

# **ORDINARY COUNCIL**

## **MEETING**

### **MINUTES**



## **24 APRIL 2012**

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**24 APRIL 2012**

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**MINUTES OF THE ORDINARY MEETING OF COUNCIL  
HELD IN THE COUNCIL CHAMBERS ON TUESDAY 24 APRIL 2012**

**1. COMMENCEMENT**

The President declared the meeting open at 2:00pm.

**2. ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE**

Attendance

Cr DJ Ridgway	President	South Ward
Cr CJ Pepper	Deputy President	West Ward
Cr VK Fregon		South Ward
Cr DC White		South Ward
Cr BM Foster		West Ward
Cr LC Shaw		West Ward
Cr JD Alexander		North Ward
Cr P Gogol		North Ward
Cr KM Murray		North Ward
Mr SP Gollan	Chief Executive Officer	
Mrs SC Collins	Executive Assistant	

Apologies

Nil.

Leave of Absence

Nil.

**3. PUBLIC QUESTION TIME**

Nil.

**4. CONDOLENCES**

EDWARDS	Gerald Francis	10 April 2012
FALKINGHAM	Robert (Bob) Arthur	23 April 2012

**5. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

**6. CONFIRMATION OF MINUTES AND BUSINESS ARISING**

**6.1 Minutes of the Ordinary Meeting of Council held in the Council Chambers on Tuesday 27 March 2012**

**COUNCIL RESOLUTION**

**M1/0412 Moved Cr Shaw Seconded Cr Gogol**  
That the Minutes of the Ordinary Meeting of Council held in the Council Chambers on Tuesday 27 March 2012, as printed, be confirmed.

**CARRIED 9-0**

**BUSINESS ARISING**

Nil

**6.2 Minutes of the Development Services Committee Meeting held in the Council Chambers on Monday 16 April 2012**

Appendix 1

**COUNCIL RESOLUTION**

**M2/0412 Moved Cr Foster Seconded Cr Fregon**  
That the Minutes of the Development Services Committee Meeting held in the Council Chambers on Monday 16 April 2012, as printed, be received and the recommendations endorsed.

**CARRIED 9-0**

**BUSINESS ARISING**

Nil.

At 2:08pm Councillors Gogol and Pepper left the Chambers. At 2:10pm Cr Pepper returned to the meeting.

**6.3 Minutes of the Fire Control Officers Meeting held in the Council Chambers on Wednesday 18 April 2012**

Appendix 2

**6. CONFIRMATION OF MINUTES AND BUSINESS ARISING  
ITEM 6.3  
MINUTES OF THE FIRE CONTROL OFFICERS MEETING HELD IN  
THE COUNCIL CHAMBERS ON WEDNESDAY 18 APRIL 2012  
(Continued)**

**COUNCIL RESOLUTION**

**M3/0412 Moved Cr Murray Seconded Cr Shaw**  
That the Minutes of the Fire Control Officers Meeting held in the Council Chambers on Wednesday 18 April 2012, as printed, be received and the recommendations endorsed.  
**CARRIED 8-0**

At 2:12pm Cr Gogol returned to the meeting.

**BUSINESS ARISING**

Nil.

**6.4 Minutes of the Town Entry Statement Committee Meeting held in the Council Chambers on Friday 20 April 2012**

Appendix 3

**Council agreed to deal with this matter under Other Business (Item 11) of this Agenda.**

At 2:19pm Mr Stefan de Beer, Shire Planner, entered the Chambers and joined the meeting.

**7. PRESIDENT AND COUNCILLOR REPORTS**

**7.1 PRESIDENT'S REPORT**

**Avondale – Meeting with Regional Development Council Representatives**

The Chief Executive Officer and I attended a meeting at Parliament house facilitated via Mia Davies MLC and Max Trenordan, MLC at which there was also representation from the National Trust, Avondale Farm Project Association, Regional Development Council, Wheatbelt Development Commission and Minister Grylls' Office. The meeting was requested due to the continuing uncertainty of Avondale's future, particularly as a result of the unsuccessful Royalties for Regions Action Agenda Funding Application.

7. **PRESIDENT AND COUNCILLOR REPORTS**  
**ITEM 7.1**  
**PRESIDENT'S REPORT**

**Avondale – Meeting with Regional Development Council  
Representatives**  
**(Continued)**

The concept and potential of Avondale as a regional heritage asset is acknowledged and generally supported, however funding remains the issue in the short term. Information indicated the Department of Regional Development is planning to establish a Regional Heritage Fund, however this is not expected to be in place for several years. A planning session is due to be held with the Wheatbelt Development Commission and stakeholders in the near future.

**Beverley Community Resource Centre – Planning & Development**

The 2012 / 2013 Community Resource Centre Business Plan is nearing completion. This document identifies priorities for the next 12 months and is also required by the Department of Regional Development to access funding.

Another employment opportunity will see a second trainee commence work at the Centre in the near future. Consideration has been requested to permit the Community Resource Centre to access the whole building whilst still retaining the Play Group access for their one morning per week.

A Feasibility Study is proposed to identify community opportunities and expansion potential for the Resource Centre. It may be timely for Council to become involved in this process.

**Regional Development Trust Visit**

This brief visit involved the Chair and Deputy Chair of the Regional Development Trust, Andrew Murray and Sue Middleton, and Wheatbelt Development Commission CEO Wendy Newman, in relation to the recent review of the Country Local Government Fund.

**Wheatbelt Conference**

An interesting conference held over two half days with an array of speakers. The networking undertaken at these events can be invaluable

**7. PRESIDENT AND COUNCILLOR REPORTS**  
**ITEM 7.1**  
**PRESIDENT'S REPORT**  
**(Continued)**

**Beverley Mens Shed – Vintage Motorcycle Club**

At the invitation of Beverley Mens Shed, I attended a morning tea and sausage sizzle on Tuesday 17 April 2012, when they hosted a visit by the Vintage Motorcycle Club.

**Easter Art Exhibition**

Of the 320 entries, 69 paintings were sold, which is contrary to what has been occurring at previous Exhibitions. Many positive comments were made by visitors and the judges relating to the venue, quality and the professional manner in which the Exhibition was staged.

**ANZAC Services**

I attended the School ANZAC Service at the end of last term and Cr Chris Pepper will be representing the Shire at the Town ANZAC Day Service.

**Vampire Jets**

Thanks must go to Dennis Watts for the refurbishment work he has recently undertaken on the Vampire Jet in the Vincent Street.

**COUNCIL RESOLUTION**

<b>M4/0412</b>	<b>Moved Cr Gogol</b>	<b>Seconded Cr Shaw</b>
	<b>That the President's Report, be received.</b>	<b>CARRIED 9-0</b>

**7.2 COUNCILLOR REPORTS**

**Tier 3 Railway Alliance**

Cr Alexander reported on a Tier 3 Railway Alliance meeting he had attended.



## 8. OFFICERS' REPORTS

### 8.1.1 TOWN PLANNING ITEMS

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<b>SUBMISSION TO:</b>	<b>April Council Meeting 24 April 2012</b>
<b>AGENDA ITEM:</b>	<b>8.1.1.1</b>
<b>REPORT DATE:</b>	<b>13 April 2012</b>
<b>SUBJECT:</b>	<b>DEVELOPMENT APPLICATION – TURNER GULLY DIRT DRAGS – LOT 83 BUTCHERS ROAD, WESTDALE</b>
<b>APPLICANTS:</b>	<b>One Twenty One Racing</b>
<b>FILE REFERENCE:</b>	<b>BUT 51004</b>
<b>AUTHOR:</b>	<b>Shire Planner – Stefan de Beer</b>

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Appendix 4

#### **BACKGROUND**

It is proposed to conduct the Turner Gully Dirt Drags on 19 May 2012 at Lot 83 Butchers Road, Westdale. The subject site is approximately 49 ha in area, zoned Farming and contains existing buildings.

It is anticipated 1,500 persons will attend the event. Similar events in the form of concerts have taken place on the same subject property in the past.

#### **COMMENT**

Under the Shire of Beverley's Town Planning Scheme No. 2 (TPS 2) the proposed event is a use not listed. Clause 3.2.5 of TPS 2 states that where a land use is not listed Council may:

- a) Determine that the use is not consistent with the objectives and purposes of the particular zone and is therefore not permitted; or
- b) Determine by absolute majority that the proposed use may be consistent with the objectives and purpose of the zone and thereafter follow the advertising procedures of Clause 6.2 in considering an application for planning consent, following which Council may, at its discretion, permit the use.

**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.1**  
**DEVELOPMENT APPLICATION**  
 - TURNER GULLY DIRT DRAGS  
 - LOT 83 BUTCHERS ROAD, WESTDALE  
**(Continued)**

In previous years the event has attracted a substantial number of tourists, members of the travelling public and residents of Beverley. Clause 3.5 of TPS 2 states that Council will support proposals which service members of the travelling public or tourists. Given that the proposed use will not preclude agricultural use of the property for the remainder of the year and provides entertainment options not normally available in Beverley, it will be recommended Council determine that the proposed use may be consistent with the objectives and purpose of the Farming zone.

**Advertising**

In compliance with Clause 6.2 of TPS 2 the application was advertised for a period of 21 days. A total of 3 submissions were received comprising of 3 no objections. A summary of the submissions received and officer's responses are detailed in the table below:

	<b>Respondent</b>	<b>Property</b>	<b>Comment</b>	<b>Planner's Response</b>
<b>1</b>	Rob Fisher 305 Valentine Rd Beverley WA	Lot 25880 Valentine Rd, Westdale WA	1 No objection to proposal.  2 Request Police presence, before, during and after event.	Noted.  Although this is a police operational matter, Planning Officer contacted police (Sgt. Darrell Hagan), sent a copy of the application through for their records, and they confirmed their presence for the day.
<b>2</b>	W Cherry 234 Holmes Road Forrestfield WA	Lot 84 Butchers Road Westdale WA	1 No objection to proposal.  2 More events in the Shire are positive to a rural community.	Noted  Noted.



**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.1**  
**DEVELOPMENT APPLICATION**  
**- TURNER GULLY DIRT DRAGS**  
**- LOT 83 BUTCHERS ROAD, WESTDALE**  
**(Continued)**

	<b>Respondent</b>	<b>Property</b>	<b>Comment</b>	<b>Planner's Response</b>
<b>3</b>	Name and Address withheld		<p>1 No objection to proposal</p> <p>2 Concerned about fire risks of the event. Disputes the dates of the fire bans.</p> <p>Questions the "All Terrain Mobility" being mentioned in the application and their ability to carry water for firefighting purposes; questions the water carts type and capacity, and the qualifications of the safety and fire marshalls, and if FESA will be present on the day of the event.</p>	<p>Noted</p> <p>A site visit was conducted with the representative from FESA whom submitted that they do not have any concerns with the fire management for the event. (see Attachment).</p> <p>FESA confirmed that the event date (19<sup>th</sup> May) will be an unrestricted burning period, and having assessed the site and the proposed activity they do not deem it to be a fire hazard.</p> <p>It is proposed by FESA that the ATV's carry fire extinguishers on board.</p>

As elaborated upon above, comment was requested and received from the Fire Control Officer for the area. The Fire Control Officer stated there was no objection to the proposal from a fire perspective.

Similar events have occurred on this property previously. A search of Shire records indicates no correspondence regarding serious matters of concern has been received by the Shire. In response to the advertising of the current application only one respondent have raised concerns about the fire risk. It is assumed all other residents of the area have no objection or no opinion on the proposal.

**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.1**  
**DEVELOPMENT APPLICATION**  
**- TURNER GULLY DIRT DRAGS**  
**- LOT 83 BUTCHERS ROAD, WESTDALE**  
**(Continued)**

The event will aid in economic development and economic diversification in the Shire of Beverley. Direct economic enhancement will occur due to catering for the needs of the substantial number of persons attending the event. Indirect economic benefit will come from raising the profile of Beverley throughout the state and making Beverley a tourist destination. As such the event will aid in economic diversification in Beverley.

Entertainment options in Beverley may be considered limited for the younger age groups. This event will provide an entertainment option comparable with those in the metropolitan area and not generally available in Beverley. As such the event will aid in enhancing the amenity of the Shire.

**Fire Management**

The proposal contains a fire management plan and an emergency evacuation plan to be implemented for the duration of the event. Should Council approve the application it will be recommended the fire management and emergency evacuation plans be implemented as conditions of approval.

**First Aid and Management Plans**

As components of the application, a fire risk, precaution and evacuation plan and a traffic management plan have been submitted. To cater for first aid at the previous 2010 concert, an ambulance and three staff were on duty from 9:00am 30 October 2010 to 9:00am 31 October 2010. Shire staff consider similar first aid arrangements should occur from 9:00am 19 May 2012 to 9:00pm 19 May 2012. Should Council approve the application, it will be recommended the fire and traffic management plans and first aid arrangements as detailed, be specified as conditions of approval.

**Conclusion**

The application to conduct the Turner Gully Dirt Drags at Lot 83 Butchers Road, Westdale is supported due to: -



**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.1**  
**DEVELOPMENT APPLICATION**  
**- TURNER GULLY DIRT DRAGS**  
**- LOT 83 BUTCHERS ROAD, WESTDALE**  
**(Continued)**

3. As the Water Corporation reticulated sewer is not available, acceptable ablution facilities are to be provided for the entire period of this approval, to the satisfaction of the Shire's Environmental Health Officer. (Refer to Advice Note 2.)
4. The approved Fire Risk, Precaution and Evacuation Plan is to be complied with at all times, for the entire period of this approval.
5. Every "All Terrain Vehicle" used as part of the fire precautions, shall carry a fire extinguisher.
6. The approved Traffic Management Plan is to be complied with at all times, for the entire period of this approval.
7. An ambulance and three staff qualified in first aid are to be available on site between the hours of 9:00am 19 May 2012 to 9:00pm 19 May 2012.

**Advice Notes: -**

1. Nothing in the approval or these conditions shall excuse compliance with all relevant written laws in the commencement and carrying out of the development.
2. With regard to Condition 3, an application is to be submitted to the Council's Environmental Health Section and approved, prior to the commencement of the event.

