equivalents, (ii) current trade & other receivables, (iii) current other financial assets, (iv) non-current trade & other receivables and (v) non-current financial assets]
	Denominator	Adjusted Operating Revenue (1)	[Operating Revenues = Sum of (i) rates, (ii) service charges (iii) grants, subsidies and contributions (iv) fees and charges (v) interest and earnings and (vi) other revenue] Plus [Federal Assistance Grants adjustment = Prior year Federal Assistance Grant less current year advance]

Ratios for Narembeen Shire

Current Ratio			2019	2020	2021	2022	2023
Numerator	Current Assets	\$	5,351,947	5,314,277	6,489,023	8,989,009	10,192,691
Denominator	Current Liabilities	\$	554,409	872,272	1,316,646	2,346,155	781,169
Ratio Calculation	Benchmark Score is 1.0		9.65	6.09	4.93	3.83	13.05
Debt Service Coverage Ratio			2019	2020	2021	2022	2023
Numerator	Operating Revenue	\$	10,427,767	5,169,354	5,315,051	7,864,866	7,281,591
	Less: Federal Assistance Grants (FA Grants) Current Year	\$	(1,087,054)	(1,127,136)	(1,123,176)	(1,760,391)	(2,561,918)
	Plus: Federal Assistance Grants (FA Grants) Prior Year		1,050,480	1,087,054	1,127,136	1,123,176	1,760,391
	Adjusted Operating Revenue - 1	\$	10,391,193	5,129,272	5,319,011	7,227,651	6,480,064
	Operating Expenses	\$	(10,181,574)	(6,458,550)	(6,779,793)	(7,400,830)	(7,350,622)
	Add Back: Depreciation	\$	2,869,734	3,013,290	3,047,559	3,106,232	3,238,579
	Add back: Finance Costs *	\$	55,657	48,977	47,078	42,784	30,917
	Adjusted Operating Expenses	\$	(7,256,183)	(3,396,283)	(3,685,156)	(4,251,814)	(4,081,126)
	Adjusted Operating Surplus w/exclusions	\$	3,135,010	1,732,989	1,633,855	2,975,837	2,398,938
Denominator	Finance Costs*	\$	55,657	48,977	47,078	42,784	30,917
	Plus: Repayment of Borrowings**	\$	93,474	69,847	75,451	86,672	74,874
	Less: Debt refinancing	\$	0	0	0	0	0
	Debt Service Costs	\$	149,131	118,824	122,529	129,456	105,791
Ratio Calculation	Benchmark Score is 2.0		21.02	14.58	13.33	22.99	22.68
*Note: Finance Costs data sources include lease interest costs							
**Note: Current data sources exclude lease principal repayments							
Net Financial Liabilities Ratio			2019	2020	2021	2022	2023
Numerator	Total Liabilities	\$	1,533,178	1,815,589	2,183,349	3,102,857	1,479,818
	Less: Current - Cash & Cash Equivalents	\$	(3,635,358)	(4,852,072)	(6,240,029)	(6,887,323)	(9,771,985)
	Less: Current - Trade & Other Receivables**	\$	(221,687)	(269,928)	(220,358)	(312,377)	(398,849)
	Less: Current - Other Financial Assets**	\$	(1,118,875)	(183,954)	(15,264)	(1,775,937)	(15,836)
	Less: Non-Current - Trade & Other Receivables**	\$	0	(93,541)	(3,959)	0	(8,459)
	Less: Non-Current - Financial Assets	\$	0	0	(105,847)	(168,104)	(155,954)
	Net Financial Liabilities	\$	(3,442,742)	(3,583,906)	(4,402,108)	(6,040,884)	(8,871,265)
Denominator	Operating Revenue	\$	10,427,767	5,169,354	5,315,051	7,864,866	7,281,591
	Plus: FA Grants Adjustment (Prior year less current year)	\$	(36,574)	(40,082)	3,960	(637,215)	(801,527)
	Adjusted Operating Revenue - 1	\$	10,391,193	5,129,272	5,319,011	7,227,651	6,480,064
Ratio Calculation	Benchmark Score is 0.30		(0.33)	(0.70)	(0.83)	(0.84)	(1.37)
**Note:Other Financial Assets and Current/Non-Current - Trade & Other Receivables data to be validated by LGA							
Operating Surplus Ratio			2019	2020	2021	2022	2023
Numerator	Operating Revenue	\$	10,427,767	5,169,354	5,315,051	7,864,866	7,281,591
	Plus: FA Grants Adjustment (Prior year less current year)	\$	(36,574)	(40,082)	3,960	(637,215)	(801,527)
	Plus: Grants, contributions for asset renewal*	\$	2,581,252	1,394,520	3,292,700	1,390,774	3,141,192
	Adjusted Operating Revenue - 2	\$	12,972,445	6,523,792	8,611,711	8,618,425	9,621,256
	Less: Operating Expenses	\$	(10,181,574)	(6,458,550)	(6,779,793)	(7,400,830)	(7,350,622)
	Adjusted Operating Surplus	\$	2,790,871	65,242	1,831,918	1,217,595	2,270,634
Denominator	Operating Revenue	\$	10,427,767	5,169,354	5,315,051	7,864,866	7,281,591
	Plus: FA Grants Adjustment (Prior year less current year)	\$	(36,574)	(40,082)	3,960	(637,215)	(801,527)
	Plus: Grants, contributions for asset renewal*	\$	2,581,252	1,394,520	3,292,700	1,390,774	3,141,192
	Adjusted Operating Revenue - 2	\$	12,972,445	6,523,792	8,611,711	8,618,425	9,621,256
Ratio Calculation	Benchmark Ratio is 0.0		0.22	0.01	0.21	0.14	0.24

