



Shire of Dardanup

APPENDICES

PART FOUR

ORDINARY MEETING

To Be Held

Wednesday, 27 November 2019
Commencing at 5.00pm

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive - EATON

This document is available in alternative formats such as:

- ~ Large Print
- ~ Electronic Format [disk or emailed]
Upon request.



Shire of Dardanup

Local governments working together



Your surplus share 2019
\$33,620



2018 Surplus share
(received as 2019/20 contribution credit)

\$24,549



Your total Scheme surplus share to date

\$196,465



Your LGIS Scheme members equity

\$129,584

excludes GST

“
100%
of WALGA
Members are
LGIS Members
”

Over the past few years a number local governments have sought to test the value of the LGIS WA Scheme. It's a testament to the enduring value of the mutual model that the City of Kalamunda, Shire of Wiluna and Shire of Coolgardie have returned, and those who went to tender have remained with the Scheme.



Returning members: City of Kalamunda, Shire of Wiluna and Shire of Coolgardie



100% of WALGA members are LGIS members

LGIS performance in 2018/19

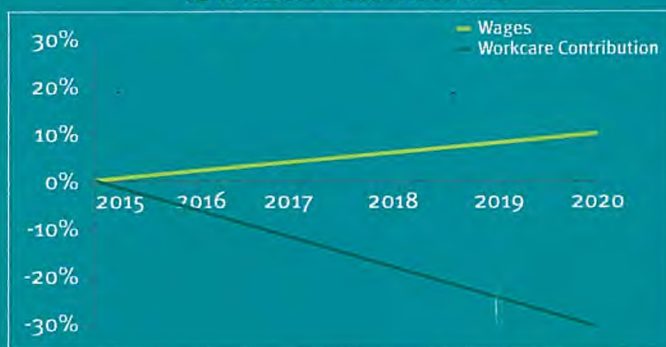
The financial performance of the Scheme remained robust this year, despite competitive pressures in the market where commercial insurers offered unsustainable, discounted premiums to achieve growth in the short term. LGIS membership was strong in 2018/19 and continues to be in 2019/20, demonstrating that WA local governments understand that the mutual Scheme remains the best option for sustainable, long term and appropriate cover for the WA sector.

The surplus for 2019 is well in excess of budget and, combined with the previous year's allocation, has allowed the Scheme Board to declare a distribution of \$6 M to members.

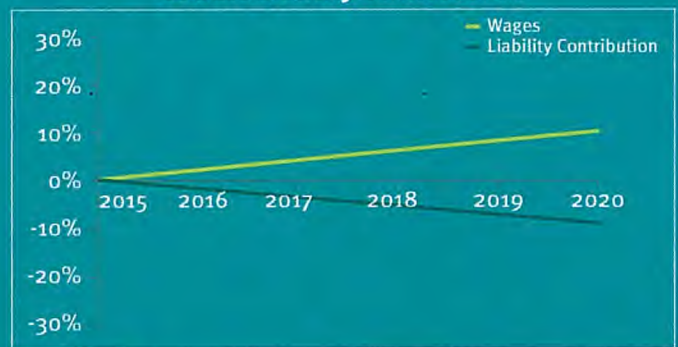
Our solid financial year performance can be attributed to a number of factors – our proactive and collaborative approach to risk management which contributed significantly to containing claims; and solid returns on our investments.

The graphs below demonstrate that member contributions have remained stable even with local government risk profiles evolving.

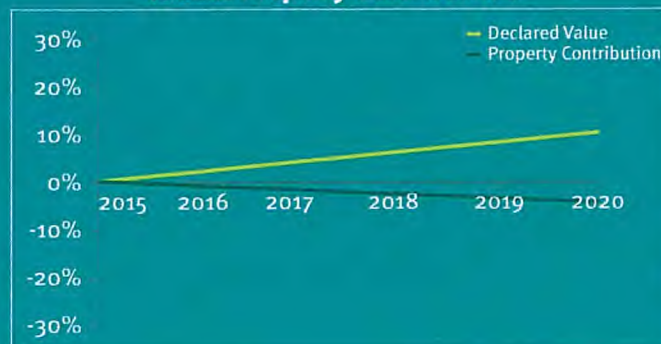
5 Year Trend – Members Declared Wages vs WorkCare Contributions



5 Year Trend – Members Declared Wages vs LGIS Liability Contributions



5 Year Trend – Members Declared Assets vs LGIS Property Contributions



LGIS WA Annual Report

The LGISWA Annual Report is now available in the members' centre of the LGISWA website for more information on the performance of your Scheme in 2018/19.

Protecting members and your community

The true value of your protection is only realised in times of adversity and we've helped our members back on their feet after some significant losses. We consider the sector when handling claims and always look to defend local government members from future issues.

The reductions in contribution enjoyed by our members in recent times are not a one year 'special'. They are the result of prudential management of the Scheme and a strategic decision by the Board to re-distribute surpluses to members.

Your Scheme by the numbers – 2018/19



1,721 New liability and property claims managed by LGIS



\$7M Property claims incurred in 2018/19



17,000 Bushfire volunteers covered (including significant expansion of benefits)



\$13.7M in Workers' Compensation claims incurred in 2018/19

Receiving your surplus share

Following last year's surplus allocation, all members were informed of a contribution credit plan, whereby members would share in credits in the order of \$4.5 M each year until 2021 to contain their membership costs. Your share of \$4.5 M was duly credited off your 2019/20 Scheme membership costs.

This year, as well as the increased surplus amount each member will be given a choice to take their share of the surplus as a credit off next years membership renewal contributions, as a dividend payment or held in trust for funding risk management initiatives.

How is my share of the surplus calculated?

Each member's share of the surplus is assessed on a formula which reflects their respective contributions and incurred claims costs over a four year time horizon.



How do I know that LGIS has 'enough in the pot' to cover claims?

The 'pot' (i.e. prudential reserves) is determined considering development factors. 'Development factors' is an insurance term for 'things that are likely to happen given previous trends'. We engage PwC actuaries to independently model and assess our reserves, which determines how much needs to be collected in contributions.

Locally managed claims

LGIS handled 2,473 claims across the property, liability, WorkCare and bushfire volunteer personal accident portfolios in 2018/19. Each claim was handled by the member's dedicated specialist claims consultant who managed the process from beginning to end.

Claims hotspots



Over the past five years we've seen some consistent trends in claims from our local government members.

WorkCare

Causation hotspots last 5 years (all members)



Mental stress catching up



Although not in the top five claims areas mental stress isn't far behind. Claims costs for mental stress are increasing, making it an area to watch for the WA local government sector.

Proactive on workers' compensation

Looking for ways to reduce the number of workers' compensation claims for your local government? Claims analysis highlights four key areas which need focus across LGIS members:



Fit for purpose. Employ people who are right for the role, ensure that employees are physically capable of fulfilling the responsibilities of the job.



HR Process. Review your HR practices and make sure that managers are trained and supported.



Aging workforce. Over 50% of claims are from the 40-60 age group of local government workers. Review tasks and physical requirements; make sure the individual is able to work within their capacity.



Manual handling and job dictionaries. Job dictionaries document the physical requirements of a role; coupled with manual handling training and guidelines they help to match an individual to a role and work within their capacity to reduce injury.

Protecting members and your community

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Manual handling and job dictionaries. Job dictionaries document the physical requirements of a role; coupled with manual handling training and guidelines they help to match an individual to a role and work within their capacity to reduce injury.

Liability

Causation hotspots past 5 years (all members)



Proactive on liability

Looking for ways to reduce local government's liability exposure? Claims analysis highlights four key areas which need focus across LGIS members:



Trees. Review lists of recommended trees for verges and public places selecting breeds with non-invasive roots. Review complaint handling process to make sure appropriate action is taken.



Footpaths. Audit/review and action to footpaths and areas which attract large amount of footfall to be repaired or section of area replaced. Lack of lighting is also an issue and planning around this is paramount.



Roadworks. Make sure that pre and post inspections are carried out and documented ensuring that there is evidence that the inspection has occurred. Also make sure that correct signage is used.



Mowing equipment. Make sure signage is clear and the area is free of pedestrians.

Property

Causation hotspots past 5 years (all members)



Simple steps on property protection



Controls. Investigate the benefits of passive controls such as CCTV, vegetation management, lighting which would increase the risk of an offender being sighted.



Maintenance. Improved housekeeping within and around buildings and ensure preventative maintenance is completed on schedule – simple things such as ensuring bins are secured/ gutters are regularly cleaned, no dense foliage encroaching on property.



Contractors. Ensure contractors are appropriately managed and apply your local governments hot works arrangements.



Windows. Consider the value of using window treatments such as plastic microfilm to reinforce glass.

Unique member benefits – managing local government risk together

As the protection partner of choice for WA local governments, we understand the complexity of the sector like no other – we know that cover is only the beginning.

That's why membership of LGIS delivers more than 'insurance' to your local government.

Scheme membership provides an abundance of risk services which align with the priorities of local governments.

In 2018/19 LGIS members received a range of risk and governance services as part of their membership which reduced the number of claims and contained the costs of cover. Of the services offered the '3 Steps to Safety' program (22%) which supports members in creating safe workplaces was the most utilised, closely followed by the general risk program (20%) which assists members in anticipating, identifying and managing their liability and property risk exposures.

Risk services delivered directly to members in 2018/19



Making the most of your membership

2018/19 Shire of Dardanup benefits taken

Injury management program	✓	General risk management	✓
HR Risk and preventative stress management	-	Injury prevention training	-
Emergency risk management	-	OSH '3 steps to Safety' and advisory program	✓

Health and wellbeing services

The LGIS Health and Wellbeing Program is another popular Scheme benefit; it's designed to improve the health awareness and outcomes of WA local government workers through:



Providing education and awareness raising sessions to improve the health and wellbeing of staff and prevent or delay the onset of illness, disease and injury.



Providing screening programs that assist to identify risk factors that may require further health management.

Healthy workers are reported to be more productive than unhealthy workers, record fewer injuries, sick days, and work-related injury claims. Improving the health and wellbeing of workers can also lead to:

- Increased worker engagement and morale
- Improved safety performance
- Decreased musculoskeletal injury
- Increased worker retention
- Decreased absenteeism and presenteeism

Making the most of your membership

2018/19 Shire of Dardanup health and wellbeing benefits taken

Corporate massage	-
Exercise program	-
Flu vaccinations	-
Health assessment (basic/short)	-
Health assessment (long/executive)	✓
Injury prevention	-
Health seminars	-
Health lifestyle challenge	-
Hearing tests	-
Online mental health tool	-
Skin screens	✓

Your 2019/20 health & wellbeing funding balance: \$4,950.00

Cover tailored to local government

LGIS membership provides the best cover which meets the needs of modern progressive local governments. In 2018/19 our members benefited from unique cover tailored to local government needs which allowed them to get on with delivering valued community services.

Building cladding



No exclusions in to Liability arising from your building surveyors surveyors, planning and cladding risks. This is a significant benefit in the current environment and in particular where buildings have been identified within a local government's area in the state wide cladding audit.

Flood damage



Assets are automatically covered for flood damage under LGIS Property, not an optional extra for additional cost. We believe protection for the community's assets against flood risk is essential for 'local government with exposure.

Molestation



No sexual abuse and molestation exclusion.

Catastrophic events



Appropriate limits of protection for local government, as modelled by actuarial consultants, that are necessary if a catastrophic events occur.

Unique cover



Unique local government covers such as costs to run evacuation centres, upgrade green assets and dilapidation.

Appropriate liability



Appropriate limits of \$600M for local government liability exposures, as modelled by actuarial consultants, that is available without sublimit on significant risks such as bushfire liability.

Nil deductible



Nil deductible on all public liability claims. This removes member's burden of responsibility to seek their own legal advice and defence, including legal fees and settlement amounts.

Cover simplified



Liability protection is provided under a broad-form policy to prevent the inevitable complications arising from competing insurers (e.g. where a claim could trigger both public liability and professional indemnity covers).

Stable workers' comp



Members of the Scheme are not subject to the ongoing instability and increases of the WorkCover WA gazetted rate which has increased 42% over the past two years.

What you told us

At the beginning of 2019 we asked our members – elected members, CEO's, executives and operational staff – what we were doing well and where we can improve.

What you think about us

You gave us a score out of 5 for the following:



4/5 service quality (79% of respondents)



4/5 for success achieved (71% of respondents)



4.5/5 for trust (90% of respondents)

The importance of risk services



91% of CEO's agreed that complimentary risk services support better practices, reducing claims, ensuring sustainability of their Scheme



79% were satisfied that LGIS provides the right complimentary risk services to meet their requirements



99% of elected members rated risk management programs and services to protect their local government organisation, its people and the community as important.

Our focus to improve in 2019/20

- Increase communication with elected members
- Focus on high quality member services
- More regular visits to smaller members
- Present at more council meetings.

We help our members build better communities by containing costs, providing the best cover and helping them manage risks, through a member-owned mutual insurance model

LGIS is local governments working together:

- We make sure that our members have the best cover and if disaster strikes we get the member, and their community, back on their feet as soon as possible.
- We understand local government and we're here for the long term to share knowledge and tailor services to minimise the total cost of risk for our membership.