**CARRIED 9-0**  
**ABSOLUTE MAJORITY**

## 8.1.1 TOWN PLANNING ITEMS

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<b>SUBMISSION TO:</b>	<b>April Council Meeting 24 April 2012</b>
<b>AGENDA ITEM:</b>	<b>8.1.1.2</b>
<b>REPORT DATE:</b>	<b>April 2012</b>
<b>SUBJECT:</b>	<b>PROPOSED RATIONALISATION &amp; DEDICATION OF BROOKTON HIGHWAY ROAD RESERVE &amp; ROAD CLOSURE – SECTIONS OF THE BROOKTON HIGHWAY, FLINT</b>
<b>APPLICANTS:</b>	<b>Fugro Spatial Solutions Pty Ltd</b>
<b>FILE REFERENCE:</b>	<b>BRO5 &amp; RO 005</b>
<b>AUTHOR:</b>	<b>Shire Planner – Stefan de Beer</b>

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Appendix 5

### **BACKGROUND**

An application has been received from Fugro Spatial Solutions for the rationalisation and dedication of land within the proposed road reserve of the western section of the Brookton Highway, as well as an application for sectional road closures in relation to the above exercise. It will be recommended the applications be approved.

### **COMMENT**

*(Kindly consider this section by referring to the attached Locality Map and Deposited Plans 67072 & 70909)*

Fugro Spatial Solutions act on behalf of Main Roads Western Australia (MRWA), in relation to the rationalisation and dedication of the land within the proposed road reserve and road widening, shown as lots 520, 521 & 522 on Deposited Plan 70909, attached hereto. It is important to note that the surveyed road boundaries generally encompass the existing road infrastructure and consider fence lines where they exist.

Fugro Spatial Solutions advises in their application, that the project is in most instances, just a formalisation of what is the existing situation on the ground. In essence it is a Land Tenure Project, which aims to formalise the tenure under and adjacent to an existing formed road generally in accordance with existing fencing. Fugro also advises that Aboriginal Heritage issues are not affected in any way by the rationalisation of the tenure designation of the land containing the road formation. It is MRWA policy and practice that any heritage queries would have been addressed at the construction planning stage of the road.

**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.2**  
**PROPOSED RATIONALISATION & DEDICATION OF**  
**BROOKTON HIGHWAY ROAD RESERVE & ROAD**  
**CLOSURE – SECTIONS OF THE BROOKTON HIGHWAY,**  
**FLINT**  
**(Continued)**

The rationalisation and dedication of the road reserve by Main Roads will be in accordance with the following: -

- Existing fencing not on the proposed boundaries may remain within the road reserve corridor although future fencing should be relocated to the new boundaries if practical;
- Road dedication formalities should have no effect on the normal day-to-day activities on the land;
- Subject to the receipt of Local Authority resolutions and at the completion of formal action, the Hon Minister of Lands will proceed to acquire and dedicate the subject land as road reserve and amend adjacent properties accordingly;
- In parallel to this action, where necessary, roads that are no longer required will be closed and the land contained within them included in the adjacent properties.

In relation to the above, the portions of road reserve to be closed are described as: -

- Part of Lot 507 shown coloured brown on sheet 16 of the attached copy of Deposited Plan 67072;
- Lot 523 shown coloured brown on the attached copy of Deposited Plan 70909;
- Lot 524 shown coloured brown on the attached copy of Deposited Plan 70909;

The above lots are to be included within the adjoining State Forrest.

**STATUTORY ENVIRONMENT**

Road Closures are dealt with in terms of Section 58 of the Land Administration Act, 1997.

**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**M7/0412 Moved Cr Pepper** **Seconded Cr Fregon**  
**That Council resolve to: -**

- 1. Concur to the taking of the land, being lots 520, 521 & 522, the subject of Deposited Plan 70909, contained within the Shire of Beverley and to its dedication as road under section 56 of the Land Administration Act, 1997;**

**8.1.1 TOWN PLANNING ITEMS**  
**ITEM 8.1.1.2**  
**PROPOSED RATIONALISATION & DEDICATION OF**  
**BROOKTON HIGHWAY ROAD RESERVE & ROAD**  
**CLOSURE – SECTIONS OF THE BROOKTON HIGHWAY,**  
**FLINT**  
**(Continued)**

2. Close portions of road reserve described as: -  
Part of Lot 507 on Deposited Plan 67072, Lot 523 & Lot 524  
on Deposited Plan 70909; and
3. Give consent to Fugro Spatial Solutions to proceed with the  
advertising for road closure pursuant to section 58 of the  
Land Administration Act, 1997.

**CARRIED 9–0**

## 8.1.2 INFORMATION BULLETIN REPORT – PLANNING SERVICES

The Shire Planner gave a verbal report to the meeting.

At 2:55pm Mr Stefan de Beer, Shire Planner, left the meeting.

## 8.2.1 HEALTH & BUILDING SERVICES ITEMS

Nil.

## 8.2.2 INFORMATION BULLETIN REPORT – HEALTH & BUILDING SERVICES

### 8.2.2.1 GENERAL

General correspondence, duties and communications for Environmental Health Officer / Building Services.

### 8.2.2.2 BUILDING LICENSES ISSUED

Building licenses issued up to 17 April 2012: -

Lic No:	47 11/12	Lic No:	48 11/12
No:	Lot 6 Brookton Highway, Westdale	No:	Lot 1049 Lennard Road Beverley
Building:	Residence	Building:	Shed
Value:	\$60,000	Value:	\$16,000

### 8.2.2.3 REPAIRS / MAINTENANCE OFFICER'S REPORT

The Shire Repairs / Maintenance Officer had provided an Information Bulletin Report under separate cover.

## COUNCIL RESOLUTION

**M8/0412 Moved Cr Foster That the Environmental Health and Building Services Information Bulletin Report, be received.**

**Seconded Cr Murray**

**CARRIED 8-0**



At 2:55pm Mr Ian Moulton, Acting Works Supervisor, entered the Chambers and joined the meeting.

**8.3.1 PLANT, WORKS, RECREATION AND TOURISM ITEMS**

Nil.

**8.3.2 INFORMATION BULLETIN REPORT  
– ACTING WORKS SUPERVISOR – MR IAN MOULTON**

**8.3.2.1 GENERAL – PLANT AND WORKS**

**8.3.2.1.1 Street Sweeper**

The Street Sweeper cleaned the town streets prior to Easter.

**8.3.2.1.2 Aerodrome**

Scott Morrell has sprayed the aerodrome for the weed problem. The airstrip has been graded and holes filled.

**8.3.2.1.3 York-Williams and Westdale Roads**

National Line Markers have been and put reflectors on the intersection of York-Williams and Westdale Roads. On the first attempt some 70 odd came off. I rang them and they were then redone, setting a fire in Ian Strange's paddock. Luckily, the Shire grader was there to put it out. Justin Corrigin, the Shire Community Services Emergency Manager (FESA) and I rang them to raise concerns of using a flame thrower with no water on hand.

**8.3.2.1.4 Doctor's Surgery Car Park**

Although we have tried unsuccessfully to contact the contractor in regard to the work, which he indicated would be commenced on 19 March 2012, we still have had no word from him.

**8.3.2.1.5 Avondale**

Before Easter, the grounds from the Homestead to the Shed were whopper snipped. The trees around the picnic area and entrance road were cut back hard and ants sprayed. We need to set up a spraying programme, as it required 2 men working approximately 10 hours, to cut dry grass and stinkwort.

**8.3.2 INFORMATION BULLETIN REPORT  
– ACTING WORKS SUPERVISOR – MR IAN MOULTON  
ITEM 8.3.2.1  
GENERAL – PLANT AND WORKS  
(Continued)**

**8.3.2.1.6 Maintenance Grading**

Maintenance grading has been done on the following roads / streets: York-Williams Road, Springhill Road, Cookes Road, Hobbs Road, Maitland Road, Bellrock Road, Smith Hill Road, Walgy Road, Pike Road, Aikens Road, Clulows Road, Ewerts Road, Bally-Bally Road, Bethany Road and Duffield Street.

**8.3.2.1.7 Grave Digging**

Grave digging was carried out for the grave site for GF Edwards.

**8.3.2.1.8 Bellrock Road Fire**

The Shire water truck and grader were used at the Bellrock Road fire on 17 April 2012.

**8.3.2.1.9 Fencing**

Fences have been re-erected on Greenhills South Road and Morbining Road where new work was done.

**8.3.2.1.10 Tree Lopping**

There have been a few trees around town and on rural roads that have been cut back, because of vision, leaning and power lines. Also a lot of trees have been removed off roads throughout the district.

**8.3.2.1.11 Gravel**

Due to a lack of gravel in town, it has taken approximately 2 days to cart gravel to town from Ian Strange's pit for stockpile.

**8.3.2.1.12 Service Delivery Plans Workshop**

David Vaughan the Acting Deputy Chief Executive Officer, Tim Yeadon, and Ian Spence from Parks & Gardens and myself attended a workshop at Quairading to discuss the Service Delivery Plans for the outside workforce.

**8.3.2 INFORMATION BULLETIN REPORT  
– ACTING WORKS SUPERVISOR – MR IAN MOULTON  
ITEM 8.3.2.1  
GENERAL – PLANT AND WORKS  
(Continued)**

**8.3.2.1.13 Plant Report**

The Acting Works Supervisor had provided a Plant Report under separate cover.

**8.3.2.1.14 General Maintenance – Parks & Gardens Crew**

Guideposts, clearing culverts, tree lopping around signs and bitumen patching are ongoing. New signs are going up on new construction jobs.

The gardeners and works crew have been working together over the last couple of weeks to catch up on some loose ends, mainly being Avondale, the Airstrip, the Cemetery in Brooking Street, tidying up for Easter for the Pony Club, lopping trees, etc.

In my opinion the gardeners and works crew have done a great job over the last few weeks and I have thanked them for stepping up and proving they can catch up on jobs.

**8.3.2.2 CONSTRUCTION**

**8.3.2.2.1 Lupton Road**

Bridge 5158 will be backfilled and tidied up next week.

**8.3.2.2.2 Greenhills South Bridge**

Bridge 3221 has been completed and the road reinstated and waterways cleaned out.

**8.3.2.2.3 Morbining Road**

Bridge 3192 has been completed and the road reinstated. Chevron markers have been re-erected. Blasting has been carried out and rocks cleaned up. Also fences have been repaired due to damage from rocks.



#### 8.4.1 FINANCE ITEMS

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**SUBMISSION TO:** April Council Meeting 24 April 2012  
**AGENDA ITEM:** 8.4.1.1  
**REPORT DATE:** 17 April 2012  
**SUBJECT:** SCHEDULE OF ACCOUNTS FOR THE MONTH OF MARCH 2012  
**AUTHOR:** Chief Executive Officer – Stephen Gollan

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Appendix 6

#### COMMENT

The Schedule of Accounts for the month of March 2012 is the appendix to this item.

#### OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION

**M10/0412** Moved Cr Foster **Seconded Cr Murray**  
That the Schedule of Accounts for the month of March 2012, be received.

**CARRIED 8-0**

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**SUBMISSION TO:** April Council Meeting 24 April 2012  
**AGENDA ITEM:** 8.4.1.2  
**REPORT DATE:** 20 April 2012  
**SUBJECT:** FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2012  
**AUTHOR:** Chief Executive Officer – Stephen Gollan

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#### COMMENT

The Financial Statement for the period ended 31 March 2012 was provided under separate cover.

#### OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION

**M11/0412** Moved Cr Foster **Seconded Cr Alexander**  
That the Financial Statement for the period ended 31 March 2012, as presented, be received.

**CARRIED 8-0**



## 8.5.1 ADMINISTRATION ITEMS

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<b>SUBMISSION TO:</b>	<b>April Council Meeting 24 April 2012</b>
<b>AGENDA ITEM:</b>	<b>8.5.1.1</b>
<b>REPORT DATE:</b>	<b>18 April 2012</b>
<b>SUBJECT:</b>	<b>REVIEW OF ROYALTIES FOR REGIONS COUNTRY LOCAL GOVERNMENT FUNDS</b>
<b>FILE REFERENCE:</b>	<b>GS 016</b>
<b>AUTHOR:</b>	<b>Chief Executive Officer – Stephen Gollan</b>

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Appendix 7

### **SUMMARY**

The Western Australian Regional Development Trust's report – *Review of Royalties for Regions Country Local Government Fund* – has been released for public comment with submissions due by 11 May 2012.

The Western Australian Local Government Association (WALGA) has distributed an InfoPage seeking Local Government feedback by 3 May 2012 to assist in shaping the Association's submission.

The Report proposes a shift in the nature of the Country Local Government Fund (CLGF) to be more strategic and outcomes focused.

The Trust recommends that the intention to allocate 100 percent of the 2013-14 round of funding to groups of Local Governments should be scrapped and that the CLGF should incorporate flexibility to allocate funding to individual Local Governments or groups of Local Governments based on anticipated outcomes.

The Trust recommends that the CLGF contain two pools of funding: a contestable pool and a non-contestable pool.

The Trust also recommends an enhanced role for the Department of Regional Development and Lands to assess Local Government eligibility for both the contestable and non-contestable pools of funding based on prospects, capability, capacity and risk.