*Note: Due to lack of inputs for "Grants, contributions for asset renewals" the model considers the entire grants (towards new, upgrade, renew) line item for the purpose of calculating this ratio

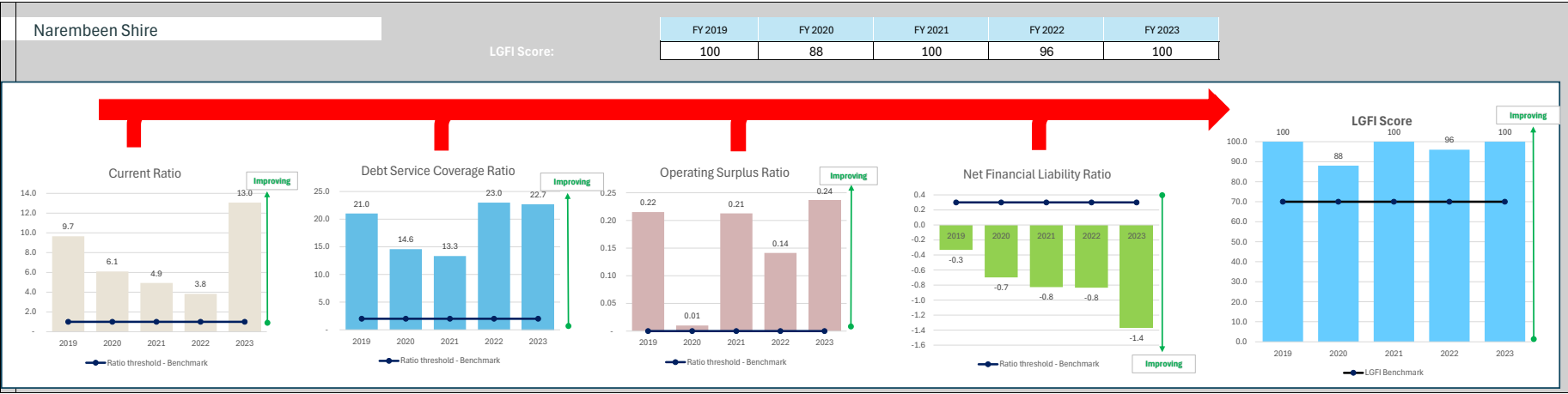
LGFI Model

Score for Narembeen Shire

Metric	Benchmark Threshold
Current Ratio	1.00
LGFI Score	7.00
LGFI Weight	10%
Weighted LGFI Score	0.70
Debt Service Coverage Ratio	2.00
LGFI Score	7.00
LGFI Weight	20%
Weighted LGFI Score	1.40
Operating Surplus Ratio	0.00
LGFI Score	7.00
LGFI Weight	40%
Weighted LGFI Score	2.80
Net Financial Liability Ratio	0.30
LGFI Score	7.00
LGFI Weight	30%
Weighted LGFI Score	2.10
Total Weighted LGFI Score	7.00
Actual LGFI Score (Weighted Score x 10)	

Actual					Average
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
9.65	6.09	4.93	3.83	13.05	7.51
10.00	10.00	10.00	10.00	10.00	10.00
10%	10%	10%	10%	10%	10%
1.00	1.00	1.00	1.00	1.00	1.00
21.0	14.6	13.3	23.0	22.7	18.92
10.00	10.00	10.00	10.00	10.00	10.00
20%	20%	20%	20%	20%	20%
2.00	2.00	2.00	2.00	2.00	2.00
0.22	0.01	0.21	0.14	0.24	0.16
10.00	7.00	10.00	9.00	10.00	10.00
40%	40%	40%	40%	40%	40%
4.00	2.80	4.00	3.60	4.00	4.00
(0.33)	(0.70)	(0.83)	(0.84)	(1.37)	(0.81)
10.00	10.00	10.00	10.00	10.00	10.00
30%	30%	30%	30%	30%	30%
3.00	3.00	3.00	3.00	3.00	3.00
10.00	8.80	10.00	9.60	10.00	10.00
100	88	100	96	100	100

Charts for Narembeen Shire



LGA commentary Current Ratio

Example text...

LGA commentary Debt Service Coverage Ratio

Example text...

LGA commentary Operating Surplus Ratio

Example text...

LGA commentary Net Financial Liability Ratio

Example text...

Overall LGA commentary re. LGFI

Example text...

Please write as much commentary as necessary in yellow cells, boxes will expand to capture input

Please write as much commentary as necessary in yellow cells, boxes will expand to capture input

Please write as much commentary as necessary in yellow cells, boxes will expand to capture input

Please write as much commentary as necessary in yellow cells, boxes will expand to capture input