Contact Details

Please feel free to contact us if you have any further questions about your membership.

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2018/19 LGISWA Annual Report



Now available in the website Member Centre at lgiswa.com.au or contact your Account Manager for a hard copy.

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: LGIS Performance Surplus

RISK THEME PROFILE:

5 - Employment Practices
1 - Asset Sustainability Practices

2 - Business and Community Disruption

RISK ASSESSMENT CONTEXT: Strategic

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Dividend has not been provided for in the budget	Minor (2)	Rare (1)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Failure to comply with the conditions of the Mitigation Activity Fund Grant Agreement

RISK THEME PROFILE:

8 - Errors, Omissions and Delays

Choose an item.

RISK ASSESSMENT CONTEXT: Operational

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Failure to comply with the conditions of the Mitigation Activity Fund Grant Agreement will cause payment of grant funding to be declined resulting in financial losses.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)	Not required	Choose an item.	Choose an item.	Choose an item.
SERVICE INTERRUPTION	No risk event identified for this category.	Choose an item.	Choose an item.	Choose an item.	Not required.	Choose an item.	Choose an item.	Choose an item.
LEGAL AND COMPLIANCE	Failure to comply with the conditions of the Mitigation Activity Fund Grant Agreement will cause the termination of the agreement for default.	Catastrophic (5)	Rare (1)	Moderate (5 - 11)	Not required	Choose an item.	Choose an item.	Choose an item.
REPUTATIONAL	Failure to comply with the conditions of the Mitigation Activity Fund Grant Agreement will cause the grantor to decline future grant applications made by the Shire.	Moderate (3)	Rare (1)	Low (1 - 4)	Not required	Choose an item.	Choose an item.	Choose an item.

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire

RISK THEME PROFILE:

8 - Errors, Omissions and Delays
Choose an item.

RISK ASSESSMENT CONTEXT: Operational

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire and cause death and/or permanent disability during an emergency.	Catastrophic (5)	Almost Certain (5)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas of high bushfire risk throughout the Shire.	Minor (2)	Rare (1)	Low (1 - 4)
FINANCIAL IMPACT	Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire and impact buildings and agriculture resulting in financial losses during an emergency.	Catastrophic (5)	Almost Certain (5)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas of high bushfire risk throughout the Shire.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)
SERVICE INTERRUPTION	Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire and will impact the Shires and emergency services capacity to respond to a bushfire emergency.	Catastrophic (5)	Almost Certain (5)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas of high bushfire risk throughout the Shire.	Minor (2)	Unlikely (2)	Low (1 - 4)
LEGAL AND COMPLIANCE	Failing to accept Mitigation Activity Fund	Catastrophic (5)	Likely (4)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas	Insignificant (1)	Rare (1)	Low (1 - 4)

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
	(MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire and will cause loss and damage during an emergency resulting in prosecution.				of high bushfire risk throughout the Shire.			
REPUTATIONAL	Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire and will cause public news items in the media for failure of the Shire to be able to respond to a bushfire emergency.	Catastrophic (5)	Almost Certain (5)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas of high bushfire risk throughout the Shire.	Insignificant (1)	Rare (1)	Low (1 - 4)
ENVIRONMENT	Failing to accept Mitigation Activity Fund (MAF) Grant Funding will leave areas of high bushfire risk throughout the Shire will cause significant damage to local flora and fauna during an emergency.	Major (4)	Almost Certain (5)	Extreme (20 - 25)	Accept Mitigation Activity Fund (MAF) Grant Funding to reduce areas of high bushfire risk throughout the Shire.	Minor (2)	Possible (3)	Moderate (5 - 11)

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Failing to monitor the financial performance can increase the risk of a negative impact on the Shire's financial position. Non-compliance with legislative requirement could result if a qualified audit.

RISK THEME PROFILE: Note: Multiple risk themes can be selected. Please add more if there are not enough fields.

3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)

RISK ASSESSMENT CONTEXT: Operational

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Not monitoring ongoing financial performance would increase the risk of a negative impact on the financial position.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	Non-compliance with the legislative requirements that results in a qualified audit.	Minor (2)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Non-compliance that results in a qualified audit can lead stakeholders to question the Council's ability to manage finances effectively.	Insignificant (1)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.



Monthly Financial Report

For the Period

1 July 2019 to 31 October 2019

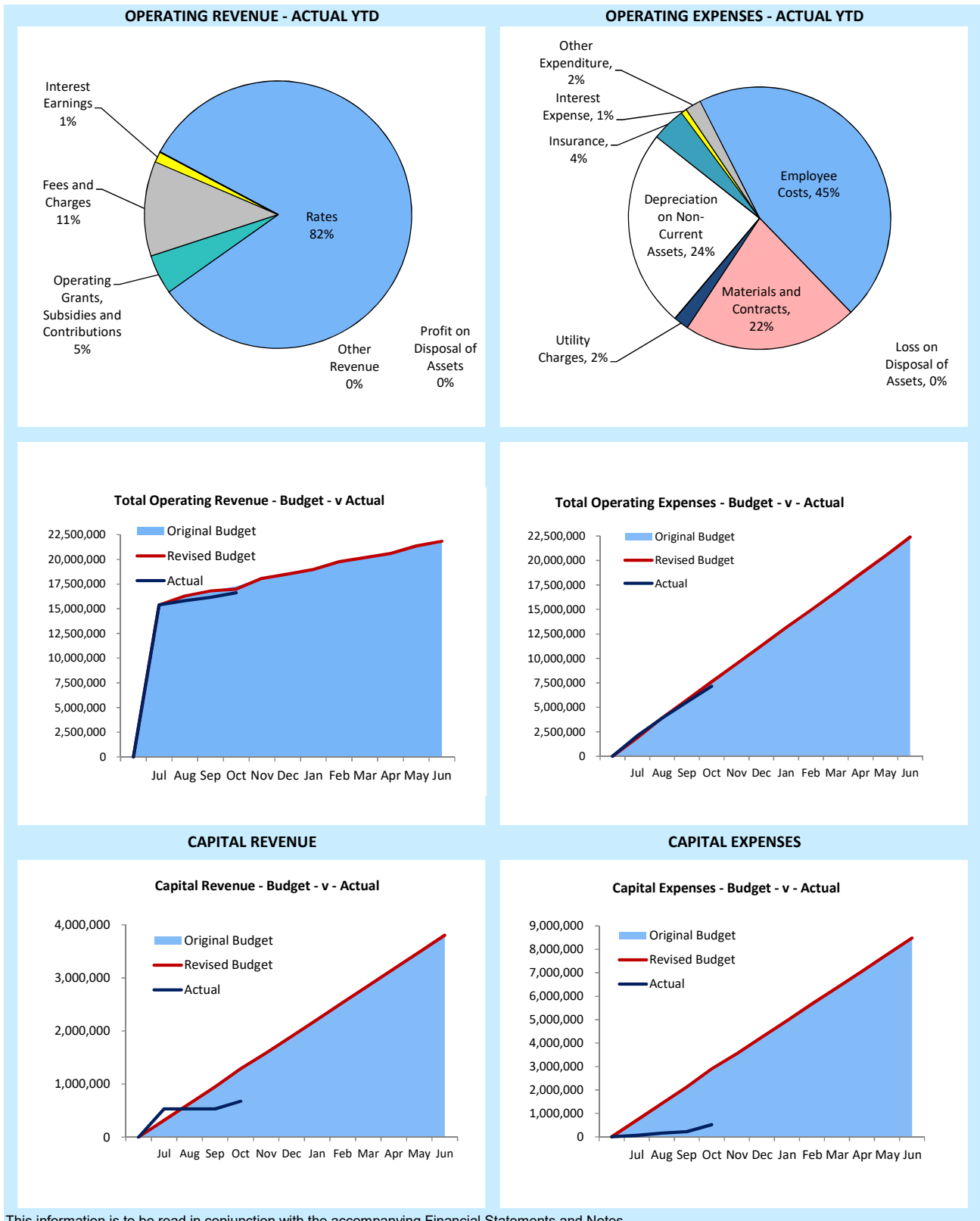
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Monthly Financial Report For the Period Ended 31 October 2019

SUMMARY GRAPHS



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



**Statement of Financial Activity by Program
For the Period Ended 31 October 2019
(Covering 4 months or 33.3% of the year)**

Sch	2019/20	2019/20	2019/20	2019/20	Variance Y-T-D	Variance Y-T-D	2019/20	2018/19	
	Adopted Budget \$	Revised Budget \$	Y-T-D Revised Budget \$	Y-T-D Actual \$	Actual to Revised Budget \$	Actual to Revised Budget %	Forecast \$	Last Year Actual \$	
OPERATING ACTIVITIES									
Revenue									
General Purpose Funding	3	15,474,534	15,474,534	13,978,424	13,835,741	(142,683)	(1.0%)	15,430,285	14,868,866
Governance	4	1,550	1,550	508	4,229	3,721	732.6%	1,550	29
Law, Order, Public Safety	5	410,591	410,591	262,517	262,055	(462)	(0.2%)	410,591	440,114
Health	7	20,150	20,150	6,712	12,785	6,073	90.5%	20,150	19,177
Education and Welfare	8	3,500	3,500	1,164	0	(1,164)	(100.0%)	3,500	13,384
Community Amenities	10	1,504,690	1,504,690	1,399,896	1,377,574	(22,322)	(1.6%)	1,504,690	1,398,292
Recreation and Culture	11	2,834,702	2,834,702	1,124,108	790,976	(333,132)	(29.6%) ▼	2,834,702	1,817,846
Transport	12	178,301	178,301	137,306	200,282	62,976	45.9% ▼	178,301	161,057
Economic Services	13	101,580	101,580	34,640	43,100	8,460	24.4%	101,580	156,340
Other Property and Services	14	1,303,007	1,303,007	434,316	91,357	(342,959)	(79.0%) ▼	1,303,007	226,367
Total Operating Revenue		21,832,605	21,832,605	17,379,591	16,618,100	(761,491)	(4.4%)	21,788,356	19,101,472
Operating Expenses									
General Purpose Funding	3	(409,569)	(409,569)	(128,880)	(123,740)	5,140	4.0%	(409,569)	(354,842)
Governance	4	(1,282,266)	(1,302,266)	(432,952)	(388,843)	44,109	10.2%	(1,317,716)	(1,026,392)
Law, Order, Public Safety	5	(1,661,176)	(1,661,176)	(553,664)	(527,589)	26,075	4.7%	(1,657,840)	(1,465,816)
Health	7	(564,913)	(564,913)	(184,377)	(187,090)	(2,713)	(1.5%)	(563,622)	(510,333)
Education and Welfare	8	(826,305)	(826,305)	(279,655)	(259,257)	20,398	7.3%	(823,544)	(754,676)
Community Amenities	10	(2,832,799)	(2,832,799)	(902,001)	(741,729)	160,272	17.8% ▲	(2,829,321)	(2,106,048)
Recreation & Culture	11	(8,160,605)	(8,160,605)	(2,815,478)	(2,590,764)	224,714	8.0%	(8,156,290)	(7,299,459)
Transport	12	(5,802,313)	(5,802,313)	(1,935,120)	(1,959,474)	(24,354)	(1.3%)	(5,802,313)	(5,707,573)
Economic Services	13	(601,073)	(601,072)	(201,434)	(186,273)	15,161	7.5%	(600,460)	(523,658)
Other Property and Services	14	(263,823)	(263,824)	(182,301)	(180,021)	2,280	1.3%	(232,124)	(460,427)
Total Operating Expenditure		(22,404,841)	(22,424,841)	(7,615,862)	(7,144,781)	471,081	6.2%	(22,392,798)	(20,209,224)
Net Operating Activities		(572,236)	(592,236)	9,763,729	9,473,319	(290,410)	3.0%	(604,443)	(1,107,752)

(continued next page)



**Statement of Financial Activity by Program
For the Period Ended 31 October 2019
(Covering 4 months or 33.3% of the year)**