### **BACKGROUND**

Extract from Officer Report in WALGA State Council Meeting Agenda Thursday 3 May 2012:

**8.5.1 ADMINISTRATION ITEMS**  
**ITEM 8.5.1.1**  
**REVIEW OF ROYALTIES FOR REGIONS COUNTRY LOCAL**  
**GOVERNMENT FUNDS**  
**(Continued)**

*In June 2011, the Minister for Regional Development referred a review of the Country Local Government Fund (CLGF) to the Western Australian Regional Development Trust (WARDT).*

*The WARDT released an Issues Paper and called for submissions from Local Governments, WALGA and other stakeholders.*

*The Association provided a comprehensive submission to the Trust, containing nine recommendations, which was endorsed by State Council on 7 December 2011.*

*The Association's full submission to the Issues Paper is available to download from*

*<http://www.walga.asn.au/MemberResources/GovernanceStrategy/CurrentandEmergingIssues.aspx>*

*The WARDT provided a comprehensive report to the Minister for Regional Development in January this year. The report – Review of the Royalties for Regions Country Local Government Fund – containing 26 recommendations, has now been publically released and is available from <http://www.rdl.wa.gov.au/>.*

*The report has been released for a comment period closing on Friday, 11 May 2012. An InfoPage has been distributed to all Local Governments seeking feedback by Thursday, 3 May 2012 to guide the Association's submission. The Association's submission will be presented at the 4 July State Council meeting for endorsement.*

**COMMENT**

Extract from Officer Report in WALGA State Council Meeting Agenda Thursday 3 May 2012:

*If the Trust's 26 recommendations are implemented, there will be changes to the nature of the Country Local Government Fund and the way it is allocated to Local Governments from July next year.*



**8.5.1 ADMINISTRATION ITEMS**  
**ITEM 8.5.1.1**  
**REVIEW OF ROYALTIES FOR REGIONS COUNTRY LOCAL**  
**GOVERNMENT FUNDS**  
**(Continued)**

*The Trust's recommendations are broadly consistent with the Association's submission to the Issues Paper. However, some matters, particularly regarding the role of the Department of Regional Development and Lands (RDL) as assessors of Local Governments, present as prima facie concerns for the sector.*

*The Trust has recommended that the CLGF should continue with current or increased funding and should become more strategic and outcomes focused. Changes are also proposed to the accountability of the program.*

*The focuses of the CLGF will continue to be infrastructure creation and renewal, Local Government capacity building and the facilitation of amalgamations.*

*The Trust has recommended scrapping the fixed percentage split between individual Local Governments and regional groupings of Local Governments in line with the shift towards an outcomes based and more strategic program. The Trust's Recommendation 9 states that the CLGF should contain both an individual component and a regional component. Further, the Trust recommends against the 2013-14 CLGF to be allocated entirely too regional groups of Local Government.*

*The Trust argues in the report that some Local Governments, particularly geographically large Local Governments, regional centres and SuperTowns, should be considered 'regions' in their own right and should not be forced into regional groups that deliver sub-optimal outcomes. Conversely, the Trust argues that some Local Governments should only have access to funding as part of a regional group of Local Governments.*

*The Trust has recommended that there should be two CLGF funding pools: a contestable funding pool and a non-contestable grants pool. The Trust argues the CLGF should be outcomes focused and not 'entitlement' focused.*

**8.5.1 ADMINISTRATION ITEMS**  
**ITEM 8.5.1.1**  
**REVIEW OF ROYALTIES FOR REGIONS COUNTRY LOCAL**  
**GOVERNMENT FUNDS**  
**(Continued)**

*A potential issue of concern for the sector is the enhanced role proposed for the Department of Regional Development and Lands as assessors of Local Governments. The Trust has recommended that funding to Local Governments from the CLGF be contingent on RDL assessments of Local Governments in terms of prospects, capability, capacity and risk. The Trust has also recommended that RDL analyse all Local Government Forward Capital Works Plans to ascertain infrastructure status, needs and priorities of each Local Government. The Trust envisages that RDL's assessment and rating process may deem some Local Governments ineligible for one or both pools of funding.*

*This presents as a particular issue of concern for the Local Government sector. If the Trust's recommendations are implemented, some Local Governments, potentially with the least financial capacity and a significant infrastructure backlog, may be determined as ineligible for CLGF funding.*

*Changes to the accountability requirements for the CLGF are also proposed. The report suggests that the Local Government audit process could be refined to provide a thorough assessment of CLGF projects to prevent multiple auditing of projects. The Trust also recommends the standardisation of Local Government accounting systems, asset management systems, depreciation systems and forward capital works plans.*

*A positive recommendation from the Trust is the move from the current 'financial year' approach to a 'project time' approach. The Association argued for this change in its submission to the Issues Paper.*

*Another positive proposal from the Trust is the recommendation that the Department of Regional Development takes a less 'desktop' based approach to administering the CLGF. It is recommended that RDL project officers get out into the country to directly liaise with Local Governments involved in CLGF projects.*

**8.5.1 ADMINISTRATION ITEMS**  
**ITEM 8.5.1.1**  
**REVIEW OF ROYALTIES FOR REGIONS COUNTRY LOCAL**  
**GOVERNMENT FUNDS**  
**(Continued)**

*The Trust has also recommended that the role and involvement of the Regional Development Commissions be clarified in future iterations of the CLGF.*

*The Association will prepare a response to the report by the 11 May 2012 deadline. Input from Local Governments is requested by 3 May 2012 to assist in shaping the Association's submission.*

A copy of the Trust's 26 Recommendations can be found in the attachments to this item.

The matter will be raised as an agenda item at the Central Country Zone meeting to be held in Brookton on Friday 27 April 2012. Given the size of the report, the magnitude of the 26 recommendations, and short period of notice for comment, it may be more suitable for Council to allow for the Report to be addressed through the Central Country Zone forum, at which Council will have representation.

**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**M13/0412 Moved Cr Foster Seconded Cr Shaw**  
**That Council: -**

- 1. Notes the release of the Review of Royalties for Regions Country Local Government Fund Report recently prepared by the Western Australian Regional Development Trust.**
- 2. Provides comment on the Review Report via the Central Country Zone meeting to be held in Brookton on Friday 27 April 2012.**

**CARRIED 8-0**

**8.5.2 INFORMATION BULLETIN REPORT – CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer had provided an Information Bulletin Report under separate cover.

**8.5.2.1 Beverley Soaring Society – Lease – Shed and Hanger Fees**

The Chief Executive Officer advised that he had received information from the Shire of Cunderdin in relation to the Hanger fee they charge to the Soaring club there. The Shire charges a fee of \$2.00 per square metre.

**COUNCIL RESOLUTION**

**M14/0412 Moved Cr Foster** **Seconded Cr Alexander**  
That the Beverley Soaring Society be advised that Council will charge \$1.00 per square metre for a Hanger and a T Hanger will attract a minimum charge of \$100.00.

**CARRIED 8–0**

**COUNCIL RESOLUTION**

**M15/0412 Moved Cr Alexander** **Seconded Cr Gogol**  
That the Chief Executive Officer's Information Bulletin Report, be received.

**CARRIED 8–0**

**9. INFORMATION BULLETIN – PARTS ONE AND TWO – GENERAL SECTIONS**

The April 2012 Information Bulletin was provided under separate cover.

**COUNCIL RESOLUTION**

**M16/0412 Moved Cr Foster** **Seconded Cr Gogol**  
That the April 2012 Information Bulletin, be received.

**CARRIED 8–0**

**10. TABLED CORRESPONDENCE**

- LOCAL GOVERNMENT MANAGERS AUSTRALIA (LGMA)
  - 2012 LGMA National Congress & Business Expo  
Perth 20 – 23 May 2012
  - Statewide Magazine



**11. OTHER BUSINESS**

**ITEM 11.1**

**Minutes of the Town Entry Statement Committee Meeting held in the Council Chambers on Friday 20 April 2012**  
(Continued)

**BUSINESS ARISING**

**11.1.1 Town Entry Statement Concepts (Item 5.1)**

**COUNCIL RESOLUTION**

**M18/0412 Moved Cr Foster** **Seconded Cr White**  
That Council concur with the committee recommendation that the design titled "The Gate" is the preferred option as the Town Entry Statement for Beverley.

**CARRIED 8-0**

**11.2 SEARTG Website**

Concern was expressed by Council that at the SEARTG Workshop held in Tammin in February that it was agreed that the website be "Live" by 31 March 2012 and as yet it is still not "Live".

**COUNCIL RESOLUTION**

**M19/0412 Moved Cr White** **Seconded Cr Shaw**  
That this Council expresses its strong disappointment that the establishment of a dedicated website for the SEARTG has not been completed by the 31 March 2012.

**CARRIED 8-0**

**12. CLOSURE**

There being no further business the meeting closed at 4:19pm.

I hereby certify these Minutes as being confirmed in accordance with Section 5.22 of the Local Government Act 1995.

Presiding Member

Date

## **APPENDIX LIST**

**24 APRIL 2012**

		<b>Commencement Page of Appendix Item</b>
Appendix 1	Item 6.2 – Minutes of the Development Services Committee Meeting held on 16 April 2012	1
Appendix 2	Item 6.3 – Minutes of the Fire Control Officers Meeting held on 18 April 2012	4
Appendix 3	Item 6.4 – Minutes of the Town Entry Statement Committee Meeting held on 20 April 2012	7
Appendix 4	Item 8.1.1.1 – Development Application – Turner Gully Dirt Drags – Lot 83 Butchers Road, Westdale	10
Appendix 5	Item 8.1.1.2 – Proposed Rationalisation & Dedication of Brookton Highway Road Reserve & Road Closure – Sections of the Brookton Highway, Flint	20
Appendix 6	Item 8.4.1.1 – Schedule of Accounts for the month of March 2012	37
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**MINUTES OF THE DEVELOPMENT SERVICES COMMITTEE MEETING HELD  
IN THE COUNCIL CHAMBERS ON MONDAY 16 APRIL 2012**

**1. MEETING COMMENCEMENT**

The Chairperson declared the meeting opened at 10:00am.

**2. ATTENDANCE AND APOLOGIES**

Attendance

Cr DJ Ridgway	Chairperson
Cr VK Fregon	
Cr BM Foster	
Mr SP Gollan	Chief Executive Officer

Apologies

Cr CJ Pepper

Observer

Nil

**3. DECLARATION OF INTERESTS**

Nil.

**4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING  
HELD ON WEDNESDAY 21 FEBRUARY 2012**

**MDS01/0412 Moved Cr Fregon** **Second Cr Foster**  
That the Minutes of the Development Services Committee Meeting held in the Council Chambers on Wednesday 21 February 2012, as printed, be confirmed.

**CARRIED 3/0**



**5. REPORTS, MATTERS ARISING (AND UPDATE)**

**5.1 Caravan Park**

Prior to the commencement of the meeting, members of the committee visited the Caravan Park with Del Davies from the Beverley Garden and Tree Society to discuss the proposed plantings that will be undertaken by the society.

It was suggested that some large rocks be obtained and placed onto the bank between the caravan bays and the camper's area.

The placement of a hard path including a ramp was discussed which would enable access to the campers kitchen from the caravan park.

**It was agreed that further investigations take place into where a path could be located.**

**6. OTHER MATTERS**

**6.1 Status Report**

The Chief Executive Officer tabled a Status Report on actions that have been sanctioned by the Development Services Committee / Council.

The report was discussed by the committee.

**6.2 Caravan Park Maintenance**

Cr Fregon tabled a list of items that was created from discussions with the Caravan Park Caretaker.

The Chief Executive Officer advised that a number of items on the list relate to maintenance and will be dealt with by the Building Maintenance Officer.

**6.3 Youth Action Plan**

**It was agreed that Councillors Ridgway and Fregon along with the Chief Executive Officer and Acting Deputy Chief Executive Officer meet on Tuesday 24 April 2012 at 12 noon to discuss the Youth Action Plan.**

**7. NEXT MEETING**

The next meeting of the Committee will be held on Monday  
14 May 2012, commencing at 10:00am.

**8. CLOSURE**

There being no further business the Chairperson declared the  
meeting closed at 12:20pm.

I hereby certify these Minutes as being confirmed in accordance with Section 5.22 of the Local Government Act  
1995.

*Presiding Member*

*Date*

**MINUTES OF THE MEETING OF THE FIRE CONTROL OFFICERS  
HELD IN THE COUNCIL CHAMBERS  
ON WEDNESDAY 18<sup>TH</sup> APRIL 2012  
COMMENCING AT 7:05PM**

**PRESENT:**

Jim Aird	Chief Fire Control Officer
Rob Fisher	FCO Dale Brigade
Richard Smith	Deputy Chief Fire Control Officer
John Barrett-Lenard	FCO Avondale Brigade
Deane Anysley	FCO Morbinning Brigade
Andrew Shaw	FCO Talbot Brigade
David Adams	FCO Kokeby East Brigade
Paul Schilling	FCO Dale West Brigade
Bruce Kilpatrick	FCO Bally Bally Brigade
Gary Miller	FCO Kokeby Brigade
Dee Ridgeway	President, Shire of Beverley
Stephen Gollan	Chief Executive Officer
Justin Corrigan	Community Emergency Services Manager

**APOLOGIES:**

Lincoln Murray	FCO North East Brigade
Darren Boyle	FCO Central Brigade

**CONFIRMATION OF MINUTES:**

**MFCO 1/0412**

**Moved John Barrett-Lenard**

**Seconded Paul Shilling**

**That the Minutes of the Fire Control Officers meeting held on the 25<sup>th</sup>  
October 2011 as printed be confirmed.**

**CARRIED**

**BUSINESS ARISING:**

Mr Bruce Kilpatrick asked what was happening with Vehicle stickers

Mr Justin Corrigan advised meeting

- FESA were revamping the ID sticker and a new version will be available towards the end of this year

Mr Richard Smith asked meeting what was happening with trailer for transfer pumps

Mr Justin Corrigan advised meeting

- No further work has been done on this from previous meeting
- Mr Deane Anysley advised meeting that the Morbinning Brigade will attempt to place on Morbinning Tender

Mr Richard Smith addressed meeting

- SMS was working well, good to get notification on fire within district

#### **REPORTS:**

##### **Gary Miller – Kokeby Brigade**

Mr Gary Miller advised meeting that he was going to retire at next meeting

##### **David Adams – Kokeby West Brigade**

Mr David Adams advised meeting that he was going to retire at next meeting

##### **Deane Anynsley – Morbinning Brigade**

Mr Deane Anynsley addressed meeting on the following

- Tender worked well this fire season
- Like to have more social events at shed

##### **John Barrett-Lennard – Avondale Brigade**

Mr John Barrett-Lennard addressed the meeting with the following

- Had quiet Fire season
- Hope to have Light Tanker in region before retiring
- Had good social event

##### **Mr Richard Smith – Beverley North East Brigade**

Mr Richard Smith addressed the meeting with the following

- Busy fire season due to a lot of lightning strikes but no major damage
- Thanked Deane for his efforts in getting the Morbinning Tender and shed as well as organising events
- Has given region good resource

##### **Paul Schilling & Rob Fisher – Dale and Dale West Brigades**

Mr Rob Fisher advised meeting

- Had positive meeting at start of season

#### **FIRE WEATHER OFFICERS:**

The meeting advised that new Fire Weather Officers were needed for East, West and Central Beverley

- Bruce Kilpatrick will do East
- Rob Fisher will do West
- Andrew Shaw will do Central
- All Fire Weather Officers will remain the same for this year
- Meeting decided that all Fire Control Officers will receive weather meters
- 8 new Kestrel weather meters will be ordered

#### **GENERAL BUSINESS:**

**Mr David Adams** – Advised that Shire should place a full page add in Blarney thanking the community for their vigilance over this fire season, and also asked if anyone would like to be added to Shire SMS list.