Please write as much commentary as necessary in yellow cells, boxes will expand to capture input

ATTACHMENT 7.2A

Reform to Governance Committees



Fact sheet: Reforms to governance and committees

Local Government Amendment Bill 2024

Introduction

The Local Government Amendment Bill 2024 (the Bill) proposes to change the *Local Government Act 1995* (the Act) to provide for various reforms, including the establishment of a new Local Government Inspector (the Inspector) and monitors that can provide for early intervention and assist local governments in resolving dysfunction.

In addition to the [Inspector and monitor reforms](#), a range of other second tranche reforms are being introduced that focus on good governance and decision-making at council and committee meetings:

- Revising the roles and responsibilities for the council, council members and local government chief executive officers (CEOs) to clarify the separation of powers and duties within local governments.
- Improving rules for closing part of a council or committee meeting to the public, to ensure greater transparency and that these meetings are held openly wherever possible.
- Changing audit committees to have an improved focus as “audit, risk and improvement committees” that are independently chaired, with greater clarity on how council committees should operate.

Roles and responsibilities

The role of councils is to lead and represent their communities. Councils do so by engaging with their community, making decisions and setting the strategic direction of a local government. The administrative arm of the local government is responsible for implementing decisions and plans made by council.

The roles of the council, mayors or presidents, council members and the CEO have been further clarified in the second tranche of reforms. These changes ensure there is a clear distinction between the functions and responsibilities of a council and a CEO.