	2019/20	2019/20	2019/20	2019/20	Variance Y-T-D	Variance Y-T-D	2019/20	2018/19
	Adopted	Revised	Y-T-D	Y-T-D	Actual to	Actual to	Forecast	Last Year
	Budget	Budget	Revised	Actual	Revised	Revised		Actual
	\$	\$	\$	\$	Budget	Budget	\$	\$
					\$	%		
Net Operating Activities (from previous page)	(572,236)	(592,236)	9,763,729	9,473,319	(290,410)	(3.0%)	(604,443)	(1,107,752)
ADJUSTMENTS OF NON CASH ITEMS								
(Profit)/Loss on Asset Disposals	(1,165,000)	(1,165,000)	(388,332)	0	388,332	100.0% ▲	(1,165,000)	18,870
Accruals	0	0	0	0	0	0.0%	0	(202,576)
Fair Value Adjustment to Financial Assets	0	0	0	0	0	0.0%	0	(70,068)
Contra Repayment of Prefunded Infrastructure	0	0	0	0	0	0.0%	0	0
Depreciation on Assets	5,242,750	5,242,750	1,747,564	1,747,584	20	0.0%	5,242,750	5,042,270
Adjusted Net Operating Activities	A 3,505,514	3,485,514	11,122,961	11,220,903	97,942	0.9%	3,473,307	3,680,744
INVESTING ACTIVITIES								
Revenue								
Non-operating grants, subsidies and contributions	3,804,088	3,867,292	1,289,088	676,200	(612,888)	(47.5%) ▼	3,867,292	1,874,654
Proceeds from Disposal of Assets	1,323,924	1,369,824	456,612	91	(456,521)	(100.0%) ▼	1,323,924	261,575
Total Capital Revenue	5,128,012	5,237,116	1,745,700	676,291	(1,069,409)	(61.3%)	5,191,216	2,136,229
Expenditure								
Land & Buildings	(1,148,280)	(1,156,251)	(390,699)	(73,613)	317,086	81.2% ▲	(1,156,250)	(400,830)
Infrastructure Assets - Road / Bridges / Paths	(5,405,567)	(5,421,767)	(1,817,908)	(371,887)	1,446,021	79.5% ▲	(5,421,768)	(3,788,051)
Infrastructure Assets - Parks & Gardens	(854,154)	(864,154)	(294,696)	(21,274)	273,422	92.8% ▲	(864,154)	(68,198)
Vehicles	(546,108)	(709,308)	(236,432)	(51,343)	185,089	78.3% ▲	(546,108)	(381,650)
Plant & Equipment	(26,000)	(26,000)	(8,664)	0	8,664	100.0%	(26,000)	(45,444)
Furniture & Fittings	(475,478)	(475,478)	(158,480)	0	158,480	100.0% ▲	(475,478)	(33,131)
Total Capital Expenditure	(8,455,587)	(8,652,958)	(2,906,879)	(518,116)	2,388,763	82.2%	(8,489,758)	(4,717,304)
Net Capital Activities	B (3,327,575)	(3,415,842)	(1,161,179)	158,175	1,319,354	113.6%	(3,298,542)	(2,581,075)
FINANCING ACTIVITIES								
Revenue								
Proceeds from New Loans	750,000	750,000	250,000	0	(250,000)	(100.0%) ▼	750,000	0
Self Supporting Loans - Principal Recoups	0	0	0	0	0	0.0%	0	32,936
Transfers from Reserves	6,036,256	6,124,523	2,041,830	766,612	(1,275,218)	(62.5%) ▼	6,082,776	3,969,700
Total Financing Revenue	6,786,256	6,874,523	2,291,830	766,612	(1,525,218)	66.6%	6,832,776	4,002,636
Expenditure								
Repayment of Loans	(279,748)	(279,748)	(141,821)	(148,686)	(6,865)	(4.8%)	(279,747)	(362,288)
Transfers to Reserves	(6,853,402)	(6,853,402)	(2,284,404)	(205,498)	2,078,906	91.0% ▲	(6,853,401)	(4,638,721)
Total Financing Expenditure	(7,133,150)	(7,133,150)	(2,426,225)	(354,184)	2,072,041	85.4%	(7,133,148)	(5,001,009)
Net Financing Activities	C (346,894)	(258,627)	(134,395)	412,427	546,822	406.9%	(300,372)	(998,373)
FUNDING SOURCES								
Surplus/(Deficit) July 1 B/Fwd	D 301,183	404,751	301,183	404,751	103,568	34.4% ▲	404,751	303,456
CLOSING FUNDS (A+B+C+D)	132,227	215,795	10,128,570	12,196,256	2,067,686	(20.4%)	279,144	404,751

KEY INFORMATION

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

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

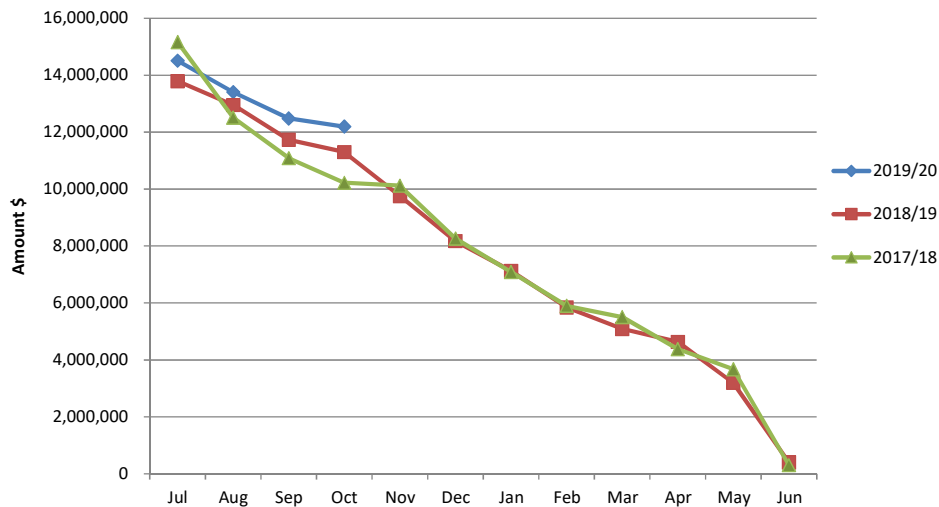
This statement to be read in conjunction with the accompanying Financial Statements and Notes



**Statement of Financial Activity by Program
For the Period Ended 31 October 2019
NET CURRENT ASSETS**

Note	Year to Date Actual 31-Oct-2019 \$	This Time Last Year 31-Oct-2018 \$	Last Year Closing 30 June 2019 \$
Represented By:			
CURRENT ASSETS			
Cash and Cash Equivalents	24,586,792	22,443,854	19,441,957
Rates Debtors Outstanding	5,754,433	5,567,089	311,495
Pensioner Rates Rebate	12,706	4,637	19,786
Sundry Debtors	185,694	88,142	200,555
Self Supporting Loan Asset	0	32,936	0
Accrued Revenue	62,729	83,596	151,597
Prepaid Expenses	0	0	22,734
Goods & Services Tax / BAS Refund	85,322	90,680	127,208
Other Receivables	79,942	1,729	0
Inventories - Materials	5,047	2,166	5,047
Inventories- Trading Stock - Recreation Centre	8,430	11,857	8,430
Current Assets	30,781,095	28,326,686	20,288,810
LESS CURRENT LIABILITIES			
Payables:			
Sundry Creditors	(60)	(62,566)	(735,312)
Other Payables	(499,006)	(473,389)	(5,069)
Municipal Bonded Liabilities	(778,860)	0	(825,867)
Prepaid Revenue - Rates / PPL	(145,802)	(100,549)	(565,248)
Accrued Interest on Debentures	(37,523)	(42,740)	(37,523)
Accrued Salaries & Wages	0	0	(25,165)
Other Accrued Expenses	0	0	(5,174)
Borrowings - Debentures	(131,062)	(144,992)	(279,748)
Provisions:			
Staff Leave Provisions	(1,272,697)	(1,190,807)	(1,272,697)
Current Liabilities	(2,865,010)	(2,015,043)	(3,751,803)
Net Current Assets	27,916,085	26,311,643	16,537,007
Less: Restricted Assets / Reserve Funds	4 (15,850,891)	(15,090,763)	(16,412,005)
Less: Self Supporting Loan Income	0	(32,936)	0
Add: Current - Borrowings	131,062	144,992	279,748
CLOSING FUNDS / NET CURRENT ASSETS (per previous page)	12,196,256	11,332,936	404,751

Liquidity Over The Year





**Statement of Comprehensive Income by Nature or Type
For the Period Ended 31 October 2019
(Covering 4 months or 33.3% of the year)**

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 Y-T-D Revised Budget \$	2019/20 Y-T-D Actual \$	Variance Y-T-D Actual to Revised Budget \$	Variance Y-T-D Actual to Revised Budget %	2019/20 Forecast \$	2018/19 Last Year Actual \$
Revenue								
Rates	13,742,181	13,742,181	13,662,684	13,695,620	32,936	(0.2%)	13,697,932	13,091,847
Grants, Subsidies & Contributions	3,234,207	3,234,207	1,166,037	797,838	(368,199)	31.6%	3,234,207	2,202,843
Fees and Charges	3,156,021	3,156,021	1,951,781	1,905,321	(46,460)	2.4%	3,156,021	3,112,535
Interest Earnings	507,656	507,656	203,872	213,698	9,826	(4.8%)	507,656	581,228
Other Revenue	27,540	27,540	6,885	5,621	(1,264)	0.0%	27,540	27,855
	<u>20,667,605</u>	<u>20,667,605</u>	<u>16,991,259</u>	<u>16,618,100</u>	<u>(373,159)</u>	<u>2.2%</u>	<u>20,623,356</u>	<u>19,016,308</u>
Expenses								
Employee Costs	(11,155,410)	(11,155,410)	(3,705,766)	(3,232,645)	473,121	12.8%	(11,095,026)	(9,793,985)
Materials and Contracts	(4,665,758)	(4,685,758)	(1,584,532)	(1,540,053)	44,479	2.8%	(4,701,208)	(4,049,538)
Utility Charges	(561,970)	(561,970)	(187,200)	(133,054)	54,146	28.9%	(561,970)	(551,434)
Depreciation on Non-current Assets	(5,242,750)	(5,242,750)	(1,747,564)	(1,747,584)	(20)	(0.0%)	(5,242,750)	(5,042,270)
Interest Expense	(113,943)	(113,943)	(49,854)	(51,435)	(1,581)	(3.2%)	(113,943)	(127,293)
Insurance	(282,982)	(282,982)	(196,800)	(300,823)	(104,023)	(52.9%)	(295,873)	(253,207)
Other	(382,028)	(382,028)	(144,106)	(139,186)	4,920	3.4%	(382,028)	(357,532)
	<u>(22,404,842)</u>	<u>(22,424,842)</u>	<u>(7,615,822)</u>	<u>(7,144,781)</u>	<u>471,041</u>	<u>6.2%</u>	<u>(22,392,798)</u>	<u>(20,175,259)</u>
Operational Surplus / (Deficit)	(1,737,237)	(1,757,237)	9,375,437	9,473,319	97,882	(1.0%)	(1,769,443)	(1,158,951)
Grants & Contributions for the Development of Assets	3,804,089	3,867,292	1,289,088	676,200	(612,888)	(47.5%)	3,867,292	1,874,654
Profit on Asset Disposals	1,165,000	1,165,000	388,332	0	(388,332)	(100.0%)	1,165,000	15,093
Loss on Asset Disposals	0	0	0	0	0	0.0%	0	(33,963)
Fair Value Adjustment to Financial Assets	0	0	0	0	0	0.0%	0	70,068
	<u>4,969,089</u>	<u>5,032,292</u>	<u>1,677,420</u>	<u>676,200</u>	<u>(1,001,220)</u>	<u>59.7%</u>	<u>5,032,292</u>	<u>1,925,852</u>
NET RESULT	3,231,852	3,275,055	11,052,857	10,149,519	(903,338)	8.2%	3,262,849	766,901
Other Comprehensive Income								
Changes on Revaluation of Non-Current Assets	0	0	0	0	0	0.0%	0	0
TOTAL COMPREHENSIVE INCOME	3,231,852	3,275,055	11,052,857	10,149,519	(903,338)	8.2%	3,262,849	766,901



Notes to the Statement of Financial Activity For the Period Ended 31 October 2019

1. STATEMENT OF OBJECTIVE

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this statement encompass the following service orientated activities/programs:

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

GOVERNANCE

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

LAW, ORDER, PUBLIC SAFETY

Supervision of various local-laws, fire prevention, emergency services and animal control.

HEALTH

Food quality and pest control, immunisation services and operation of infant health clinic.

EDUCATION AND WELFARE

Operation of senior citizens' centre, provision of assistance to pre-school facilities, playgroups and other voluntary services.
Provision of youth counselling services.

HOUSING

Aged person housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of refuse site, administration of the town planning scheme and maintenance of cemeteries.

RECREATION AND CULTURE

Provision and maintenance of halls, recreation centres, public reserves and library services.

TRANSPORT

Construction and maintenance of streets, roads, bridges; street lighting, depot maintenance.

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operations costs.



**Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019**

2. EXPLANATION OF MATERIAL VARIANCES IN THE STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM

The material variances adopted by the Shire of Dardanup for reporting in the 2019/20 year is 10% or \$50,000, whichever is the greater. All variances are between Year-to-Date Actual and Year-to-Date Revised Budget values.