**Mr Richard Smith** – Addressed meeting with concerns regarding new WAERN radios only being able to receive every second word

- Mr Justin Corrigan advised that it is a possible repeater problem and would talk to Alan Brown from FESA Communication for a solution

**Mr Justin Corrigan** – Addressed meeting to discuss the Shire of Beverley's 000 agreement as there is confusion with 000 ringing the Shire to report fires

**MFCO 2/0412**

**Moved Jim Aird**

**Seconded Richard Smith**

**That the Shire of Beverley's 000 agreement be changed as follows:**

- **All brigades to setup with FESA SMS to respond to fires**
- **Chief Fire Control Officer will be the first call**
- **CESM will be second call**
- **Look at setting up Executive Group made up of FCO**
- **Look into Beverley Central Brigade group call**

**CARRIED**

#### **FIRE BREAKS**

The meeting agreed not to make any changes

#### **TOWN SIREN**

**Mr Justin Corrigan** – Addressed meeting about the possibility of using the siren to notify locals of fires within the Shire

**MFCO 3/0412**

**Moved David Adams**

**Seconded Andrew Shaw**

**That the Central Bush Fire Brigade Shed siren be set off if there is fire within the Shire of Beverley.**

**CARRIED**

**Mr John Barrett-Lenard** – Addressed meeting to thank everyone who he has worked with him in his time as Chief and a FCO, he was wrapped to see Morbinning with a Tender and the young guys stepping up and doing a great job for the community.

#### **CLOSURE:**

There being no further business the meeting closed at 9.30pm

I hereby certify these Minutes as being confirmed in accordance with Section 5.22 of the Local Government Act 1995.

Presiding Member

Date



## 5. REPORTS, MATTERS ARISING (AND UPDATE)

### 5.1 Entry Statement Concepts

Mr Tony Jones of Tony Jones Art Projects had reviewed the Town Entry Statement applications.

The CEO received back an e-mail from Tony as follows:

*"Having gone through the applications it is fair to say most have something going for them. Some have an emphasis on a clean design outcome, others are bit more folksy with references to local heritage and history.*

*I think an easily read symbolic work is probably the best as it does need to function as a sign more than a public artwork/sculpture.*

*The three that work best for me are:*

- 1. Sue Grey Smith*
- 2. Creative Spaces Extruded Lettering Concept.*
- 3. Broun "The Gates"*

*The above would probably be my order but very much up to your town to decide.*

*The others would seem to need design development for them to work for me."*

Mrs Jenny Broun had declared an interest, and left the meeting at 5:05pm, as her daughter's work was one of the three being voted on.

The Committee discussed the contents of the above e-mail and in reaching a decision took into account the following:

- Local Artist
- Simplicity of Construction
- Robustness
- Easy Placement
- Easy Maintenance
- Impact on Motorists
- Uniqueness









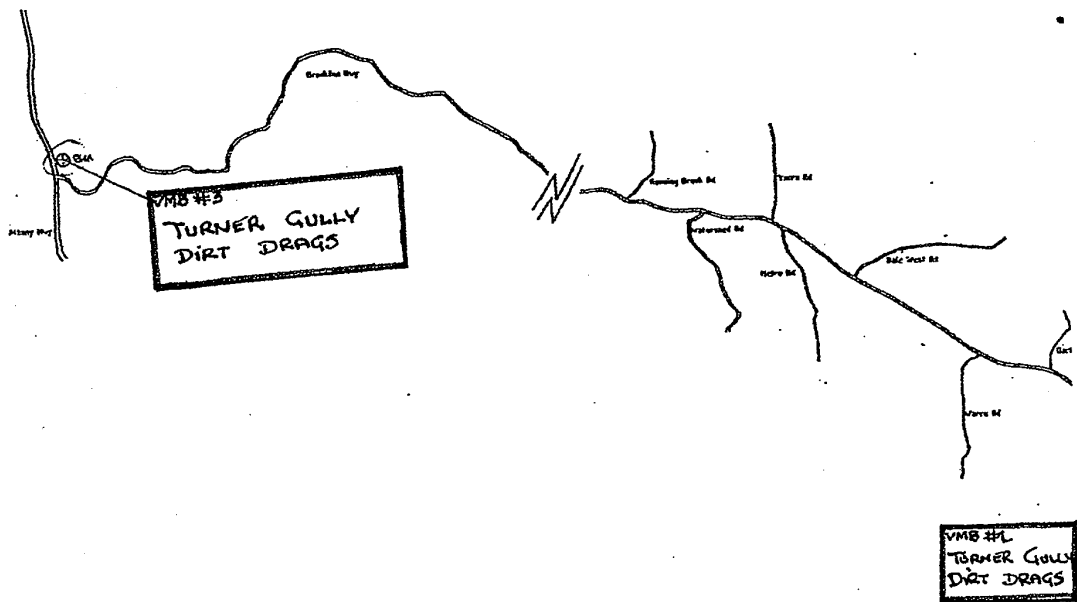
MR PHIL UCHTMAN

63 Buckingham Road

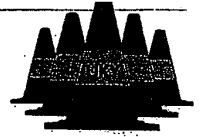
Kelmscott WA 6111

M0408 944 887

A/H 08 9390 6271



- VMB TO BE PLACED 500m FROM CNR
- BROOKTON HWY
- WOODHAK RD
- BUTCHER RD
- VALENTINE RD
- WORK TEMPORARY SPEED SIGNS ARE TO BE PLACED AT 700m INTERVAL ALONG BUTCHER RD