All council members are expected to:

- Represent the interests of electors, ratepayers and residents of the district as well as consider the interests of other persons who work in or visit the district.
- Participate in the decision-making process of the local government at council and committee.
- Facilitate communication with the community about the local government’s decisions.
- Facilitate and maintain good working relationships with other council members and the CEO.
- Observe the separation of roles of the council and CEO.
- Make decisions on merit, evidence and law, conscious of the capacity of the local government and with consideration of the local government’s finances and resources.
- Promote an organisational culture that respects employees.
- Maintain and develop the requisite skills to effectively perform their role.

As the leader of the local government council, mayors or presidents perform the following roles in addition to their council member role:

- Provide leadership and guidance to the council and its members, including guidance about their roles.
- Act as the principal spokesperson of the local government, including at ceremonial and civic functions, in a manner consistent with the resolutions of the council.
- Preside at meetings of the council, maintaining order at those meetings and ensuring that those meetings are conducted in a manner consistent with the Act.
- Promote and facilitate positive and constructive working relationships among council members.
- Liaise with the CEO regarding the local government's affairs and performance of its functions.

The CEO is responsible for the administration and operation of the local government, including:

- Causing council decisions to be implemented.
- Managing the provision of the services and facilities that the council has determined the local government will provide.
- Determining procedures and systems to implement the local government's policies and managing the local government's administration and operations.
- The employment, management, supervision and direction of other employees.
- Ensuring that records and documents of the local government are properly kept.
- Advising and procuring advice for the council in relation to the local government's affairs and performance of its functions.
- Ensuring that the council has the information and advice it needs to make informed and timely decisions.
- Keeping the minutes of council meetings.

The CEO liaises with the mayor or president on the local government's affairs and performance of its functions and may speak on behalf of the local government, with the mayor or president's agreement.

Role clarity is vital when different roles work to achieve the same objectives. When people understand their roles, better decisions can be made and implemented more effectively, resulting in improved use of ratepayer funds.

As a minor reform, local governments will now be required to advise the Department of Local Government, Sport and Cultural Industries (DLGSC) when vacancies on the council arise.

Roles of the council and local government staff



Meetings behind closed doors

By default, under the reforms, council and committee meetings must be open to the public. In certain circumstances, part of a meeting may be closed to deal with specific information where there is a clear public interest for that information to remain confidential.

The reforms provide a much stronger definition of the limited reasons to close a meeting.

Matters where a meeting must be closed include:

- a committee of the Parliament advising the local government to be confidential
- the recruitment or employment of the CEO or a senior employee, including termination or review of the CEO's performance.

Examples of the types of information to be considered that may provide a basis for closing part of a meeting include:

- Legal advice or other matters which legal professional privilege extend to.
- Information relating to the personal affairs of an individual.
- Information contained in a tender received by the local government where that information is the tendered price or the tendered methodology for calculating that price.
- Information contained in a tender where the information discloses any technology, technology, or any manufacturing, industrial or trade process, that the tenderer proposes to use in performing the contract and which is not public (and if made public would have an adverse effect on the tenderer's business interests).
- Information which would endanger the security of the local government property or operations, including cybersecurity matters.
- Information which could impair the effectiveness of an investigation or that deals with a contravention or possible contravention of the law.

The reforms clarify that:

- A decision to close part of a meeting must be made in an open part of a meeting.
- The local government is to record the reason for closing part of a meeting, including the type of information that is to be considered.
- The minutes must include a description of how the local government has sought to maximise the degree of information available to the public about the matter being considered.

The Bill also contains a new section to define irrelevant reasons for closing part of a meeting.

These include:

- the information to be considered would cause embarrassment to the local government, council, or any individual
- the matter is controversial
- making the information public would result in criticism.

The new Inspector will be able to review a decision to close part of a meeting to the public.

From 1 January 2025, all local governments will be required to audio record parts of a meeting that are closed to the public. Additionally, as proposed in the Bill's reforms, the Inspector will be able to order that the local government release the audio recording to the public if the Inspector determines that the meeting was not closed in accordance with the Act or regulations.