	Sch	2019/20 Y-T-D Revised Budget \$	2019/20 Y-T-D Actual \$	Variance to Y-T-D Revised Budget \$	Variance to Y-T-D Revised Budget %	Timing / Permanent	Material Variance - Explanation
OPERATING ACTIVITIES							
Revenue							
General Purpose Funding	3	13,978,424	13,835,741	(142,683)	(1.0%)		
Governance	4	508	4,229	3,721	732.6%		
Law, Order, Public Safety	5	262,517	262,055	(462)	(0.2%)		
Health	7	6,712	12,785	6,073	90.5%		
Education and Welfare	8	1,164	0	(1,164)	(100.0%)		
Community Amenities	10	1,399,896	1,377,574	(22,322)	(1.6%)		
Recreation and Culture	11	1,124,108	790,976	(333,132)	(29.6%)	▼ Timing	Funds not yet received: \$333,000 contribution to parks infrastructure to be received later in the year.
Transport	12	137,306	200,282	62,976	45.9%	▲ Permanent	Developer contributions to future infrastructure works. Funds to be transferred to Reserve account.
Economic Services	13	34,640	43,100	8,460	24.4%		
Other Property and Services	14	434,316	91,357	(342,959)	(79.0%)	▼ Timing	Profit on disposal of land - sale to occur later in the year.
Total Operating Revenue		17,379,591	16,618,100	(761,491)	(4.4%)		
Operating Expenses							
General Purpose Funding	3	(128,880)	(123,740)	5,140	4.0%		
Governance	4	(432,952)	(388,843)	44,109	10.2%		
Law, Order, Public Safety	5	(553,664)	(527,589)	26,075	4.7%		
Health	7	(184,377)	(187,090)	(2,713)	(1.5%)		
Education and Welfare	8	(279,655)	(259,257)	20,398	7.3%		
Community Amenities	10	(902,001)	(741,729)	160,272	17.8%	▲ Timing	Generally lower operating costs to date - \$19,000 waste management, \$23,000 environmental projects, \$35,000 Town Planning salaries, \$35,000 WANJU consultants, \$32,000 strategic planning studies, \$18,000 public conveniences maintenance.
Recreation & Culture	11	(2,815,478)	(2,590,764)	224,714	8.0%		
Transport	12	(1,935,120)	(1,959,474)	(24,354)	(1.3%)		
Economic Services	13	(201,434)	(186,273)	15,161	7.5%		
Other Property and Services	14	(182,301)	(180,021)	2,280	1.3%		
Total Operating Expenditure		(7,615,862)	(7,144,781)	471,081	(6.2%)		
Net Operating Activities		9,763,729	9,473,319	(290,410)	(3.0%)		
ADJUSTMENTS OF NON CASH ITEMS							
(Profit)/Loss on Asset Disposals		(388,332)	0	388,332	100.0%	▲ Timing	Land disposal will occur later in the year, whereas the budget is for an even spread.
Accruals		0	0	0	0.0%		
Depreciation on Assets		1,747,564	1,747,584	20	0.0%		
Adjusted Net Operating Activities		11,122,961	11,220,903	97,942	0.9%		

(continued next page)



**Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019**

2. EXPLANATION OF MATERIAL VARIANCES IN THE STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM (continued)

	2019/20 Y-T-D Revised Budget \$	2019/20 Y-T-D Actual \$	Variance to Y-T-D Revised Budget \$	Variance to Y-T-D Revised Budget %	Timing / Permanent	Material Variance - Explanation
Adjusted Net Operating Activities (from previous p	11,122,961	11,220,903	97,942	0.9%		
INVESTING ACTIVITIES						
Revenue						
Non-operating grants, subsidies and contributions	1,289,088	676,200	(612,888)	(47.5%)	▼ Timing	Receipt of infrastructure grants are generally staged from commencement of construction to completion. Most construction not yet commenced.
Proceeds from Disposal of Assets	456,612	91	(456,521)	(100.0%)	▼ Timing	Disposals of land and vehicles have not yet occurred.
Total Capital Revenue	1,745,700	676,291	(1,069,409)	(61.3%)		
Expenditure						
Land & Buildings	(390,699)	(73,613)	317,086	81.2%	▲ Timing	Most building projects have not yet commenced construction.
Infrastructure Assets - Road / Bridges / Paths	(1,817,908)	(371,887)	1,446,021	79.5%	▲ Timing	Most road renewal and upgrade projects will be constructed in drier months.
Infrastructure Assets - Parks & Gardens	(294,696)	(21,274)	273,422	92.8%	▲ Timing	No significant projects have commenced at this reporting date.
Vehicles	(236,432)	(51,343)	185,089	78.3%	▲ Timing	Most vehicles to be acquired later in the year.
Plant & Equipment	(8,664)	0	8,664	100.0%		
Furniture & Fittings	(158,480)	0	158,480	100.0%	▲ Timing	The significant budget purchase is gymnasium equipment to be delivered in early 2020.
Total Capital Expenditure	(2,906,879)	(518,116)	2,388,763	(82.2%)		
Net Capital Activities	(1,161,179)	158,175	1,319,354	(113.6%)		
FINANCING ACTIVITIES						
Revenue						
Proceeds from New Loans	250,000	0	(250,000)	100.0%	▼ Timing	Loan to be taken out later in the year
Self Supporting Loans - Principal Reimbursement	0	0	0	0.0%		
Transfers from Reserves	2,041,830	766,612	(1,275,218)	(62.5%)	▼ Timing	Transfers from Reserves to occur at completion of specific projects or at year-end.
Total Financing Revenue	2,291,830	766,612	(1,525,218)	(66.6%)		
Expenditure						
Repayment of Loans	(141,821)	(148,686)	(6,865)	(4.8%)		
Donated Assets	0	0	0	0.0%		
Advance to community groups	0	0	0	0.0%		
Contra Repayment of Prefunded Infrastructure	0	0	0	0.0%		
Prefunded Infrastructure	0	0	0	0.0%		
Transfers to Reserves	(2,284,404)	(205,498)	2,078,906	91.0%	▲ Timing	Most transfers to Reserves will occur at year-end.
Total Financing Expenditure	(2,426,225)	(354,184)	2,072,041	(85.4%)		
Net Financing Activities	(134,395)	412,427	546,822	(406.9%)		
FUNDING SOURCES						
Surplus/(Deficit) July 1 B/Fwd	301,183	404,751	103,568	34.4%	▲ Permanent	Higher surplus from 2018/19 than anticipated at the time of budget preparation
CLOSING FUNDS (A+B+C+D)	10,128,570	12,196,256	2,067,686	20.4%		



Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

3. TRUST FUNDS

Funds held at reporting date over which the Shire has no control and which are not included in the financial statements are as follows:

NAME	BALANCE 1 JULY	RECEIPTS	INTEREST	PAYMENTS	ADJUSTMENTS (TRANSFERS)	CLOSING BALANCE
	\$	\$	\$	\$	\$	\$
Tourism WA for Ferguson Valley Project	301,800.73	0.00	0.00	0.00	0.00	301,800.73
Public Open Space	857,943.74	0.00	0.00	0.00	0.00	857,943.74
Accrued Interest	0.00	0.00	1,917.26	0.00	0.00	1,917.26
Plus: Outstanding Creditors	0.00	0.00	0.00	0.00	0.00	0.00
Less: Outstanding Debtors	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1,159,744.47	0.00	1,917.26	0.00	0.00	1,161,661.73

4. CASH BACKED RESERVES

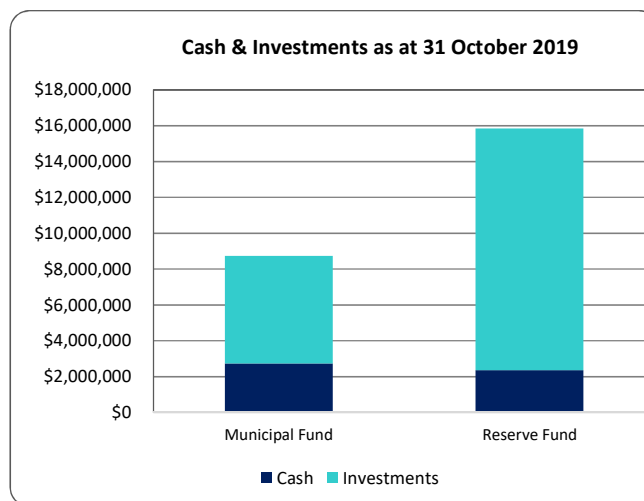
NAME	BALANCE 1 JULY	RECEIPTS	INTEREST	PAYMENTS	ADJUSTMENTS (TRANSFERS)	CLOSING BALANCE
	\$	\$	\$	\$	\$	\$
Un-Restricted						
Executive & Compliance Vehicles Reserve	364,152.78	0.00	0.00	0.00	0.00	364,152.78
Plant & Engineering Equipment Reserve	837,737.92	0.00	0.00	0.00	0.00	837,737.92
Eaton Recreation Centre - Equipment Reserve	365,346.45	0.00	0.00	0.00	0.00	365,346.45
Building Maintenance Reserve	1,620,574.64	0.00	0.00	0.00	0.00	1,620,574.64
Employee Relief Reserve	226,994.98	0.00	0.00	0.00	0.00	226,994.98
Employee Leave Entitlements Reserve	5,000.00	0.00	0.00	0.00	0.00	5,000.00
Refuse Site Environmental Works Reserve	82,960.37	0.00	0.00	0.00	0.00	82,960.37
Information Technology Reserve	406,982.52	0.00	0.00	0.00	0.00	406,982.52
Roadwork Construction & Major Maintenance Reserve	500,300.53	0.00	0.00	0.00	0.00	500,300.53
Meat Inspection Reserve	5,218.96	0.00	0.00	0.00	0.00	5,218.96
Accrued Salaries Reserve	379,359.78	0.00	0.00	0.00	0.00	379,359.78
Tourism Reserve	6,377.35	0.00	0.00	0.00	0.00	6,377.35
Recycling Education Reserve	82,334.11	0.00	0.00	0.00	0.00	82,334.11
Road Safety Programs Reserve	8,356.69	10,860.00	0.00	0.00	0.00	19,216.69
Council Land Development Reserve	20,838.59	0.00	0.00	0.00	0.00	20,838.59
Carried Forward Projects Reserve	2,968,519.73	0.00	0.00	0.00	0.00	2,968,519.73
Election Expenses Reserve	23,487.06	0.00	0.00	0.00	0.00	23,487.06
Town Planning Consultancy Reserve	91,740.47	0.00	0.00	0.00	0.00	91,740.47
Parks & Reserves Upgrades Reserve	549,702.69	0.00	0.00	0.00	0.00	549,702.69
Strategic Planning Studies Reserve	218,946.93	0.00	0.00	0.00	0.00	218,946.93
Pathways Reserve	164,161.78	0.00	0.00	0.00	0.00	164,161.78
Asset / Rates Revaluation Reserve	292,877.18	0.00	0.00	0.00	0.00	292,877.18
Refuse & Recycling Bin Replacement Reserve	54,075.81	0.00	0.00	0.00	0.00	54,075.81
Sale of Land Reserve	2,303,942.18	0.00	0.00	0.00	0.00	2,303,942.18
Emergency Services Reserve	10,306.48	0.00	0.00	0.00	0.00	10,306.48
Small Plant & Equipment Reserve	15,261.45	0.00	0.00	0.00	0.00	15,261.45
Storm Water Reserve	101,082.19	0.00	0.00	0.00	0.00	101,082.19
	11,706,639.62	10,860.00	0.00	0.00	0.00	11,717,499.62
Restricted						
Contribution to Works Reserve	601,543.28	62,768.69	0.00	0.00	0.00	664,311.97
Eaton Drive - Access Construction Reserve	153,212.42	0.00	0.00	0.00	0.00	153,212.42
Eaton Drive - Scheme Construction Reserve	904,633.29	0.00	0.00	0.00	0.00	904,633.29
Fire Control Reserve	1,108.89	0.00	0.00	0.00	0.00	1,108.89
Collie River (Eaton Drive) Bridge Construction Reserve	1,548,013.31	0.00	0.00	0.00	0.00	1,548,013.31
Unspent Grants Reserve	1,308,820.17	0.00	0.00	766,611.75	0.00	542,208.42
Swimming Pool Inspection Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Unspent Specified Area Rate - Bulk Waste Collection Reserve	79,770.43	0.00	0.00	0.00	0.00	79,770.43
Unspent Specified Area Rate - Eaton Landscaping Reserve	67,486.00	0.00	0.00	0.00	0.00	67,486.00
Wanju Developer Contribution Plan Unspent Loan Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Dardanup Developer Contribution Scheme - Dardanup Community Centre Reserve	7,317.22	0.00	0.00	0.00	0.00	7,317.22
Dardanup Developer Contribution Scheme - Community Centre Design Reserve	1,126.10	0.00	0.00	0.00	0.00	1,126.10
Dardanup Developer Contribution Scheme - Dardanup Public Library Reserve	4,356.65	0.00	0.00	0.00	0.00	4,356.65
Dardanup Developer Contribution Scheme - Wells Park Hard Courts Reserve	4,089.36	0.00	0.00	0.00	0.00	4,089.36
Dardanup Developer Contribution Scheme - Wells Park Clubroom Reserve	9,725.94	0.00	0.00	0.00	0.00	9,725.94
Dardanup Developer Contribution Scheme - Wells Park Clubrooms Design Reserve	1,282.14	0.00	0.00	0.00	0.00	1,282.14
Dardanup Developer Contribution Scheme - Wells Park Car Park Reserve	12,880.03	0.00	0.00	0.00	0.00	12,880.03
Dardanup Expansion Developer Contribution Plan Reserve	0.00	0.00	0.00	0.00	0.00	0.00
	4,705,365.23	62,768.69	0.00	766,611.75	0.00	4,001,522.17
Interest	0.00	0.00	131,869.62	0.00	0.00	131,869.62
Less: Outstanding Debtors	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	16,412,004.85	73,628.69	131,869.62	766,611.75	0.00	15,850,891.41



Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

5. STATEMENT OF INVESTMENTS

BANK	TYPE	AMOUNT	RATE	DAYS	FROM	MATURING	ESTIMATED INTEREST	INTEREST CREDITED 2019-2020
MUNICIPAL FUND								
Westpac / CBA	Municipal Fund Bank Account	\$ 2,732,039.60	0.40%			N/A	\$910.68	\$493.11
CBA	Term Deposit	\$ 1,000,000.00	1.59%	151	26-Sep-19	24-Feb-20	\$6,577.81	\$0.00
CBA	Term Deposit	\$ 1,000,000.00	1.59%	180	26-Sep-19	24-Mar-20	\$7,841.10	\$0.00
NAB	Term Deposit	\$ 1,000,000.00	1.68%	103	26-Sep-19	7-Jan-20	\$4,740.82	\$0.00
NAB	Term Deposit	\$ 1,000,000.00	1.68%	120	26-Sep-19	24-Jan-20	\$5,523.29	\$0.00
Macquarie	Term Deposit	\$ 1,000,000.00	1.70%	103	27-Sep-19	8-Jan-20	\$4,797.26	\$0.00
Macquarie	Term Deposit	\$ 1,000,000.00	1.70%	182	27-Sep-19	27-Mar-20	\$8,476.71	\$0.00
		<u>\$ 8,732,039.60</u>					<u>\$38,867.67</u>	<u>\$493.11</u>
TRUST FUND								
Westpac	Trust Fund Bank Account	\$ 1,161,661.73				N/A	\$0.00	\$300.25
		<u>\$ 1,161,661.73</u>					<u>\$0.00</u>	<u>\$300.25</u>
RESERVE FUND								
Westpac	Reserve Bank Account	\$ 2,350,891.41				N/A	\$0.00	\$615.35
Westpac	Coupon Select Deposit (Tailored Deposit)	\$ 5,000,000.00	2.94%	1098	22-Aug-17	24-Aug-20	\$445,485.16	\$37,052.05
Members Equity	Term Deposit	\$ 1,100,000.00	1.65%	274	26-Sep-19	26-Jun-20	\$13,990.28	\$29,496.49
AMP	Term Deposit	\$ 1,900,000.00	2.20%	188	25-Jul-19	29-Jan-20	\$21,529.86	\$33,271.23
NAB	Term Deposit	\$ 1,500,000.00	1.76%	184	12-Aug-19	12-Feb-20	\$13,308.49	\$0.00
NAB	Term Deposit	\$ 1,000,000.00	1.68%	103	26-Sep-19	7-Jan-20	\$4,740.82	\$0.00
NAB	Term Deposit	\$ 1,000,000.00	1.67%	180	26-Sep-19	24-Mar-20	\$8,235.62	\$0.00
NAB	Term Deposit	\$ 1,000,000.00	1.62%	270	26-Sep-19	22-Jun-20	\$11,983.56	\$0.00
Macquarie	Term Deposit	\$ 1,000,000.00	1.70%	182	27-Sep-19	27-Mar-20	\$8,476.71	\$0.00
		<u>\$ 15,850,891.41</u>					<u>\$494,313.80</u>	<u>\$100,435.12</u>
Total Interest Received								<u><u>\$101,228.48</u></u>





Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

5. STATEMENT OF INVESTMENTS (continued)

Total Funds Invested

Total Funds Invested as at Reporting Date -

Municipal Fund Investment Portfolio	\$ 6,000,000.00
Trust Fund Investment Portfolio	\$ -
Reserve Fund Investment Portfolio	\$ 13,500,000.00
	<u>\$ 19,500,000.00</u>

Investment Policy - Portfolio Risk Exposure

Council's investment policy provides a framework to manage the risks associated with financial investments.

Portfolio - Terms of Maturity

Limits are placed on the term to maturity thereby reducing the impact of any significant change in interest rate markets and to provide liquidity.

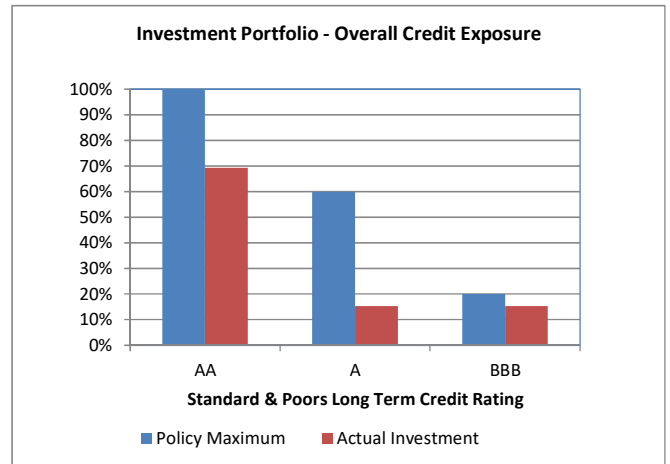
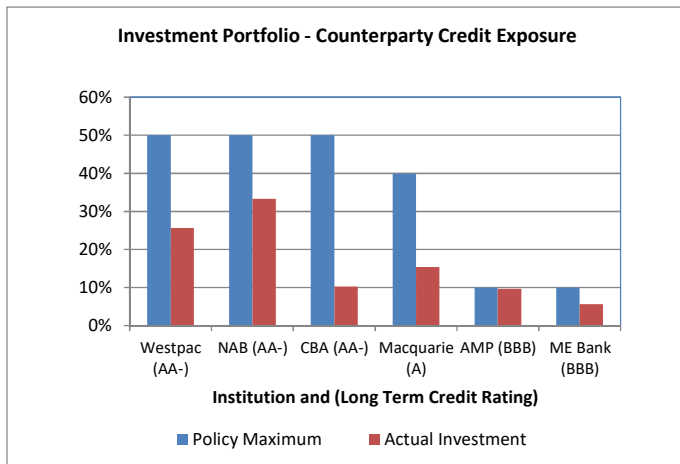
Counterparty Credit Exposure

Exposure to an individual authorised deposit-taking institution (ADI) counterparty will be restricted by their credit rating so that single entity exposure is limited.

Overall Credit Exposure

To control the credit quality on the entire portfolio, limits are placed on the percentage exposed to any particular credit rating category.

The following charts demonstrate the current portfolio diversity and risk compliance with the policy framework.



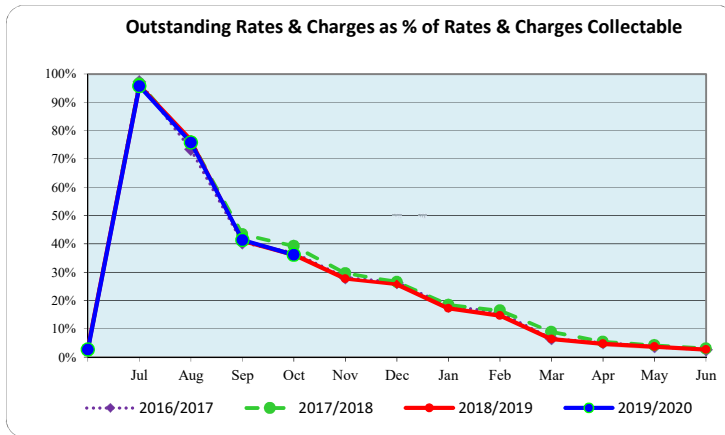


Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

6. Accounts Receivable as at 31 October 2019

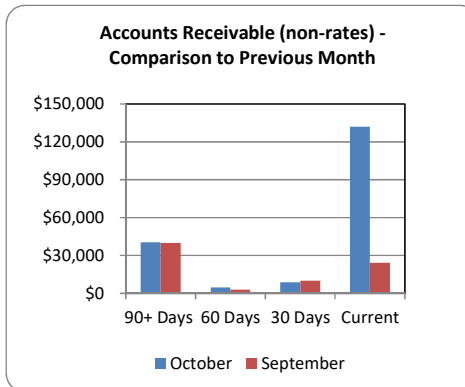
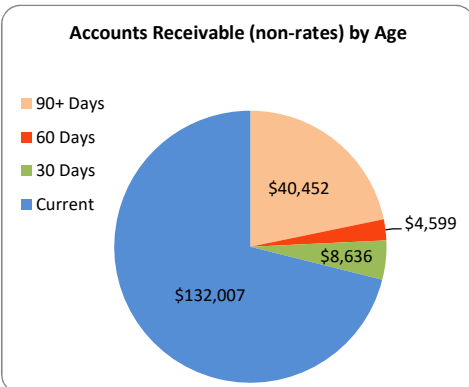
Rates and Charges Outstanding

2019/20 annual rates were raised on 17 July 2019 and were due for payment by 12 September 2019. For ratepayers paying by the four instalment option, the second instalment is due on 14 November 2019. As at the reporting date, total outstanding rates and charges (including pensioner deferred rates) is \$5,866,336. This equates to 36.15% of rates and charges collectable and is at a similar ratio to recent years. It is the objective of management to achieve less than 4% of rates and charges outstanding by 30 June.



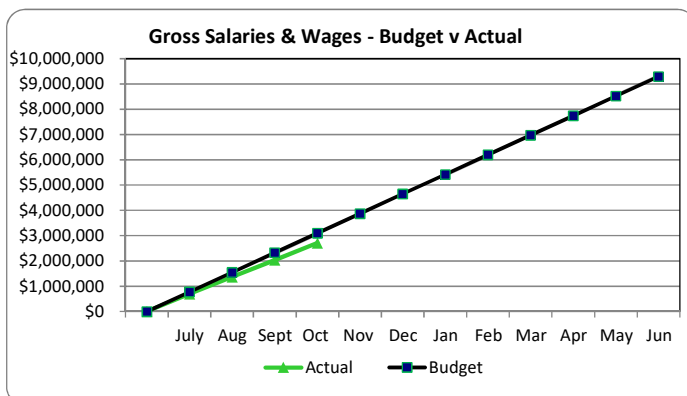
Sundry Debtors Outstanding (non-rates)

As at the reporting date, the total outstanding Sundry Debtors amount to \$185,694. Significant invoices raised in October 2019 were for contributions by participating Councils to the operating cost of the shared Library Management System (total \$107,868).



7. Salaries and Wages to 31 October 2019

At the reporting date, total salaries and wages expenditure is \$2,711,710 (29.2% of the annual budget of \$9,294,886 for the 2019/20 financial year).





Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

8 RATING INFORMATION

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2019/20 Actual total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$
<u>Differential general rate or general rate</u>										
Gross rental valuations										
General Rates - GRV: Residential	0.100662	3,085	55,836,980	5,620,662	0	0	5,620,662	5,620,662	5,309,324	5,309,324
General Rates - GRV: Commercial	0.100662	54	13,605,420	1,369,549	0	0	1,369,549	1,369,549	1,315,359	1,315,359
General Rates - GRV: Industrial	0.100662	65	7,529,898	757,975	0	0	757,975	757,975	727,562	727,562
General Rates - GRV: Small Holding	0.100662	360	8,010,860	806,389	0	0	806,389	806,389	761,329	761,329
General Rates - GRV: Interim and Back Rates	0.100662	0	0	0	124,249	0	124,249	70,915	85,991	230,000
Unimproved valuations										
General Rates - UV: Broad Acre Rural	0.006259	488	273,051,000	1,709,026	0	0	1,709,026	1,709,026	1,644,349	1,644,349
General Rates - UV: Mining	0.006259	0	0	0	0	0	0	0	0	0
General Rates - UV: Interim and Back Rates	0.006259	0	0	0	0	0	0	0	0	0
Sub-Totals		4,052	358,034,158	10,263,601	124,249	0	10,387,850	10,334,516	9,843,914	9,987,923
Minimum										
Minimum payment										
\$										
Gross rental valuations										
General Rates - GRV: Residential	1,547.50	1,662	21,419,776	2,571,945	0	0	2,571,945	2,571,945	2,484,960	2,484,960
General Rates - GRV: Commercial	1,547.50	7	61,400	10,833	0	0	10,833	10,833	10,416	10,416
General Rates - GRV: Industrial	1,547.50	52	629,150	80,470	0	0	80,470	80,470	77,376	77,376
General Rates - GRV: Small Holding	1,547.50	72	607,980	111,420	0	0	111,420	111,420	104,160	104,160
General Rates - GRV: Interim and Back Rates	1,547.50	0	0	0	0	0	0	0	0	0
Unimproved valuations										
General Rates - UV: Broad Acre Rural	1,547.50	135	20,540,600	208,913	0	0	208,913	208,913	191,952	191,952
General Rates - UV: Mining	1,547.50	20	372,699	30,950	0	0	30,950	30,950	29,759	29,759
General Rates - UV: Interim and Back Rates	1,547.50	0	0	0	0	0	0	0	0	0
Sub-Totals		1,948	43,631,605	3,014,531	0	0	3,014,531	3,014,531	2,898,623	2,898,623
		6,000	401,665,763	13,278,132	124,249	0	13,402,381	13,349,047	12,742,537	12,886,546
Discounts/concessions							(5,000)	(379)	(19,775)	(5,000)
Total amount raised from general rates							13,397,381	13,348,668	12,722,762	12,881,546
Specified area rates							344,800	346,952	351,801	349,178
Total rates							13,742,181	13,695,620	13,074,563	13,230,724



Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019

9. INFORMATION ON BORROWINGS

Debenture Repayments

Particulars	Loan No.	Principal	New		Principal		Interest		Principal	
		Opening Balance 01 July 2019	Actual 2019/20	Budget 2019/20	Actual 2019/20	Budget 2019/20	Actual 2019/20	Budget 2019/20	Actual 30 June 2020	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Community Amenities										
Wanju/Waterloo Industrial Park Developer Contribution Plans	New	0	0	750,000	0	0	0	0	0	750,000
Recreation and Culture										
Eaton Recreation Centre	59	363,773	0	0	40,930	83,083	10,677	22,423	322,843	280,690
Eaton Recreation Centre Extensions	63	21,440	0	0	10,562	21,440	640	1,146	10,878	(0)
Fitness Equipment	68	21,070	0	0	21,070	21,070	348	413	(0)	(0)
Glen Huon Oval Club Rooms	69	1,005,108	0	0	19,630	39,638	19,298	45,072	985,478	965,470
Transport										
Depot Land	66	559,417	0	0	27,873	56,313	11,384	25,841	531,544	503,104
Economic Services										
Gravel Pit Land - Panizza Road	61	113,015	0	0	11,059	22,466	3,498	7,381	101,956	90,550
Other Property and Services										
Administration Building Extensions	65	159,042	0	0	17,561	35,739	5,590	11,667	141,481	123,303
		2,242,865	0	750,000	148,686	279,748	51,435	113,943	2,094,179	2,713,117

All debenture repayments were financed by general purpose revenue.