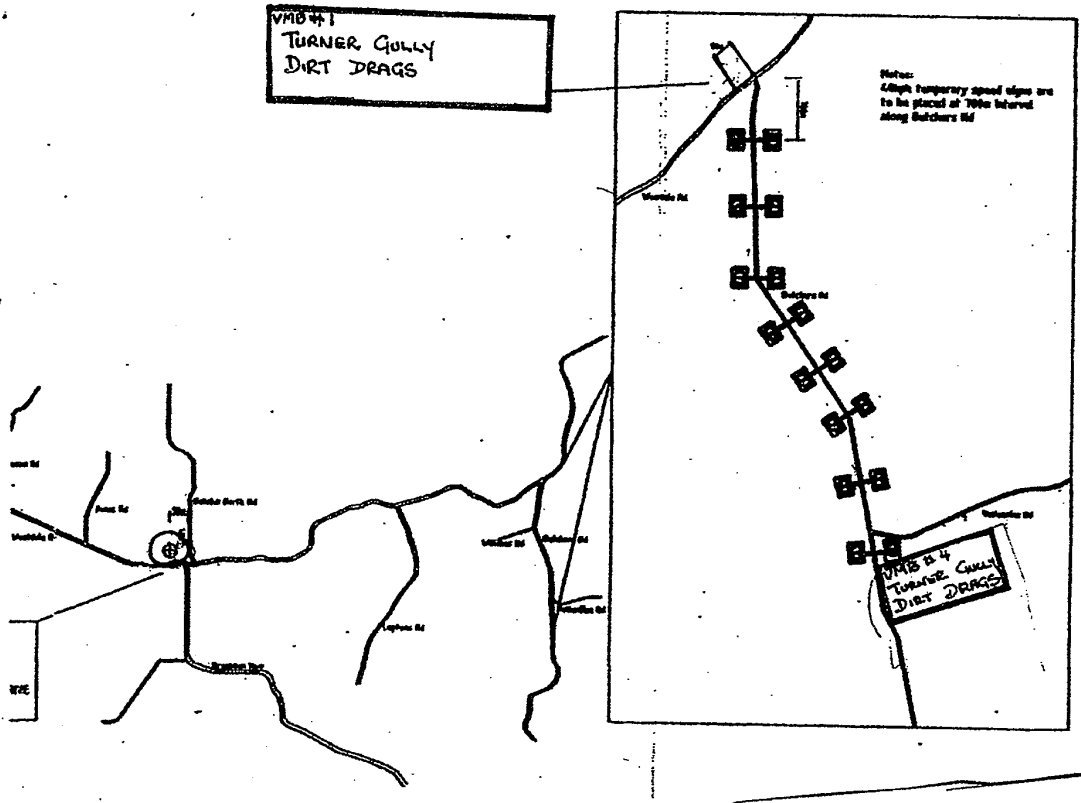
MR PHIL UCHTMAN

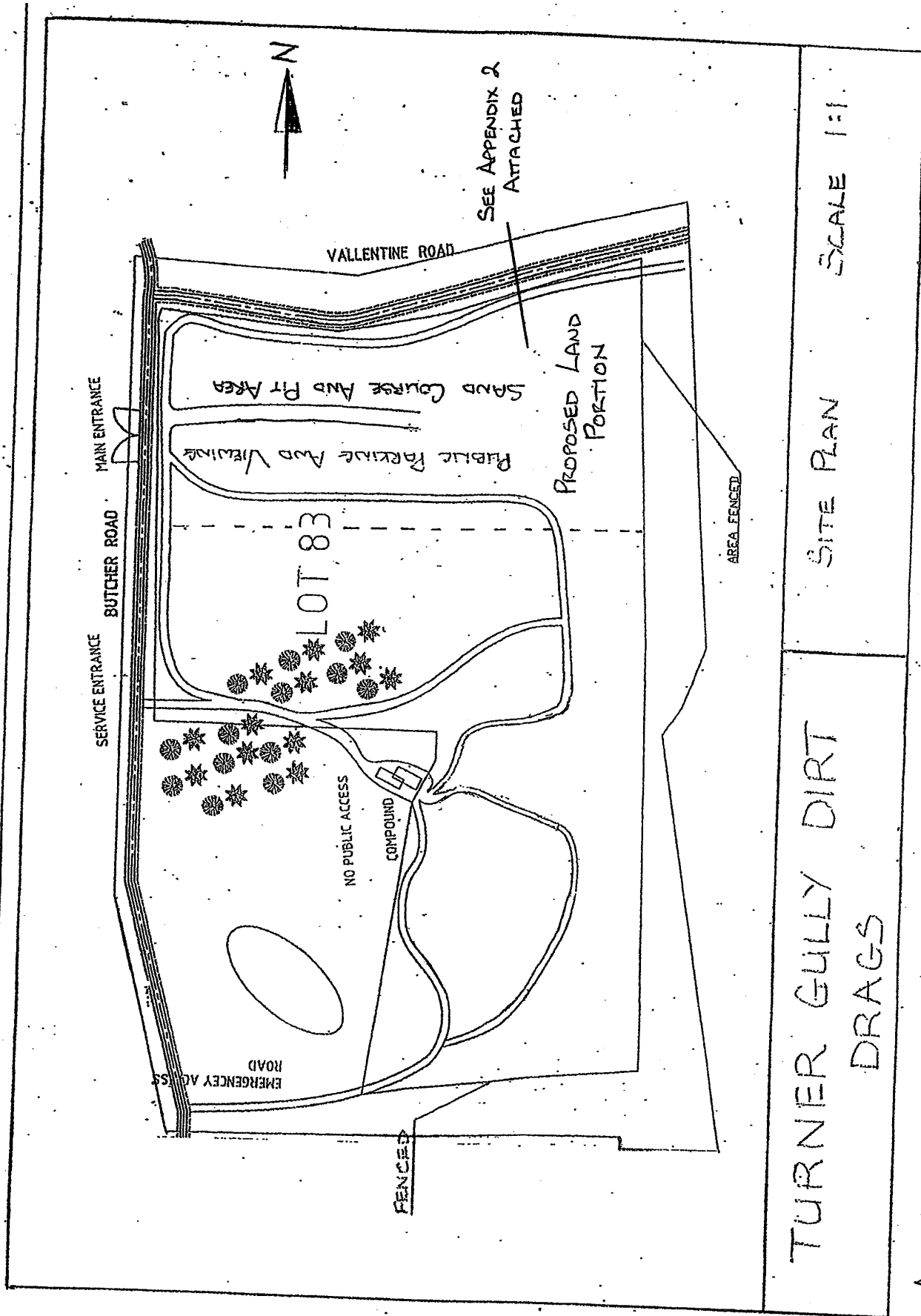
63 Buckingham Road

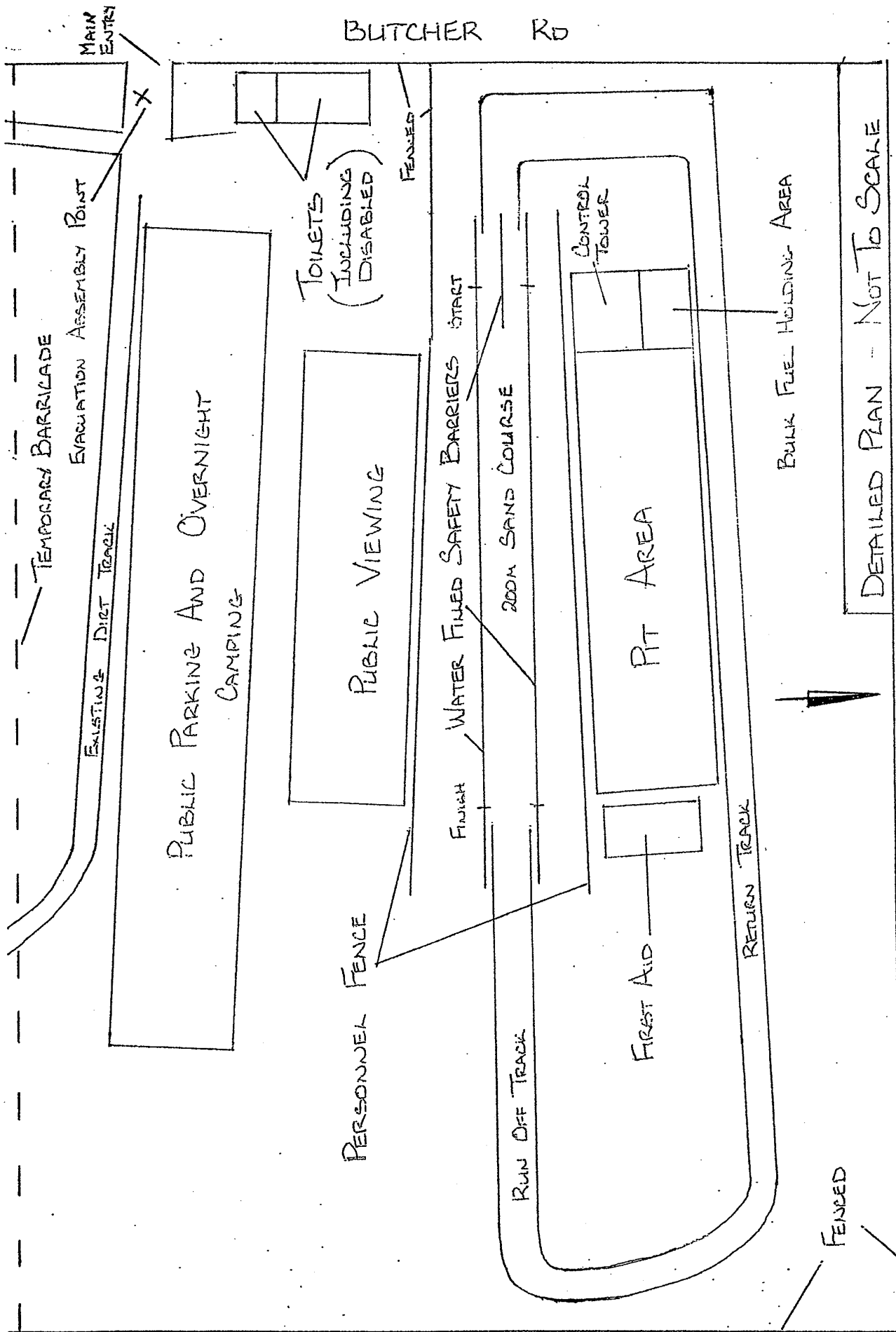
Kelmscott WA 6111

M0408 944 887

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BUTCHER RD

DETAILED PLAN - NOT TO SCALE

VALENTINE RD

APPENDIX 2

# TURNER GULLY DIRT DRAGS

2012

## EVENT OVERVIEW

Due to the strong interest within the 'Off Road' sporting community and continued success of similar events throughout Australia, ONE TWENTY ONE RACING seeks the opportunity to stage TURNER GULLY DIRT DRAGS 2012.

TURNER GULLY DIRT DRAGS is a proposed Test and Tune event designed to allow local and interstate competitors, in all age brackets, the opportunity to demonstrate and/or tune their machines within this controlled, purpose built, ¼ mile venue. This venue has been designed to National Standards with state of the art electronic timing equipment and as such is the benchmark in Western Australia for this type of event. The proposal also includes a Tractor Pull Demonstration within the stated area (to be confirmed).

The proposed TURNER GULLY DIRT DRAGS is to be held on a portion of 49ha of private land located at Lot 83 'Dale' in the Shire of Beverly over the period 19<sup>th</sup> May 2012 between the hours of 9.00am to 9.00 pm.

Organizers expect a patronage of around 1500 persons to attend the event. Public parking and overnight camping areas have been provided.

Cool drinks and water will be made available during the event.

## FIRE RISK

The expected fire risk at the time of the event is considered negligible due to seasonal change within that period and the date of the event falls outside the 'fire ban' period. The area designated for use within the property boundaries consists of gently undulating pasture with small hills and ridges interspersed with smooth stone outcrops. There are few trees within the designated area until it meets the rising eastern boundary which is lined with low scrub and gum.

## FIRE PRECAUTIONS

ONE TWENTY ONE RACING will designate approximately 6 – 8 event staff as Safety/Fire Marshalls and they will be provided with two-way radios and have all terrain mobility.

Licensed security officers and associated personnel provided by Astute Security Services will be on duty throughout the event and all will be designated 'Safety/Fire Marshalls'. They will be equipped with 2-way radios and distinctive clothing and will have attended a briefing prior to the event.

ONE TWENTY ONE RACING will establish a liaison with Emergency Services to enable correct and appropriate response to any critical incident.

Water from the dam and tank system will be utilized by the organizer by means of water pumps and mobile water carts (trucks).

A water tanker and delivery system will be on standby at the property in the event that it is required. However, in the likelihood of a major fire situation it is anticipated that an evacuation will be conducted and the incident to be handled by FESA/CFA.

Any bulk fuel brought by competition entrants will be stored in a stand-alone area adjacent to the dirt drag pit area and access will be restricted.

Fire extinguishers will be located in strategic areas on the venue site – especially in areas of structure and high risk.

A site inspection will be conducted in the week preceding the event to re-evaluate any potential fire risk.

Professional and volunteer St. Johns Ambulance First Aid personnel will also be on-site to attend to any medical emergencies.

#### EMERGENCY EVACUATION

If any situation occurs that is deemed by the organizers to have the potential to threaten the safety of event staff and patrons a general evacuation of the site will be called. This will involve the use of the Public Address System to announce a General Evacuation and Fire Marshalls with loud hailers will direct persons away from the point of any danger to the designated Evacuation Assembly Point. In case of evacuation the route will be by way of the main access road and persons will be mustered outside the main gate toward Butchers Road (west). This route



will be familiar to all persons who have entered the property. If necessary an alternative or extra route may be accessed through the public parking area. Attempts to evacuate vehicles and possessions **WILL NOT BE PERMITTED** until such time that any potential danger has been deemed safe by attending Emergency Services. The property is bounded by standard wire fencing and specific areas within the event area will be fenced off. However, these fences will be of low-level, light construction and are not considered a 'containment' threat in the case of an evacuation.

We envisage all agencies will work well together to achieve a safe, enjoyable and successful event.

'Prepared and compiled by Astute Security Services on behalf of ONE TWENTY ONE RACING.'

**Stefan de Beer**

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**From:** CORRIGAN Justin [Justin.CORRIGAN@fesa.wa.gov.au]  
**Sent:** Friday, 23 March 2012 3:11 PM  
**To:** Stefan de Beer  
**Subject:** RE: TURNER GULLY DIRT DRAGS - 19 MAY 2012

Hi Stefan

Reviewing application for Turner Gully Dirt Drag and doing inspection of the purposed site on 23<sup>rd</sup> March with Steve and yourself as Community Emergency Services Manager I do not have any concerns with the fire management for this event.

As you are aware 19<sup>th</sup> May is a unrestricted burning period for the Shire of Beverley, looking at the site the amount of fuel within this area and taking into account the time of year I do not deem this to be a fire hazard.

With fire precaution the applicant has a dedicated team of fire marshals which appear to be equipped in dealing with any problem as it may arise, as for your request to Steve to clarify the ATV's capacity to carry water for fire fighting purposes, if they are unable to do so I would recommend that they at least carry a fire extinguisher for the purpose of fire control, it is my understanding that a Shire fire tender will be on site for the event should the situation require a more substantial fire suppression method.

Should you require any further information I am happy to discuss.

Regards

*Justin Corrigan*

Community Emergency Services Manager  
Shire of Beverley / Shire of York

Moblie 0427057719

Email : [justin.corrigan@fesa.wa.gov.au](mailto:justin.corrigan@fesa.wa.gov.au)

Shire of Beverley

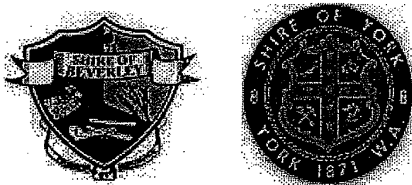
Shire of York

Phone: 96461200

Phone: 96412233

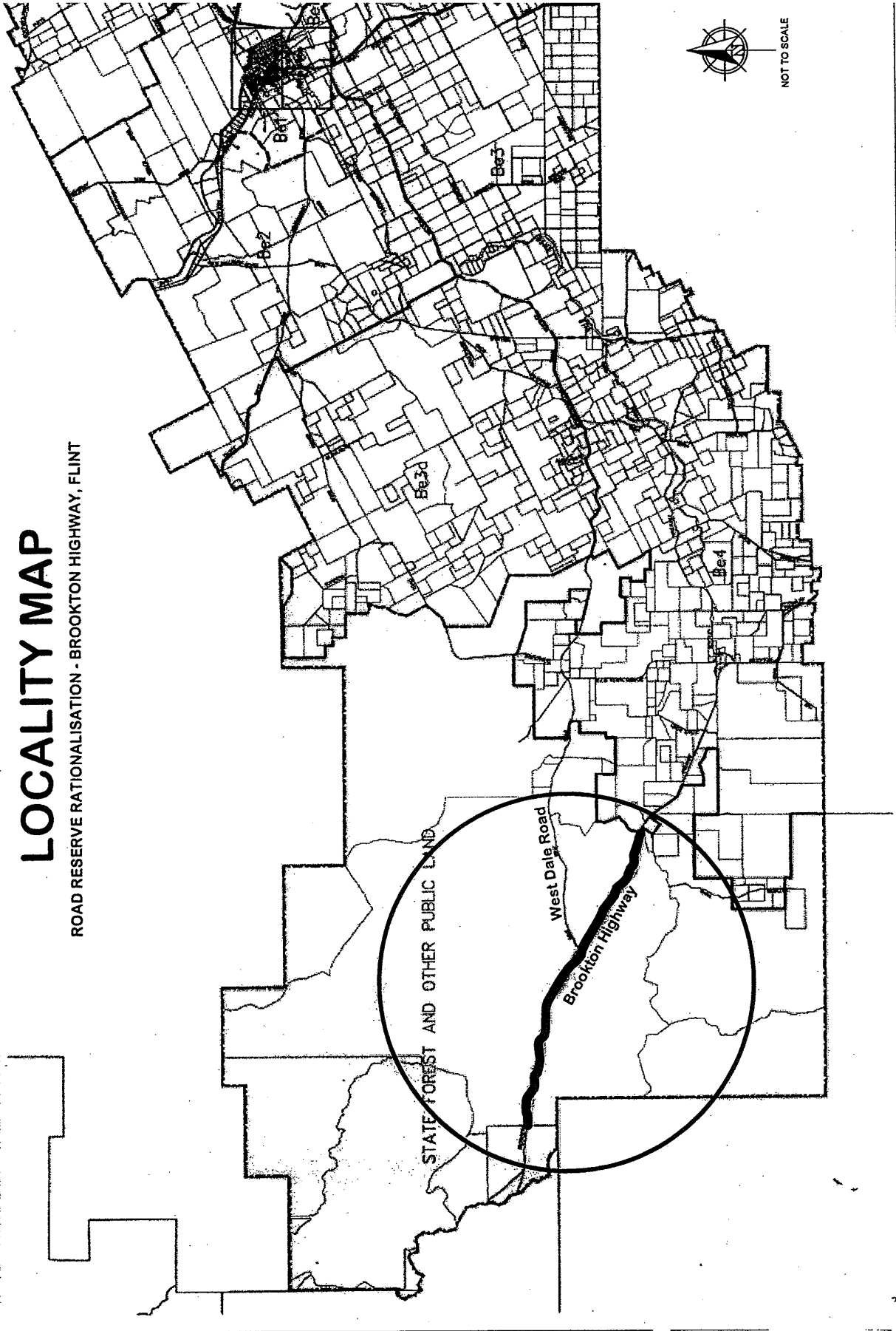
Fax : 96461409

Fax : 96412202

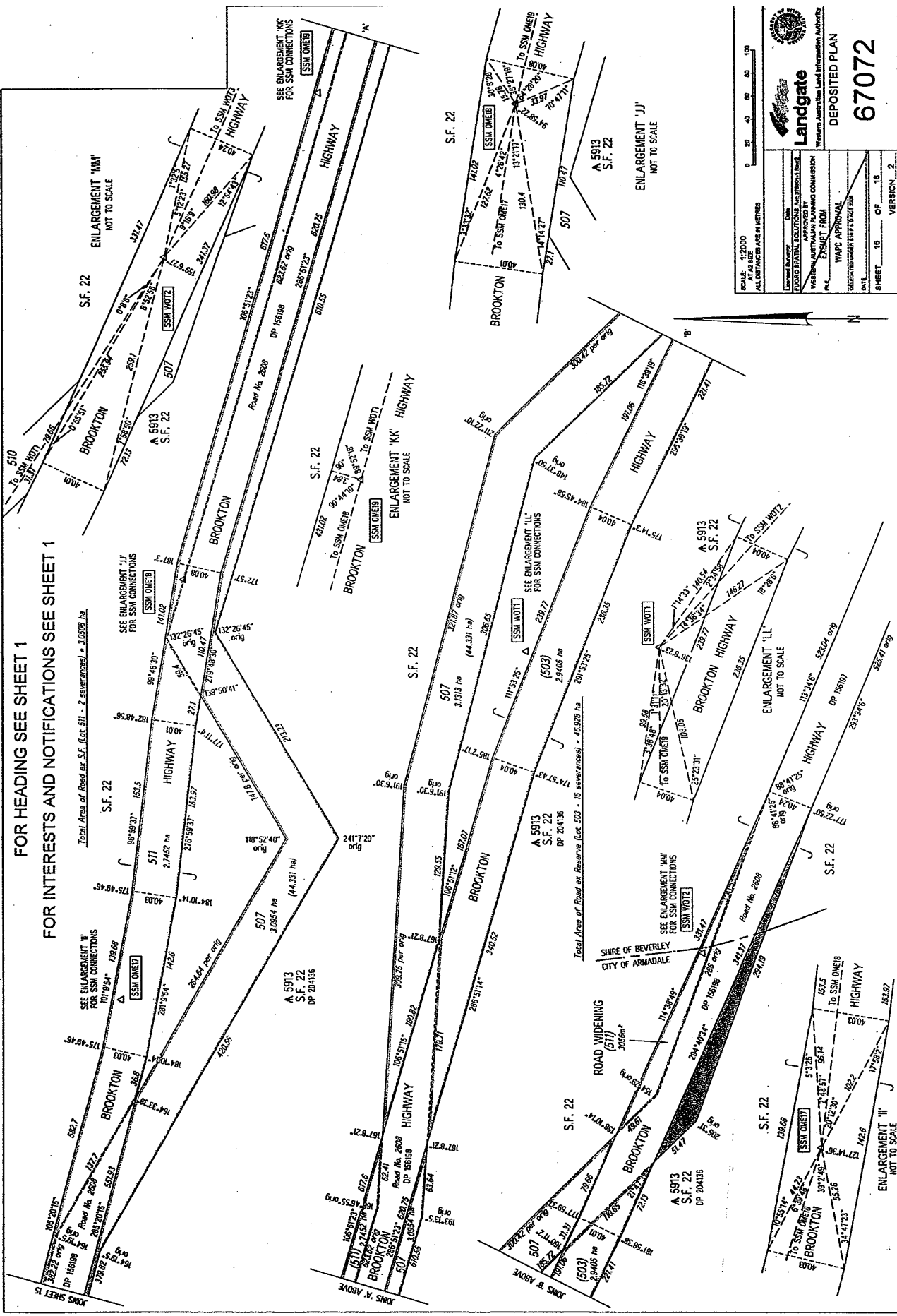


# LOCALITY MAP

ROAD RESERVE RATIONALISATION - BROOKTON HIGHWAY, FLINT







FOR HEADING SEE SHEET 1  
FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1