Audit, risk and improvement committees

Audit committees will be revised as audit, risk and improvement committees (ARICs). ARICs must have an independent presiding member to ensure a level of neutrality and impartial oversight in chairing these meetings. An independent presiding member must be a person who is not a council

member of a local government or an employee of the local government. If a deputy presiding member is appointed, they must also be independent.

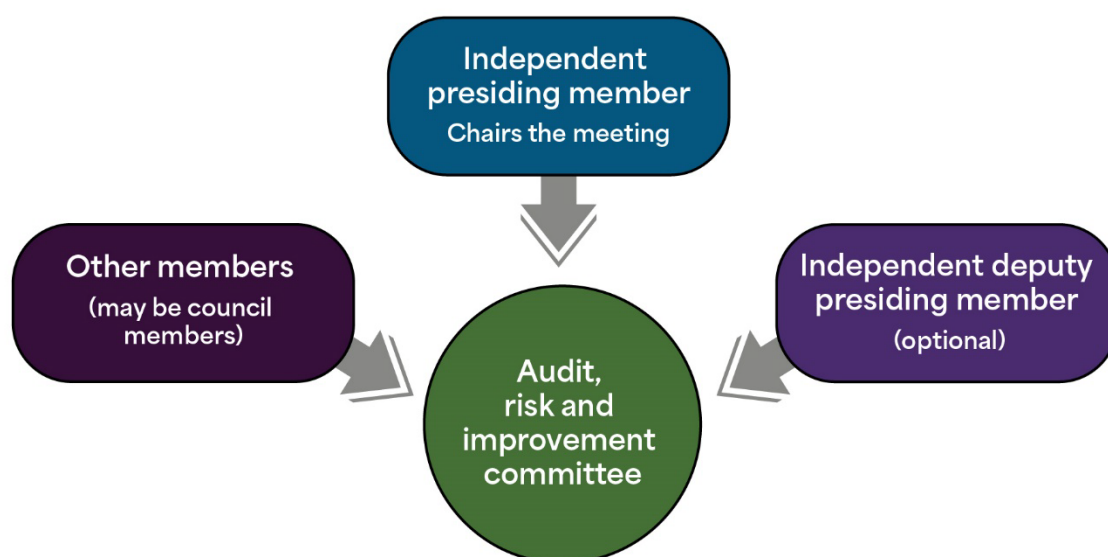
The introduction of an independent presiding member provides an opportunity for increased community confidence in a local government's financial and risk management. Local government operations may also benefit through appointing an independent chair with risk and financial management expertise that may otherwise be unavailable.

This reform reflects modern governance practices in State Government authorities and agencies as well as private corporations.

In relation to the current Act, an audit committee is required to be established comprising 3 or more persons appointed by absolute majority by a local government. Most of the members must be council members. The CEO or a local government employee cannot be a member.

Audit, risk and improvement committee model

The new audit, risk and improvement committee will comprise the following roles, with a total of 3 or more members.



Under the proposed amendments in the Bill, an ARIC now requires an independent presiding member. A local government can choose to appoint an independent deputy presiding member to chair the meeting if the independent presiding member is unable to do so.

If a local government chooses not to nominate a deputy presiding member, the council will need to appoint an independent proxy to chair the meeting should the need arise.

Smaller local governments may also now choose to share an ARIC to reduce the burden on their resources.