**Notes to the Statement of Financial Activity
For the Period Ended 31 October 2019**

10 BUDGET AMENDMENTS

Amendments to the original budget since budget adoption. Surplus/(Deficit)

GL/JOB Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Available Cash \$	Decrease in Available Cash \$	Revised Budget Running Balance \$
	Budget Adoption		Opening Surplus				132,227
	Permanent Changes						
	Opening surplus adjustment				103,568		235,795
J12596	2019/20 Upgrade of Gravel Pit East Road	26/06/19 - 178-19	Capital Expense			(16,200)	219,595
1241002	Transfer from Reserve - Road Construction Reserve	26/06/19 - 178-19	Capital Revenue		16,200		235,795
J11712	Ferguson Hall	17/07/19 - 235-19	Capital Expense			(7,971)	227,824
1241010	Transfer from Reserve - Carried Forward Projects Reserve	17/07/19 - 235-19	Capital Revenue		7,971		235,795
J11640	Depiazzi Park	17/07/19 - 228-19	Capital Expense			(10,000)	225,795
1143001	Transfer from Reserve - Parks & Reserves Upgrades Reserve	17/07/19 - 228-19	Capital Revenue		10,000		235,795
J11636	Ferguson Valley Marketing for mobile visitor centre van.	14/08/19 - 238-19	Operating Expense			(25,000)	210,795
J11636	Gnomesville master plan	14/08/19 - 238-19	Capital Expense		25,000		235,795
1221505	Grant Revenue - Roads to Recovery	25/09/19 - 277-19	Capital Revenue		63,204		298,999
1241002	Transfer from Reserve - Road Construction Reserve	25/09/19 - 277-19	Reserve Transfer			(63,204)	235,795
0412506	Sundry Consultants - Other Governance	25/09/19 - 286-19	Operating Expense			(20,000)	215,795
J12597	Road safety treatments - Hamilton Road and Recreation Drive	16/10/2019 - 294-19	Capital Expense			(4,200)	211,595
1241002	Transfer from Reserve - Road Construction Reserve	16/10/2019 - 294-19	Capital Revenue		4,200		215,795
1036002	Changeover Vehicle DA004 - Mgr Development Services	16/10/2019 - 296-19	Capital Expense			(45,900)	169,895
1432001	Changeover Vehicle DA9668 - Mgr Information Services	16/10/2019 - 296-19	Capital Expense			(45,900)	123,995
1036002	New Vehicle - Director Sustainable Development	16/10/2019 - 296-19	Capital Expense			(71,400)	52,595
1046001	Sale of Vehicle - Town Planning	16/10/2019 - 296-19	Capital Revenue		22,950		75,545
1442003	Sale of Vehicle - Administration O/H	16/10/2019 - 296-19	Capital Revenue		22,950		98,495
1444007	Transfer from Reserve - Executive & Compliance Vehicles		Capital Revenue		117,300		215,795
					162,739	(59,171)	

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Failing to monitor the financial performance can increase the risk of a negative impact on the Shire's financial position. Non compliance with legislative requirement could result if a qualified audit.

RISK THEME PROFILE:

3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)

Choose an item.

RISK ASSESSMENT CONTEXT: Operational

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Not monitoring ongoing financial performance would increase the risk of a negative impact on the financial position.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	Non compliance with the legislative requirements that results in a qualified audit.	Minor (2)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Non compliance that results in a qualified audit can lead stakeholders to question the Council's ability to manage finances effectively.	Insignificant (1)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.



MEMORANDUM OF UNDERSTANDING

Between

City of Bunbury

And

**Bunbury Wellington Group of Councils, South West Development Commission,
and Australia's South West**

IMPLEMENTATION OF THE BUNBURY WELLINGTON AND BOYUP BROOK REGIONAL TOURISM STRATEGY

1. Introduction

The City of Bunbury (hereinafter "the City") has agreed to undertake the implementation of the Bunbury Wellington and Boyup Brook Regional Tourism Strategy ("the Strategy") on behalf of the Bunbury Wellington Group of Councils ("the BWGC") comprising Shire of Harvey, Shire of Capel, Shire of Collie, Shire of Dardanup, Shire of Donny-Brook Balingup, and Shire of Boyup Brook for a period of three (3) years, in accordance with the terms and conditions contained in this Memorandum of Understanding ("the/this Memorandum").

The purpose of the Strategy is to create a unified approach to the management of tourism development, marketing and infrastructure. The strategy was developed by a Steering Committee comprising the BWGoC, South West Development Commission ("SWDC"), Australia's South West ("ASW"), Tourism Western Australia, and Regional Development Australia.

The Strategy includes a Regional Action Plan and Regional Marketing Plan outlining key areas of focus and their priority over a five-year period and focus on the following areas:

- Identifying tourism opportunities, priorities and gaps
- Developing a unified tourism brand for the region
- Marketing, governance and product development
- Identifying infrastructure and product priorities.

After the initial agreed period of three (3) years, the responsibilities and management of regional tourism will be transitioned to an independent body or corporation to be determined in the course of the term of the Memorandum.

2. Responsibilities of the City

On an annual basis the City will:-

- I. Commit to a regional approach to tourism to progress the aims and focus areas detailed in the Strategy and related Regional Action Plan and Regional Marketing Plan.

(Appendix 12.21A)

- II. Employ a Regional Tourism Marketing and Development Manager on a fixed three (3) year contract. The salary will be up to \$120,000 inclusive of all staff on costs, ancillaries, provision of a vehicle and funded as outlined under item 3.
- III. Provide office accommodation and associated equipment for the Regional Tourism Marketing and Development Manager at its Administration Building located at 4 Stephen Street, Bunbury WA 6230.
- IV. Contribute \$100,000 to fund marketing campaigns, tools, collateral, workshops, and other activities required to meet the high priority actions set out in the Regional Action Plan and Regional Marketing Plan.
- V. Seek additional funding in the form of grants and other contributions from private sector as appropriate.

3. Funding

The following cash contributions are to be paid to the City annually for a period of three (3) years toward the salary, on costs and vehicle of the Regional Tourism Marketing and Development Manager:

- I. The Shire of Boyup Brook agrees to pay a contribution of \$2,000.
- II. The Shire of Capel agrees to pay a contribution of \$10,000.
- III. The Shire of Collie agrees to pay a contribution of \$5,000.
- IV. The Shire of Dardanup agrees to pay a contribution of \$10,000.
- V. The Shire of Donnybrook Balingup agrees to pay a contribution of \$5,000.
- VI. The Shire of Harvey agrees to pay a contribution of \$10,000.

4. Role of the Regional Tourism Marketing and Development Manager

The role of the Regional Tourism Marketing and Development Manager is as follows:-

- I. To develop and action an annual implementation plan to address the high priority areas in the Regional Action Plan and Regional Marketing Plan under direction of the Steering Committee.
- II. To provide a quarterly report on progress against the implementation plan to the Steering Committee, SWDC, and ASW.
- III. To include the brand developed as part of the Greater Bunbury Regional Growth Plan to regional tourism initiatives.
- IV. To identify potential sources of funding and, where appropriate, assist with the development of business planning and feasibility studies for Local Government infrastructure projects specifically relating to tourism and in accordance with the Regional Action Plan.
- V. To develop relationships and open dialogue with relevant Government agencies, associations, operators and stakeholders to progress collaborative high priority actions in the Regional Action Plan and Regional Marketing Plan.
- VI. Within the agreed period establish a governance model that will see regional tourism transitioned to an independent body or corporation at the conclusion of the Memorandum.
- VII. To engage with tourism industry stakeholders to build support and buy-in, to guide the implementation of the Strategy, and to inform the development and implementation of a governance model.
- VIII. To notify the BWGC of any identified or perceived issues such that would impact the implementation of the Strategy.

5. Responsibilities of the individual Local Governments within the BWGC

The individual Local Governments within the BWGC will:-

- I. Contribute financially for a three (3) year period as specified in part 3 above.
- II. Nominate a primary point of contact for matters relating to regional tourism.
- III. Share with the City available knowledge, documentation and stakeholder contacts relevant to tourism within their relevant Shire.
- IV. Be actively involved in meetings, forums, workshops and other activities as required.
- V. Promote to industry stakeholders the benefits of the Strategy and regional approach to build industry support and positive relationships.

6. Responsibilities of the South West Development Commission

- I. Contribute \$20,000 annually for a period of three (3) years toward the assessment, design or development of infrastructure related activities and products in accordance with the Regional Action Plan. Noting that funding will be subject to an annual review and approval by the Commission's Board.
- II. Nominate a primary point of contact for matters relating to regional tourism.
- III. If required, be involved with meetings, forums, workshops and other activities related to regional tourism.
- IV. Funding is provided on a co-operative basis for development related projects and activities.
- V. Where appropriate, collaborate with, assist and support the City and the BWGC in the implementation of the Strategy, Regional Action Plan and Regional Marketing Plan.

7. Responsibilities of Australia's South West

- I. Contribute \$10,000 annually for a period of three (3) years, on the following conditions:
 - a) Funding is subject to annual board approval of the ASW budget and Tourism Western Australia funding;
 - b) Funding is to support a marketing campaign to promote tourism in and to the Geographe sub-region,
 - c) The marketing campaign is to be run and managed by ASW with input from industry stakeholders;
 - d) Funding is subject to matching co-operative buy-in.
- II. Nominate a primary point of contact for matters relating to regional tourism.
- III. If required, be involved with meetings, forums, workshops and other activities related to regional tourism.
- IV. Where appropriate, collaborate with and support, assist the City in the implementation of the Strategy, Regional Action Plan and Regional Marketing Plan.

8. Tenure

- I. This Agreement shall commence on the 12 day of Dec 2016.
- II. The Memorandum shall be effective for a period of three (3) years, terminating on the 12 day of Dec 2019.

9. Documents forming part of this Memorandum

- I. Bunbury Wellington and Boyup Brook Regional Tourism Development Regional Action Plan.
- II. Bunbury Wellington and Boyup Brook Regional Tourism Development Regional Marketing Plan.
- III. Draft project budget 2016-2019

10. Governance Structure

- I. A Steering Committee will be established, comprising the Bunbury Wellington Group of Council Chief Executive Officers (or nominated representatives) to provide oversight and direction to the Regional Tourism Marketing and Development Manager.
- II. The Steering Committee will be responsible for confirming the priority areas for implementation and review of progress on a quarterly basis.
- III. The day to day administrative and logistical arrangements will be the responsibility of the City of Bunbury.

Signatures

I have read the above Memorandum of Understanding and agree to the terms and conditions of use set out above.

Signed 12/12/2016



Andrew Bried

(print full name designation)
For: CITY OF BUNBURY

Signed 12/12/2016



BEN ROSE

(print full name designation)
For: SHIRE OF DONNYBROOK-BALWGLUP

(Appendix 12.21A)

Signed 12/12/2016



MARK CAVESTER

(print full name designation)

For: SHIRE OF DARDANUP

Signed 12/12/2016



MICHAEL PARKER

(print full name designation)

For: SHIRE OF HARVEY

Signed 12/12/2016



PAUL SHEEDY

(print full name designation)

For: SHIRE OF CAPEL

Signed 12/12/2016



ALAN LAMB

(print full name designation)

For: SHIRE OF BOYUP-BROOK

Signed 12/12/2016



DAVID BLANTON

(print full name designation)

For: SHIRE OF COLLIE

Signed 12/12/2016



CATRIN ALLSOP

(print full name designation)

For: AUSTRALIA'S SOUTH WEST

Signed 14/12/2016



Anna Oades

(print full name designation)

For: SOUTH WEST DEVELOPMENT
COMMISSION

Signed / / 2016

(print full name designation)

For:

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Bunbury Geographe Tourism Partnership Memorandum of Understanding

RISK THEME PROFILE:

6 - Engagement Practices

13 - Project/Change Management

4 - Document Management Processes

RISK ASSESSMENT CONTEXT: Project

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	By not agreeing to extend the MOU it could cause the perception that the Shire of Dardanup is not supportive of a joint tourism/marketing initiative for the region.	Moderate (3)	Possible (3)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.