SCALE: 1:2000  
AT FACE  
ALL DIMENSIONS ARE IN METRES

**Landgate**  
Western Australian Land Information Authority

DEPOSITED PLAN  
**67072**

APPROVED BY:  
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY

ENACTED FROM:  
WAPC APPROVAL

DATE:  
16/07/2012

SHEET 16 OF 16  
VERSION 2

VER. \_\_\_\_\_ AMENDMENT \_\_\_\_\_ AUTHORIZED BY: \_\_\_\_\_ DATE \_\_\_\_\_

**INTERESTS AND NOTIFICATIONS**

SUBJECT	PURPOSE	STATUTORY REFERENCE	ORIGIN	LAND BURGHERED	SHEET TO	COMMENTS
	ROAD WIDENING AND ROAD CLOSURES	SECTION 24 AND 25B OF THE NATIVE TITLE ACT		LOTS 520, 521 & 522		

LOT	FORMER TENURE	ON PLANDIA	TITLE
523 & 524	ROAD		
520	S.F. 22		
521	S.F. 22		
522	P.L. 151/25		

S.F. 22

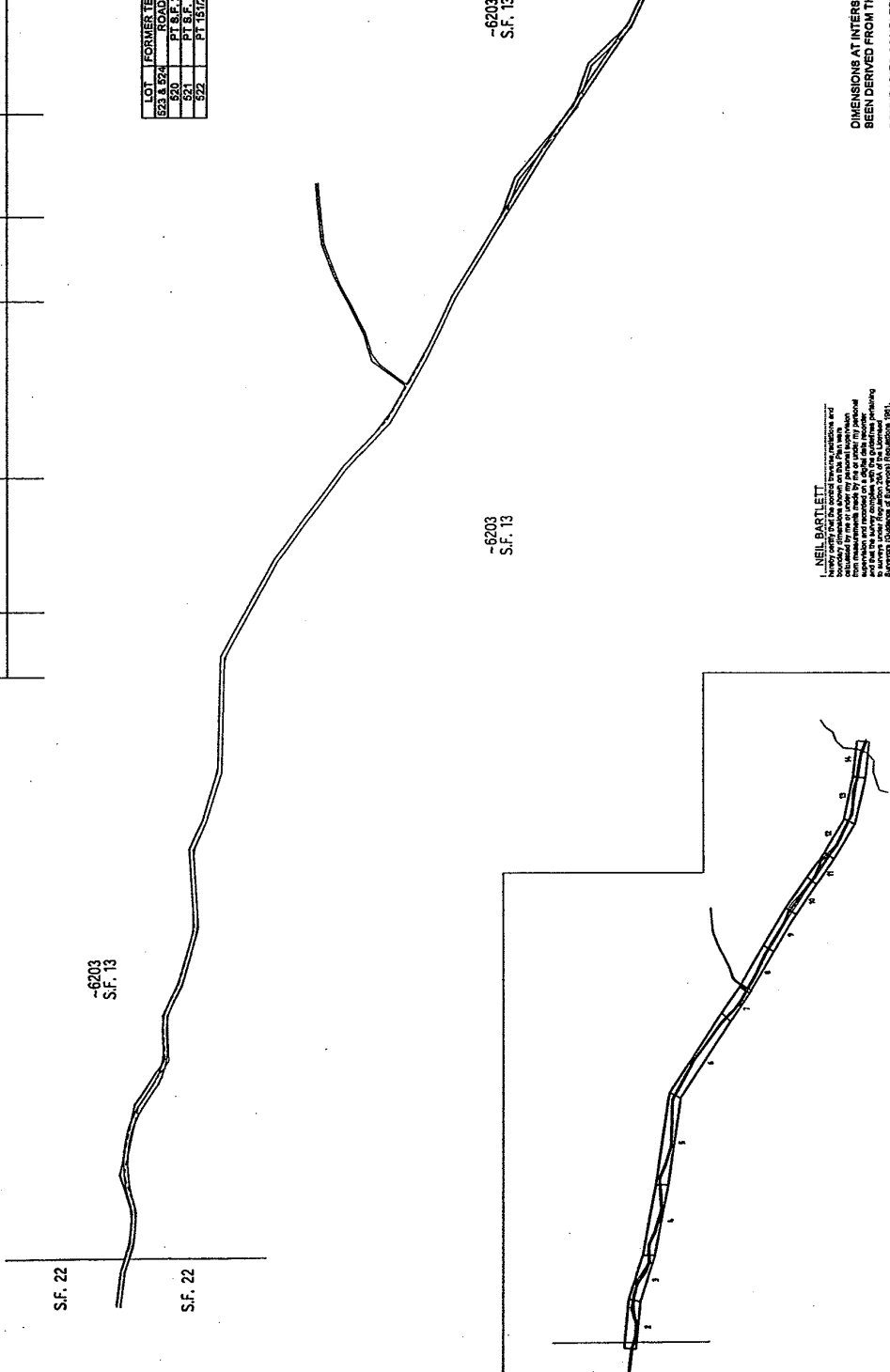
S.F. 22

-6203  
S.F. 13

-6203  
S.F. 13

100  
DP 46971

151/25



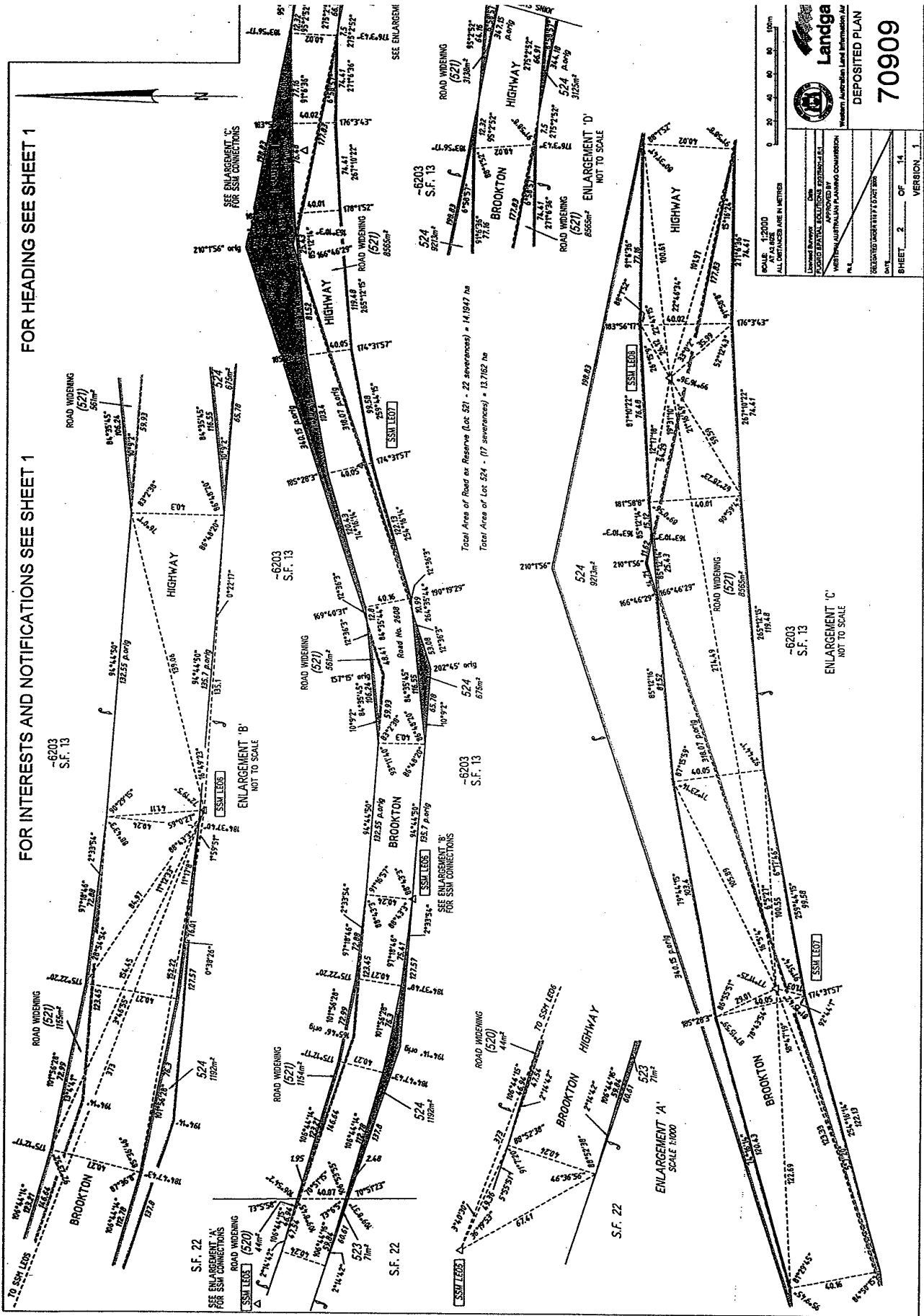
**NEIL BARTLETT**  
 Surveyor  
 I-NEIL BARTLETT  
 SURVEYOR CERTIFICATE - 79454  
 (1) I am a duly qualified and registered surveyor under the provisions of the Survey Act 1985.  
 (2) I am the holder of a current and valid licence to practise as a surveyor under the provisions of the Survey Act 1985.  
 (3) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (4) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (5) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (6) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (7) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (8) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (9) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.  
 (10) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.

SHEET INDEX

TYPE _____	CROWN _____	SCALE: 1:30,000	DATE _____	TYPE OF VALUATION _____	REGISTERED AS _____
PURPOSE _____	SUBDIVISION _____	AT ALL DIMENSIONS IN METRES	DATE _____	FULL ADJUT. _____	SUBJECT TO _____
PLAN OF _____	ROAD & ROAD WIDENINGS (LOTS 520, 521 & 522) AND LOTS 523 & 524 (ROAD CLOSURES)	NEIL BARTLETT SURVEYOR CERTIFICATE - 79454 (1) I am a duly qualified and registered surveyor under the provisions of the Survey Act 1985. (2) I am the holder of a current and valid licence to practise as a surveyor under the provisions of the Survey Act 1985. (3) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (4) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (5) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (6) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (7) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (8) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (9) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985. (10) I am the holder of a current and valid licence to practise as a cadastral surveyor under the provisions of the Survey Act 1985.	DATE _____	LOCAL ADJUT. _____	DATE _____
DISTRICT _____	AVON & COCKBURN SOUND	INDEX BERAKING SW (25) BERAKING SE (25) YAGANING NE (25) LUPTONS NW (25)	DATE _____	FOR INSPECTOR OF PLANS & SURVEYS/AUTHORIZED LAND OFFICER	DATE _____
FILE _____	01138-2012	BERAKING	DATE _____	FOR INSPECTOR OF PLANS & SURVEYS/AUTHORIZED LAND OFFICER	DATE _____
LOCAL AUTHORITY _____	SHIRE OF BEVERLEY	FLINT	DATE _____	FOR INSPECTOR OF PLANS & SURVEYS/AUTHORIZED LAND OFFICER	DATE _____