Council committees

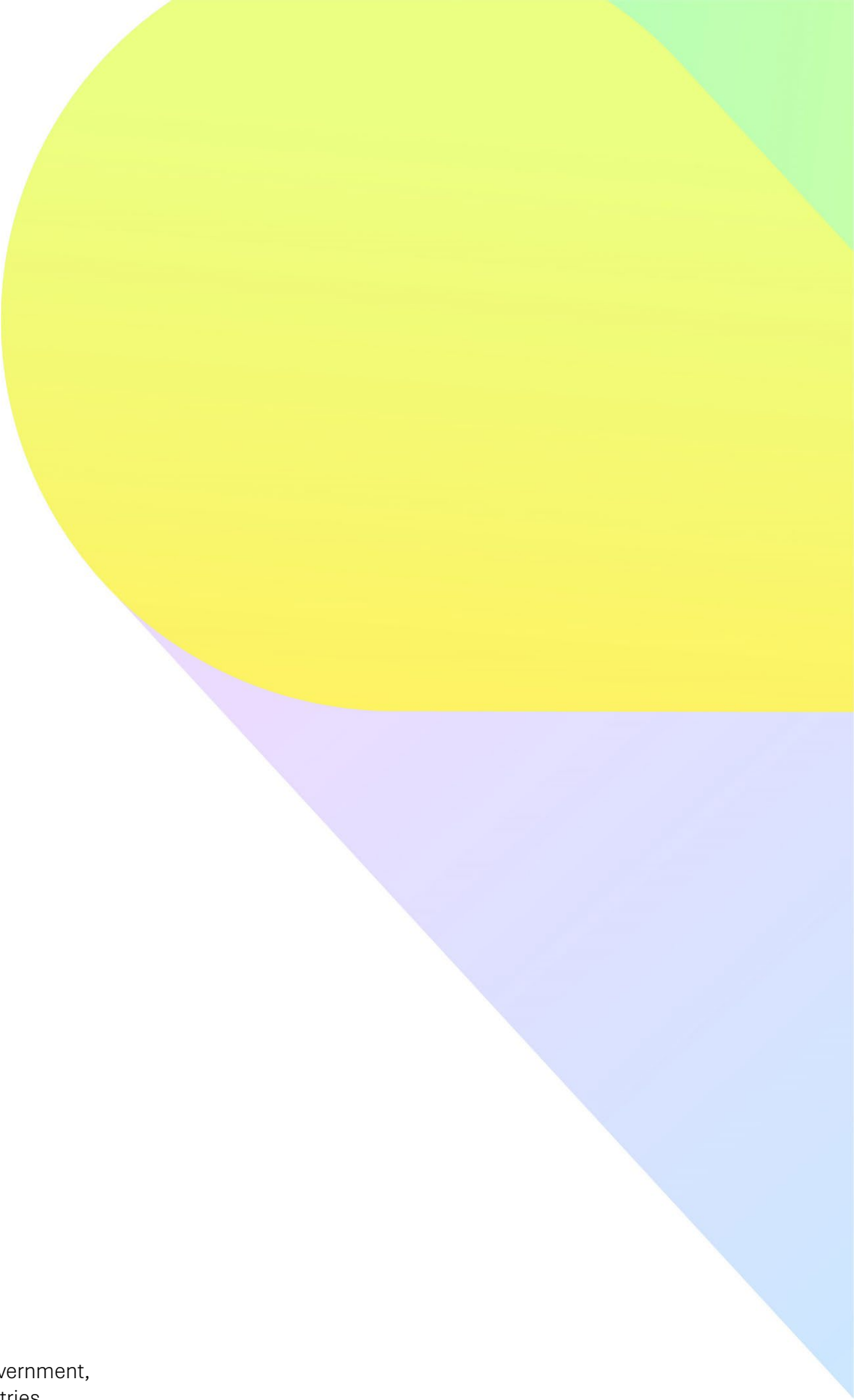
The Bill includes changes to allow for greater transparency and clarity on how council committees operate.

Council can now establish committees that have either an advisory or decision-making function and are generally open to the public.

The appointment process for the presiding member and deputy presiding member has also been simplified. Councils will appoint these roles, instead of the committee electing those roles by secret ballot.

Local governments are still able to establish informal working groups, which are not committees, to engage with their community or develop ongoing networks.

Questions? Get in touch with DLGSC via email to actreview@dlgsc.wa.gov.au



Department of Local Government,
Sport and Cultural Industries
PO BOX 8349
Perth Business Centre WA 6849
Email: communications@dlgsc.wa.gov.au
Website: www.dlgsc.wa.gov.au