Protecting your community together

INFORMATION FOR ELECTED MEMBERS

LGIS is your self-insurance Scheme. It's WA local governments working together to protect their organisations and communities. All WALGA member councils have chosen to be part of the LGIS mutual risk scheme.

LGIS was born from necessity, when the commercial insurance market withdrew cover or charged exorbitant premiums.

Through their association, WALGA, WA local governments banded together to protect themselves making sure that they would always have access to appropriate, affordable and sustainable protection. The reasons LGIS was formed still exist today – confirming that the mutual insurance Scheme (LGISWA) remains the best option to protect WA local governments.

As the protection partner of choice for WA local governments, we understand the complexity of the sector like no other – we know that cover is only the beginning. We care about our members and work together to provide cover, claims and risk management services to ensure peace of mind, so that they know that everything they need covered is considered.

Since inception our services have grown to provide members with a range of risk services to meet the needs of modern local governments. We work together to manage risks and drive down claims – protecting the Scheme, containing contribution costs, and ensuring the sustainable protection of the WA local government sector.

Unlike traditional insurance, the Scheme is an alternative financial product, established under a Trust Deed, allowing like-minded organisations to pool together, managing their risks. The trust arrangement means that it's jointly owned by all the participating councils across WA.



For over two decades, we have stood by our West Australian local government members through thick and thin, working together to ensure the ongoing protection and vibrancy of local communities.

There are plenty of benefits to members from working together as part of LGISWA including:

- ▶ Covers specifically designed for WA local government that accurately and adequately reflect risk exposures and cannot be replicated.
- ▶ Risk management services that are focused on driving down events/claims that force up the costs of cover.
- ▶ Balancing the cost of risk over time even in the face of adverse claims outcomes.
- ▶ Mitigating price volatility driven by cyclical hard or soft insurance market conditions across the globe.
- ▶ Investment earnings retained in the members' fund.
- ▶ Group covers that individual local governments can't always afford, such as pollution risks.
- ▶ WA based local government experts provide members with a tailored, personalised service.
- ▶ Surplus funds returned to participating members, and not into the 'pockets' of insurance company shareholders.

What does the Scheme protect?

The Scheme (LGISWA) provides discretionary protection through four portfolios as outlined below. LGIS Insurance Broking (LGISIB) provides brokered cover for any risk exposures that fall outside of the four Scheme portfolios.



WorkCare

Our workers' compensation portfolio supports your people who are injured while carrying out their duties. We take a holistic approach with claims consultants working closely with human risk, injury management and injury prevention specialists to get your people back to work.



Liability

Liability provides members with protection against civil liability exposures. A civil liability may occur where your local government owes a person/entity a duty of care and this duty is breached causing injury or loss. The liability policy is structured into three areas: public liability, product liability, and professional indemnity.



Property

Provides protection for members' property assets, stock, plant and machinery, computers and electronic equipment; and consequential loss. Cover has been tailored to protect members from the financial implications of high excesses, by expansion of cover and removal of standard sub-limits along with increased flexibility in managing claims.



Bushfire Volunteer Personal Accident

We protect your valued bushfire volunteers in the event that they are injured while carrying out normal brigade activities as required by legislation.

Scheme risk services – its part of your membership

As the protection partner of choice for WA local governments, we understand the complexity of the sector like no other – we know that cover is only the beginning.

Since inception our services have grown to provide members with a range of risk services which meet the needs of modern local governments. We work together to manage risks and drive down claims – protecting the Scheme, containing contribution costs, and ensuring the sustainable protection of the WA local government sector.

We provide a variety of risk management services, which are all included as part of membership.



Protecting your community

- ▶ Professional risks
- ▶ Liability and property risk management
- ▶ Managing emergencies
- ▶ Event risk management
- ▶ Aquatic risk management



Serving your community

- ▶ Organisational risk management
- ▶ Business continuity management



Protecting your people

- ▶ Occupational safety and health
- ▶ Human resources risk management
- ▶ Injury prevention
- ▶ Injury management
- ▶ Health and wellbeing program

Elected member protection

Local government wouldn't work without the dedication of elected members who care passionately about building better communities. At LGIS we believe that elected members should be protected while carrying out their official duty; that's why we provide the following cover to all elected members.

Motor vehicle

Where you are using your private vehicle for the benefit of the council, you will be covered by the local governments' motor vehicle policy for damage and your liability.

Travel

You are covered for travel during your time as a councillor on council business trips, including cover for expenses for overseas medical treatment, emergency medical evacuation, flight cancellation, lost baggage and personal effects.

Personal property

LGIS Property extends cover for damage/loss to your personal property whilst undertaking official duties.

Personal injury

The personal accident policy provides lump sum payment for permanent injury, weekly wage replacement for temporary disablement, non-Medicare medical expenses, and some out of pocket expenses following an accidental bodily injury

Liability protection

If you damage third party property or cause injury to a third party the local government's LGIS Liability Protection policy will respond to protect your legal liabilities arising from duties as a councillor.

Councillor's liability

Councillor's Liability provided in respect to claims for alleged wrongful acts arising out of your official duties. This includes a complimentary legal helpline for related matters before a claim arises.



Local claims management

Our WA based claims team specialise in local government. Every member has a dedicated claims consultant who handles every claim from beginning to end.

They understand your local government’s claims history and provide insight on trends and the best approach to handling claims.

Our claims team across the WorkCare, Liability, Property and Bushfire Volunteer portfolios provide your local government with more than just claims management. Claims consultants attend mediations, court, provide coronial inquest support, share lessons across WA local government and provide training for local government staff.

The LGISWA and WALGA Relationship

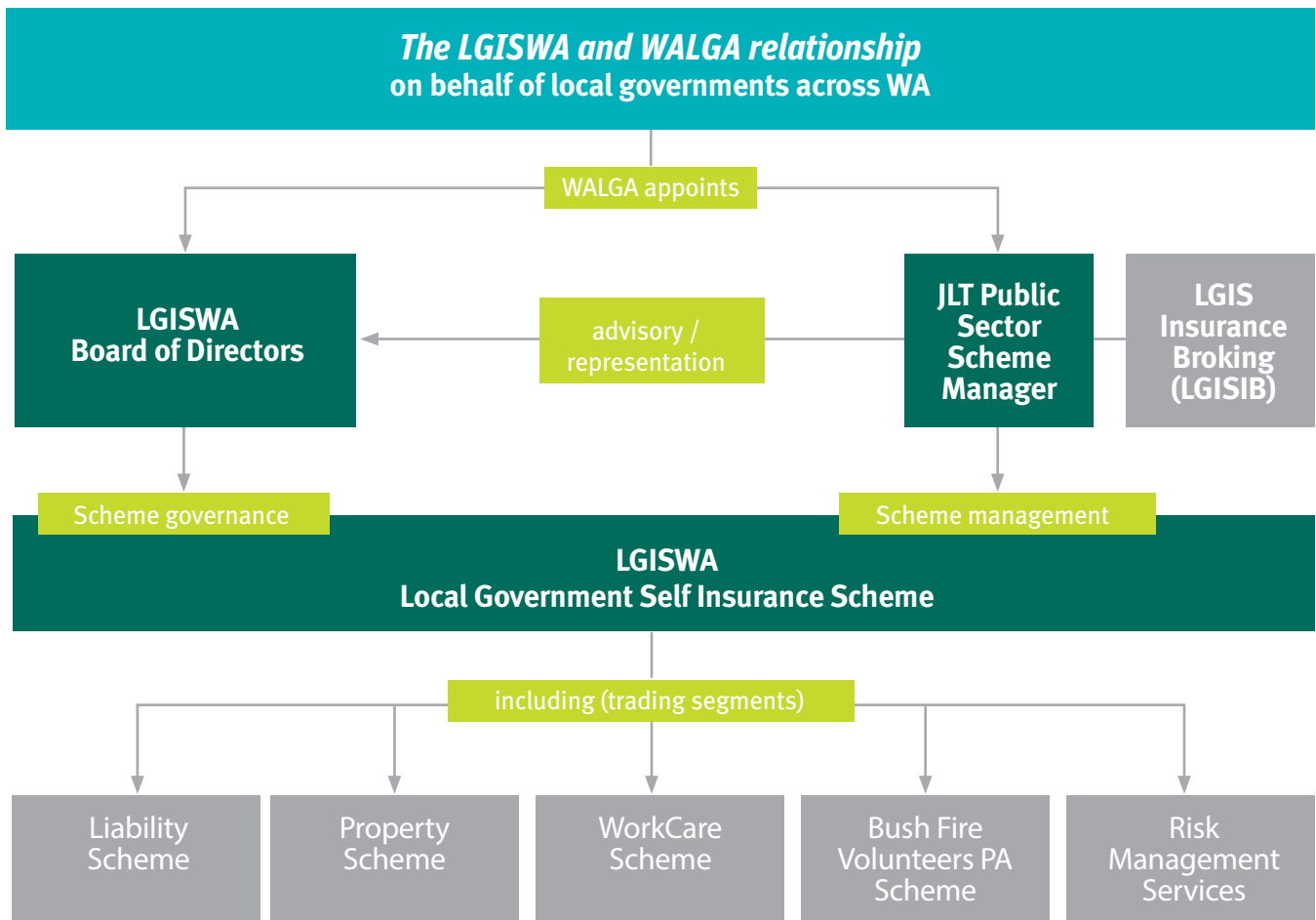
The diagram below illustrates that WALGA has appointed Jardine Lloyd Thompson (JLT) as the scheme manager and has also appointed a Board of Directors, the majority of who are local government representatives, to oversee the corporate governance of the scheme known as LGISWA.

The JLT Group is part of the Marsh & McLennan Companies (MMC) group of companies.

As an insurance broker, JLT trades as LGIS Insurance Broking (LGISIB), which is the trading name of the joint venture in place between JLT and WALGA under which JLT is the appointed broker for WALGA local government members.

Where we use the term ‘LGIS’, we are referring to the LGISWA mutual risk Scheme and LGIS Insurance Broking (LGISIB).

The chart below illustrates the relationship between WALGA, JLT and LGIS.



Health and wellbeing services

The LGIS Health and Wellbeing Program is another popular Scheme benefit; it's designed to improve the health awareness and outcomes of WA local government workers through:



Providing education and awareness raising sessions to improve the health and wellbeing of staff and prevent or delay the onset of illness, disease and injury.



Providing screening programs that assist to identify risk factors that may require further health management.

Healthy workers are reported to be more productive than unhealthy workers, record fewer injuries, sick days, and work-related injury claims. Improving the health and wellbeing of workers can also lead to:

- Increased worker engagement and morale
- Improved safety performance
- Decreased musculoskeletal injury
- Increased worker retention
- Decreased absenteeism and presenteeism

Making the most of your membership

2018/19 Shire of Dardanup health and wellbeing benefits taken

Corporate massage	-
Exercise program	-
Flu vaccinations	-
Health assessment (basic/short)	-
Health assessment (long/executive)	✓
Injury prevention	-
Health seminars	-
Health lifestyle challenge	-
Hearing tests	-
Online mental health tool	-
Skin screens	✓

Your 2019/20 health & wellbeing funding balance: \$4,950.00

Cover tailored to local government

LGIS membership provides the best cover which meets the needs of modern progressive local governments. In 2018/19 our members benefited from unique cover tailored to local government needs which allowed them to get on with delivering valued community services.

Building cladding



No exclusions in to Liability arising from your building surveyors surveyors, planning and cladding risks. This is a significant benefit in the current environment and in particular where buildings have been identified within a local government's area in the state wide cladding audit.

Flood damage



Assets are automatically covered for flood damage under LGIS Property, not an optional extra for additional cost. We believe protection for the community's assets against flood risk is essential for 'local government with exposure.

Molestation



No sexual abuse and molestation exclusion.

Catastrophic events



Appropriate limits of protection for local government, as modelled by actuarial consultants, that are necessary if a catastrophic events occur.

Unique cover



Unique local government covers such as costs to run evacuation centres, upgrade green assets and dilapidation.

Appropriate liability



Appropriate limits of \$600M for local government liability exposures, as modelled by actuarial consultants, that is available without sublimit on significant risks such as bushfire liability.

Nil deductible



Nil deductible on all public liability claims. This removes member's burden of responsibility to seek their own legal advice and defence, including legal fees and settlement amounts.

Cover simplified



Liability protection is provided under a broad-form policy to prevent the inevitable complications arising from competing insurers (e.g. where a claim could trigger both public liability and professional indemnity covers).

Stable workers' comp



Members of the Scheme are not subject to the ongoing instability and increases of the WorkCover WA gazetted rate which has increased 42% over the past two years.

What you told us

At the beginning of 2019 we asked our members – elected members, CEO's, executives and operational staff – what we were doing well and where we can improve.