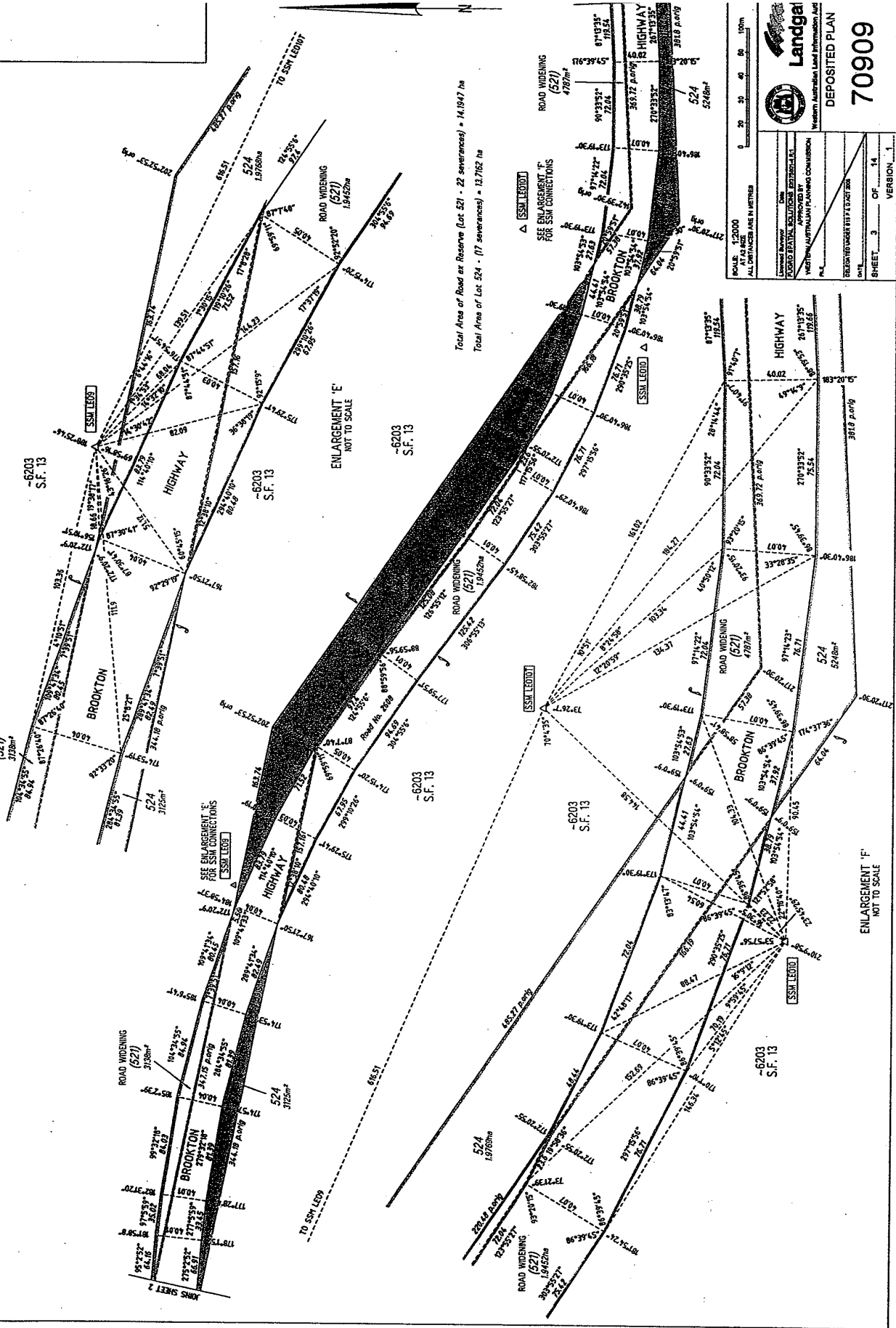
DIMENSIONS AT INTERSECTIONS WITH EXISTING BOUNDARIES HAVE BEEN DERIVED FROM THE SPATIAL CADASTRAL DATABASE. BOUNDARIES COMPLETELY UNMARKED BUT RELATED TO SSN's

**Landga**  
 Western Australian Land Information Authority  
**DEPOSITED PLAN**  
**70909**  
 SHEET 1 OF 14  
 VERSION 1



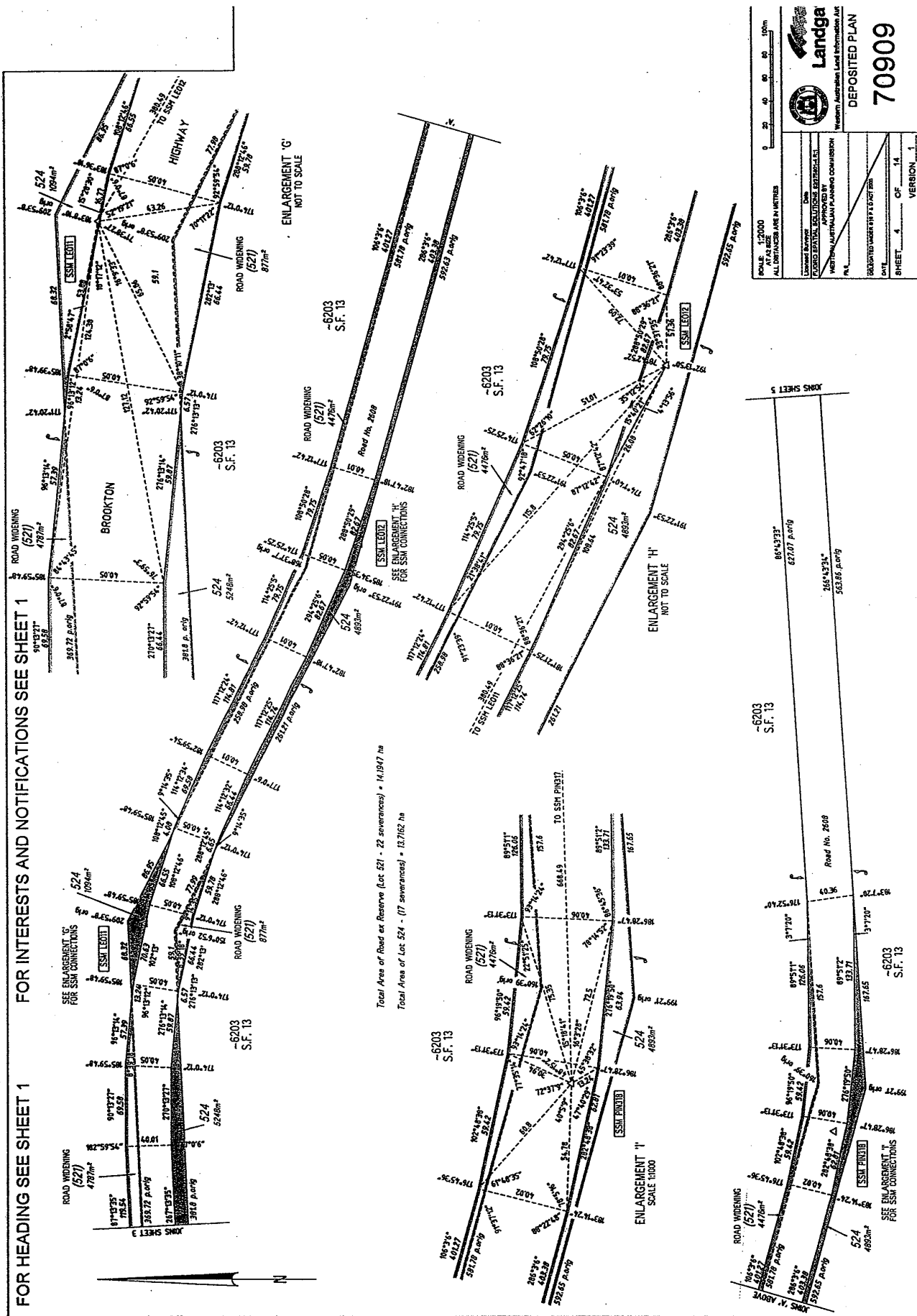
FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1

FOR HEADING SEE SHEET 1



**Landgal**  
 LAND SURVEYING & ENGINEERING  
 11000  
 ALL DISTANCES ARE IN METRES  
 SCALE: 1:2000  
 DEPOSITED PLAN  
**70909**  
 SHEET 3 OF 14  
 VERSION 1





FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1

FOR HEADING SEE SHEET 1

Total Area of Road ex Reserve (Lot 521 - 22 severances) = 14,1947 ha  
 Total Area of Lot 524 - (17 severances) = 12,7162 ha

Scale: 1:2000 AT A4 SIZE  
 ALL DIMENSIONS ARE IN METRES

**Landga**  
 DEPOSITED PLAN  
**70909**

LANDGA SURVEYING  
 APPROVED BY  
 WESTERN AUSTRALIAN PUBLIC WORKS COMMISSION

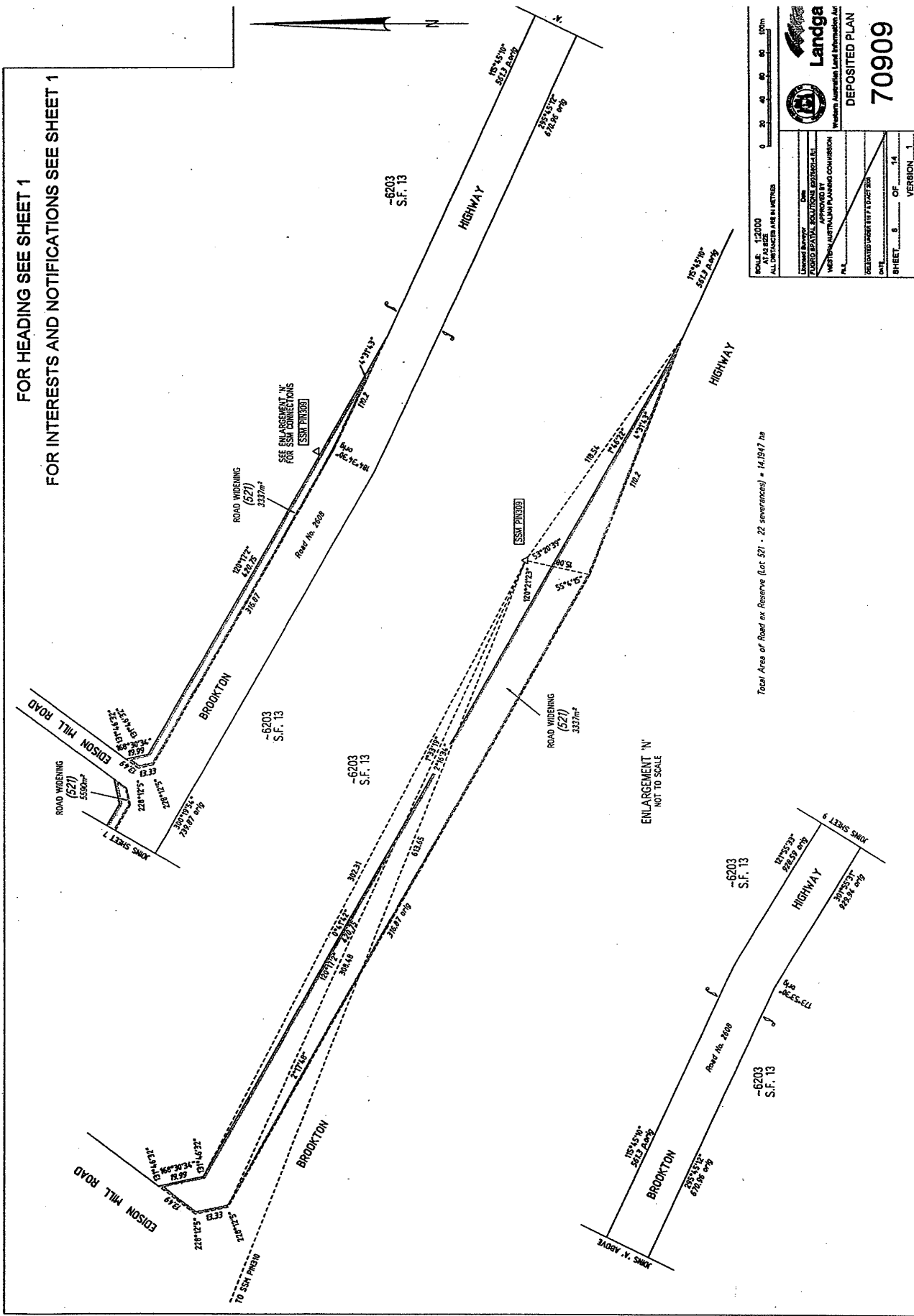
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 SHEET 4 OF 14  
 VERSION 1







FOR HEADING SEE SHEET 1  
FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1



SCALE: 1:2000  
AT A SIZE  
ALL DIMENSIONS ARE IN METRES

0 20 40 60 80 100m

**Landga**  
DEPOSITED PLAN  
70909

WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY

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WESTERN AUSTRALIAN PUBLIC WORKS COMMISSION

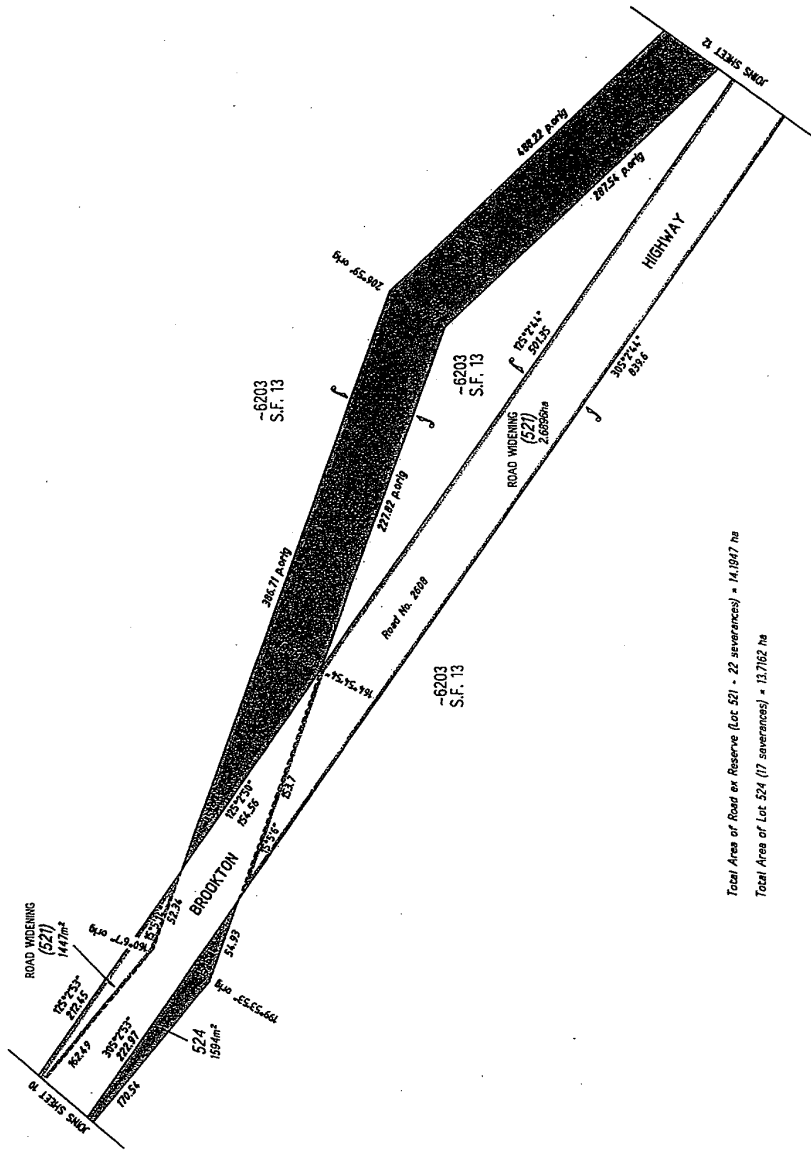
DATE: 14/04/14  
SHEET: 5 OF 14  
VERSION: 1

Total Area of Road ex Reserve (Lot 521 - 22 severances) = 14,1947 ha





FOR HEADING SEE SHEET 1  
 FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1