What you think about us

You gave us a score out of 5 for the following:



4/5 service quality (79% of respondents)



4/5 for success achieved (71% of respondents)



4.5/5 for trust (90% of respondents)

The importance of risk services



of CEO's agreed that complimentary risk services support better practices, reducing claims, ensuring sustainability of their Scheme



were satisfied that LGIS provides the right complimentary risk services to meet their requirements



of elected members rated risk management programs and services to protect their local government organisation, its people and the community as important.

Our focus to improve in 2019/20

- Increase communication with elected members
- Focus on high quality member services
- More regular visits to smaller members
- Present at more council meetings.



(Appendix ORD: 13.1B)

Shire of Dardanup Local governments working together

We help our members build better communities by containing costs, providing the best cover and helping them manage risks, through a member-owned mutual insurance model

LGIS is local governments working together:

- We make sure that our members have the best cover and if disaster strikes we get the member, and their community, back on their feet as soon as possible.
- We understand local government and we're here for the long term to share knowledge and tailor services to minimise the total cost of risk for our membership.



Your surplus share 2019
\$33,620

Contact Details

Please feel free to contact us if you have any further questions about your membership.

Ben Galvin
Account Chair
LGIS
T: 08 9483 8821
ben.galvin@lgiswa.com.au

David Wood
Account Manager
LGIS
T: 08 9483 8828
david.wood@lgiswa.com.au

2018/19 LGISWA Annual Report



Now available in the website Member Centre at lgiswa.com.au or contact your Account Manager for a hard copy.



2018 Surplus share
(received as 2019/20 contribution credit)

\$24,549



Your total Scheme surplus share to date

\$196,465



Your LGIS Scheme members equity

\$129,584

excludes GST

“**100%**
of WALGA
Members are
LGIS Members”

Over the past few years a number local governments have sought to test the value of the LGIS WA Scheme. It's a testament to the enduring value of the mutual model that the City of Kalamunda, Shire of Wiluna and Shire of Coolgardie have returned, and those who went to tender have remained with the Scheme.



Returning members: City of Kalamunda, Shire of Wiluna and Shire of Coolgardie



100% of WALGA members are LGIS members

LGIS performance in 2018/19

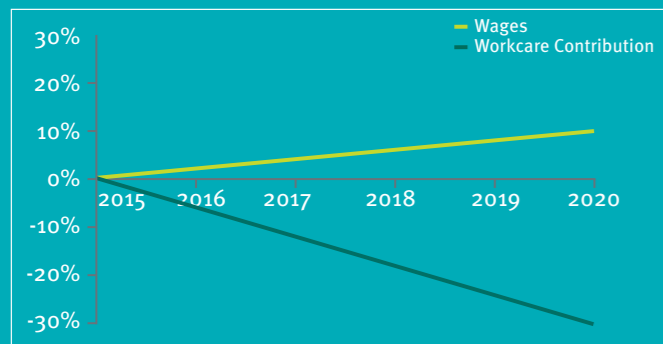
The financial performance of the Scheme remained robust this year, despite competitive pressures in the market where commercial insurers offered unsustainable, discounted premiums to achieve growth in the short term. LGIS membership was strong in 2018/19 and continues to be in 2019/20, demonstrating that WA local governments understand that the mutual Scheme remains the best option for sustainable, long term and appropriate cover for the WA sector.

The surplus for 2019 is well in excess of budget and, combined with the previous year's allocation, has allowed the Scheme Board to declare a distribution of \$6 M to members.

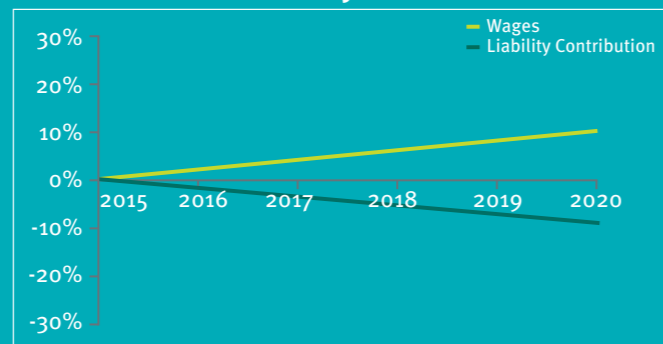
Our solid financial year performance can be attributed to a number of factors – our proactive and collaborative approach to risk management which contributed significantly to containing claims; and solid returns on our investments.

The graphs below demonstrate that member contributions have remained stable even with local government risk profiles evolving.

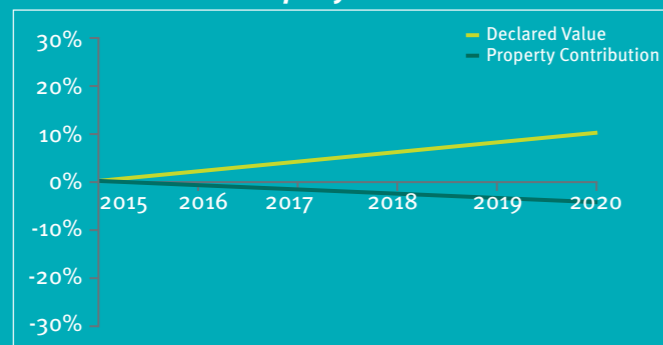
5 Year Trend – Members Declared Wages vs WorkCare Contributions



5 Year Trend – Members Declared Wages vs LGIS Liability Contributions



5 Year Trend – Members Declared Assets vs LGIS Property Contributions



LGIS WA Annual Report

The LGISWA Annual Report is now available in the members' centre of the LGISWA website for more information on the performance of your Scheme in 2018/19.

Protecting members and your community

The true value of your protection is only realised in times of adversity and we've helped our members back on their feet after some significant losses. We consider the sector when handling claims and always look to defend local government members from future issues.

The reductions in contribution enjoyed by our members in recent times are not a one year 'special'. They are the result of prudential management of the Scheme and a strategic decision by the Board to re-distribute surpluses to members.

Your Scheme by the numbers – 2018/19



1,721 New liability and property claims managed by LGIS



\$7M Property claims incurred in 2018/19



17,000 Bushfire volunteers covered (including significant expansion of benefits)



\$13.7M in Workers' Compensation claims incurred in 2018/19

Receiving your surplus share

Following last year's surplus allocation, all members were informed of a contribution credit plan, whereby members would share in credits in the order of \$4.5 M each year until 2021 to contain their membership costs. Your share of \$4.5 M was duly credited off your 2019/20 Scheme membership costs.

This year, as well as the increased surplus amount each member will be given a choice to take their share of the surplus as a credit off next years membership renewal contributions, as a dividend payment or held in trust for funding risk management initiatives.

How is my share of the surplus calculated?

Each member's share of the surplus is assessed on a formula which reflects their respective contributions and incurred claims costs over a four year time horizon.



How do I know that LGIS has 'enough in the pot' to cover claims?

The 'pot' (i.e. prudential reserves) is determined considering development factors. 'Development factors' is an insurance term for 'things that are likely to happen given previous trends'. We engage PwC actuaries to independently model and assess our reserves, which determines how much needs to be collected in contributions.

Locally managed claims

LGIS handled 2,473 claims across the property, liability, WorkCare and bushfire volunteer personal accident portfolios in 2018/19. Each claim was handled by the member's dedicated specialist claims consultant who managed the process from beginning to end.

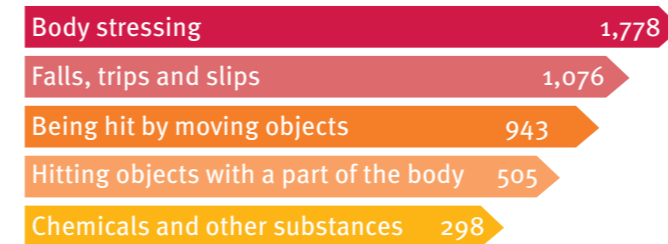
Claims hotspots



Over the past five years we've seen some consistent trends in claims from our local government members.

WorkCare

Causation hotspots last 5 years (all members)



Mental stress catching up



Although not in the top five claims areas mental stress isn't far behind. Claims costs for mental stress are increasing, making it an area to watch for the WA local government sector.

Proactive on workers' compensation

Looking for ways to reduce the number of workers' compensation claims for your local government? Claims analysis highlights four key areas which need focus across LGIS members:



Fit for purpose. Employ people who are right for the role, ensure that employees are physically capable of fulfilling the responsibilities of the job.



HR Process. Review your HR practices and make sure that managers are trained and supported.



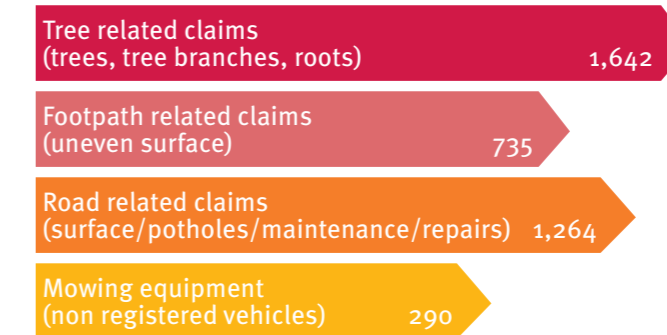
Aging workforce. Over 50% of claims are from the 40-60 age group of local government workers. Review tasks and physical requirements; make sure the individual is able to work within their capacity.



Manual handling and job dictionaries. Job dictionaries document the physical requirements of a role; coupled with manual handling training and guidelines they help to match an individual to a role and work within their capacity to reduce injury.

Liability

Causation hotspots past 5 years (all members)



Proactive on liability

Looking for ways to reduce local government's liability exposure? Claims analysis highlights four key areas which need focus across LGIS members:



Trees. Review lists of recommended trees for verges and public places selecting breeds with non-invasive roots. Review complaint handling process to make sure appropriate action is taken.



Footpaths. Audit/review and action to footpaths and areas which attract large amount of footfall to be repaired or section of area replaced. Lack of lighting is also an issue and planning around this is paramount.



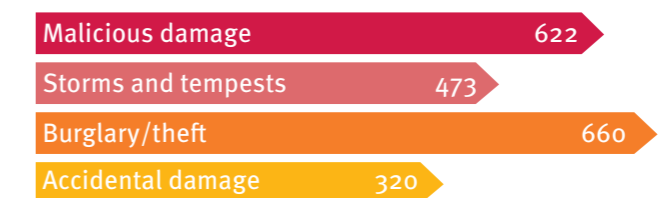
Roadworks. Make sure that pre and post inspections are carried out and documented ensuring that there is evidence that the inspection has occurred. Also make sure that correct signage is used.



Mowing equipment. Make sure signage is clear and the area is free of pedestrians.

Property

Causation hotspots past 5 years (all members)



Simple steps on property protection



Controls. Investigate the benefits of passive controls such as CCTV, vegetation management, lighting which would increase the risk of an offender being sighted.



Maintenance. Improved housekeeping within and around buildings and ensure preventative maintenance is completed on schedule – simple things such as ensuring bins are secured/ gutters are regularly cleaned, no dense foliage encroaching on property.



Contractors. Ensure contractors are appropriately managed and apply your local governments hot works arrangements.



Windows. Consider the value of using window treatments such as plastic microfilm to reinforce glass.

(Appendix ORD: 13.1B)

Unique member benefits – managing local government risk together

As the protection partner of choice for WA local governments, we understand the complexity of the sector like no other – we know that cover is only the beginning.

That's why membership of LGIS delivers more than 'insurance' to your local government.

Scheme membership provides an abundance of risk services which align with the priorities of local governments.

In 2018/19 LGIS members received a range of risk and governance services as part of their membership which reduced the number of claims and contained the costs of cover. Of the services offered the '3 Steps to Safety' program (22%) which supports members in creating safe workplaces was the most utilised, closely followed by the general risk program (20%) which assists members in anticipating, identifying and managing their liability and property risk exposures.

Risk services delivered directly to members in 2018/19



Making the most of your membership

2018/19 Shire of Dardanup benefits taken

Injury management program	✓	General risk management	✓
HR Risk and preventative stress management	-	Injury prevention training	-
Emergency risk management	-	OSH '3 steps to Safety' and advisory program	✓

RISK ASSESSMENT TOOL

OVERALL RISK EVENT: Insurance Services

RISK THEME PROFILE:

5 - Employment Practices
15 - Supplier and Contract Management

1 - Asset Sustainability Practices
9 - External Theft and Fraud (including Cyber Crime)

RISK ASSESSMENT CONTEXT: Strategic

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required	Not required.	Not required.	Not required.
FINANCIAL IMPACT	There is a risk that Council could suffer financial loss due to lack of or inadequate insurance	Major (4)	Possible (3)	High (12 - 19)	<ul style="list-style-type: none"> Adequate insurance coverage and competitive pricing through LGIS 	Major (4)	Unlikely (2)	Moderate (5 - 11)
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required	Not required.	Not required.	Not required.
REPUTATIONAL	There is a risk that insurance coverage is not provided for Council services	Major (4)	Unlikely (2)	Moderate (5 - 11)	Not required	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required	Minor (2)	Unlikely (2)	Moderate (5 - 11)