Total Area of Road ex. Reserve (Lot S21 - 22 severances) = 14,1947 ha  
 Total Area of Lot S24 (17 severances) = 13,7162 ha

SCALE 1:2000  
 ALL DIMENSIONS ARE IN METRES

0 20 40 60 80 100m

**Landga**  
 Modern Australian Land Information

DEPOSITED PLAN  
**70909**

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 WESTERN AUSTRALIAN PLANNING COMMISSION

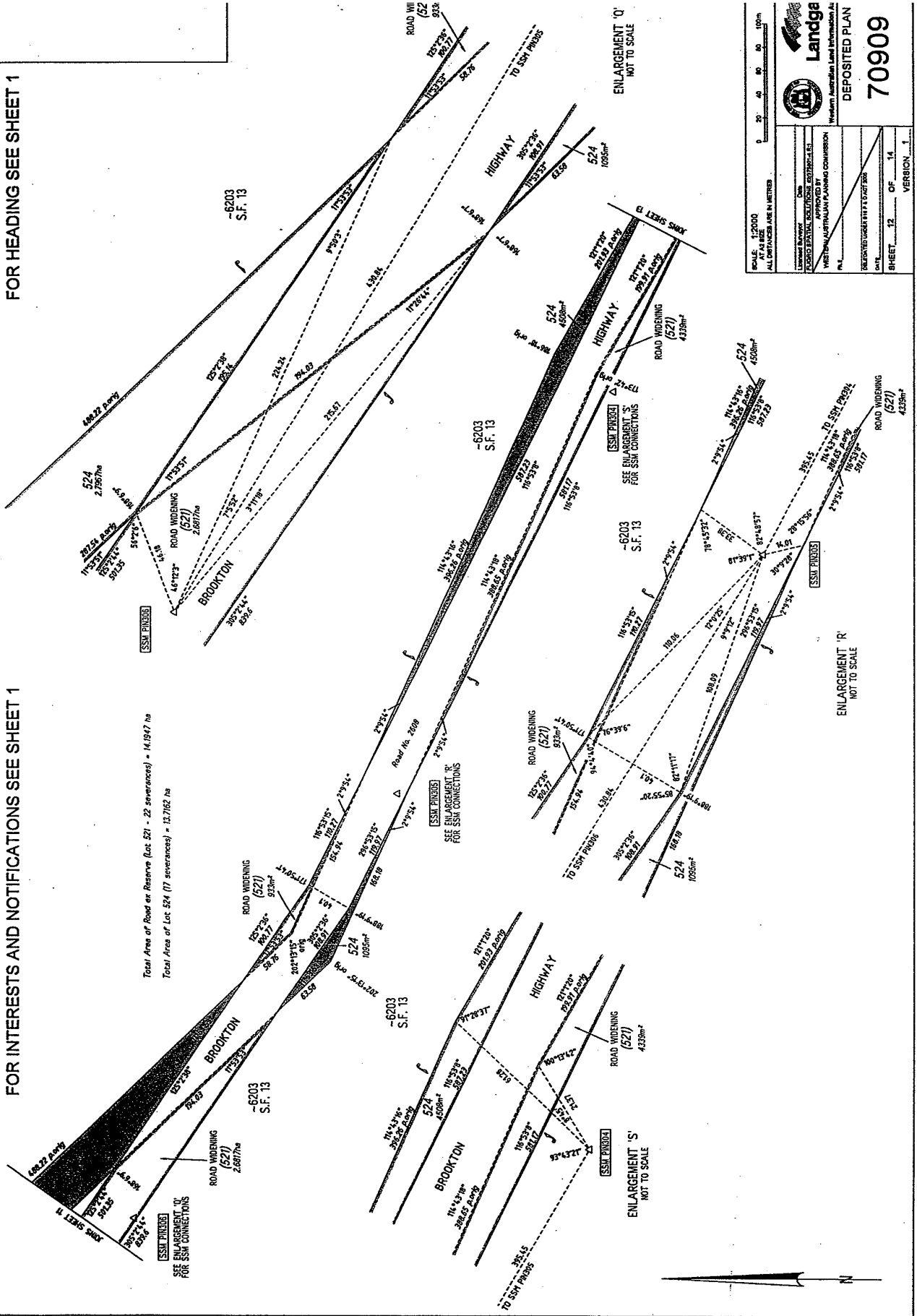
REGISTERED UNDER 1917 STATUTES

DATE SHEET 11 OF 14  
 VERSION 1

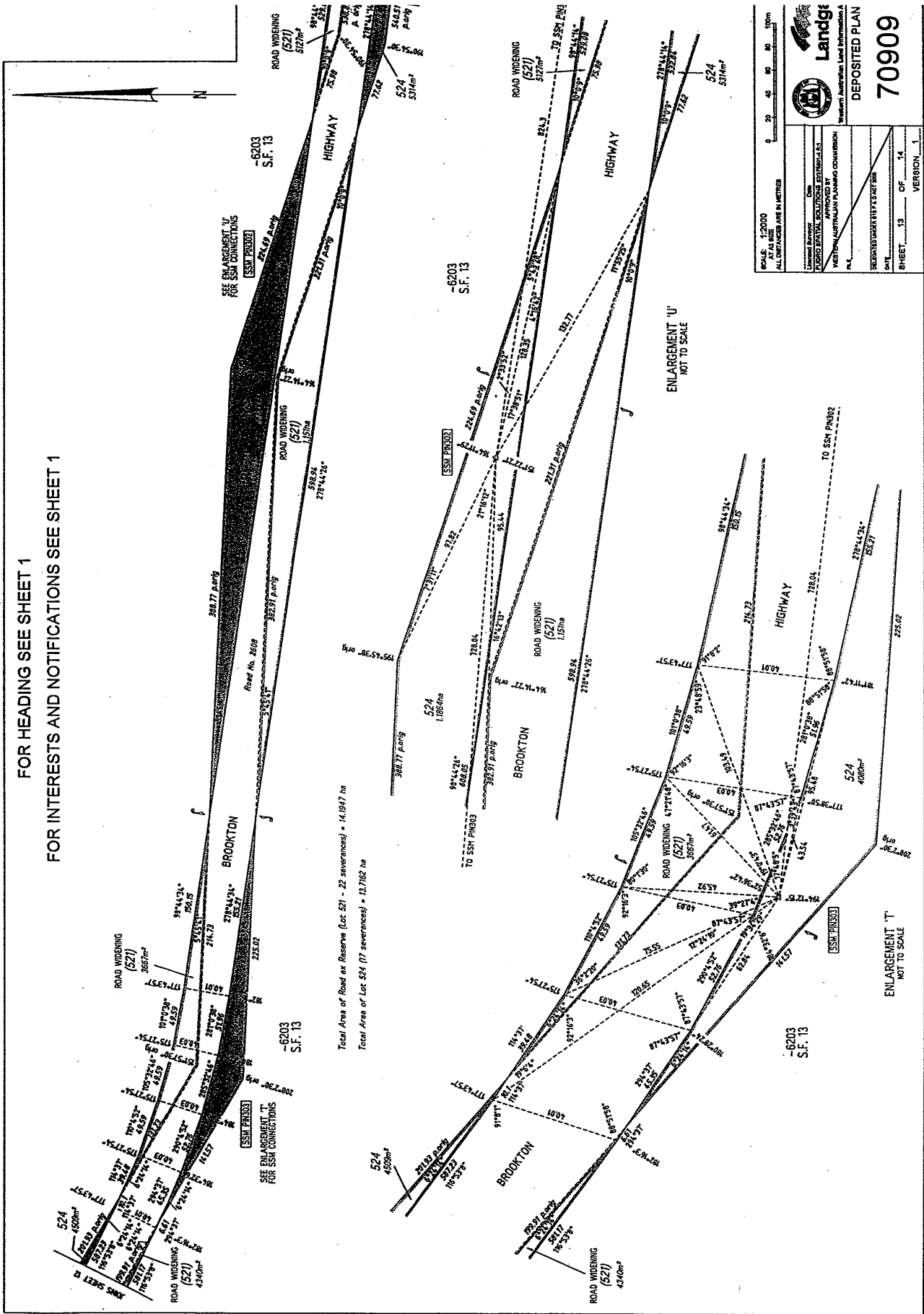


FOR HEADING SEE SHEET 1

FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1



FOR HEADING SEE SHEET 1  
FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1



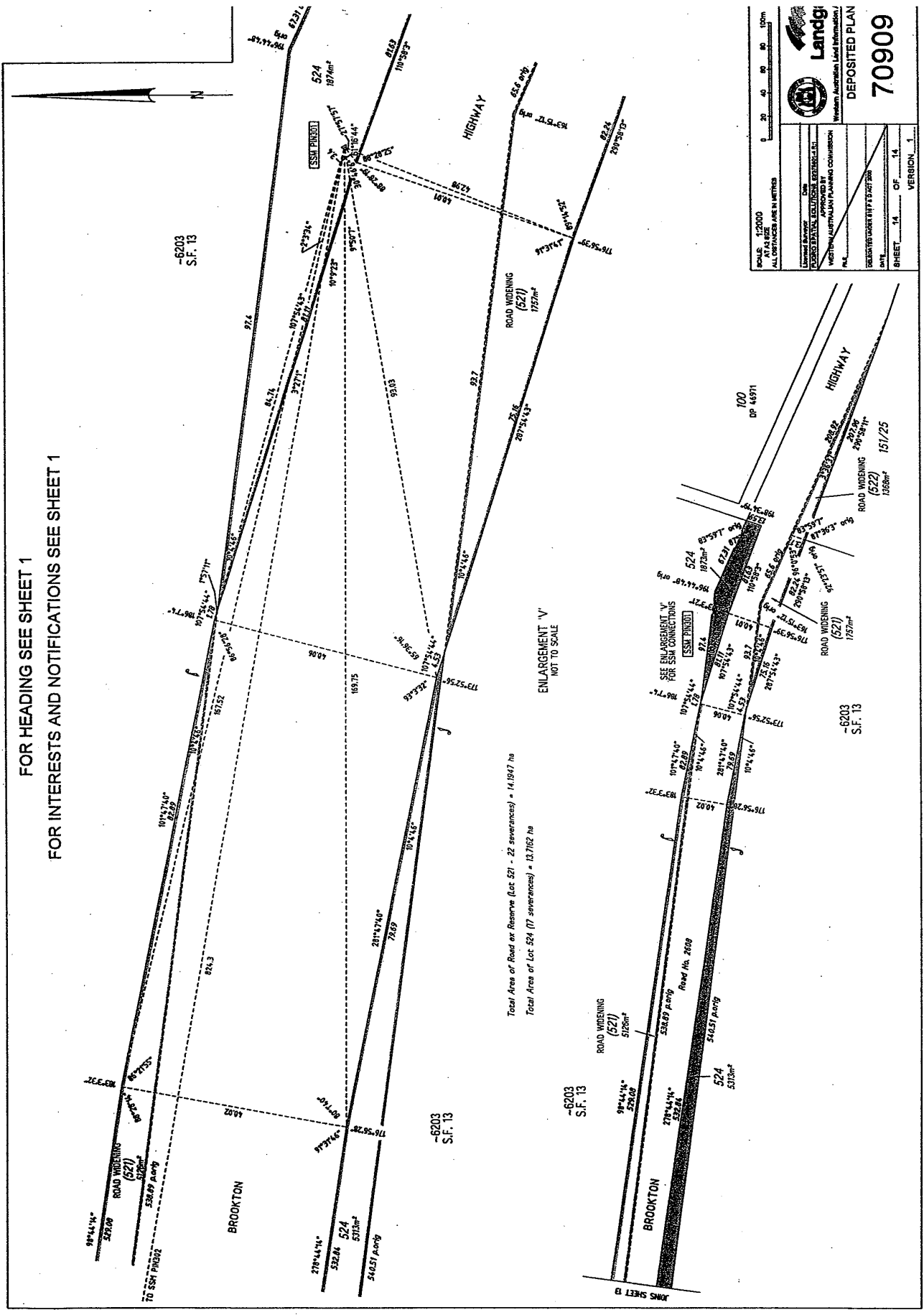
SCALE: 1:2000  
ALL DIMENSIONS ARE IN METRES

**Landgr**  
LANDGR ENGINEERING & SURVEYING  
100/102 WILSON STREET  
PERTH WA 6000  
TEL: 08 9442 1111  
WWW.LANDGR.COM.AU

APPROVED BY  
WESTERN AUSTRALIAN PLANNING COMMISSION

PROJECT NUMBER: P11/2011/2011  
DATE: 13/05/14  
SHEET: 13 OF 14  
VERSION: 1

DEPOSITED PLAN  
**70909**



FOR HEADING SEE SHEET 1  
FOR INTERESTS AND NOTIFICATIONS SEE SHEET 1

CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
EFT Pymt	01/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 29 FEB 12		-62.76	
EFT Pymt	01/03/2012	AGEST - AJST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 29 FEB 12		-189.00	
EFT Pymt	01/03/2012	AVON TRADING	JAN 2012 HARDWARE SUPPLIES		-1,267.80	
EFT Pymt	01/03/2012	AVON VALLEY FLYSCREENS	AMENITIES BLDG: BLINDS		-1,166.00	
EFT Pymt	01/03/2012	BEV COUNTRY KITCHEN	OPENING: MORBINING FIRE SHED - 18 FEB 12		-120.00	
EFT Pymt	01/03/2012	BEV CRC (TELECENTRE)	COLOUR COPYING & PRESENTATION for K BYERS		-324.45	
EFT Pymt	01/03/2012	BEV ELECT SERVICES (SMITH K)	TOWN HALL & EXHIB SHED: LIGHT REPAIRS		-1,296.90	
EFT Pymt	01/03/2012	BEV NEWS - Barry & Pauline	FEB 2012 ACCOUNT		-935.40	
EFT Pymt	01/03/2012	BLECHY'S TYRE & BATTERY	JAN 12 - TYRE MAINTENANCE		-535.00	
EFT Pymt	01/03/2012	BUNNINGS BUILDING SUPPLIES P/L	HARDWARE SUPPLIES		-355.53	
EFT Pymt	01/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 29 FEB 12		-270.03	
EFT Pymt	01/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 29 FEB 12		-75.99	
EFT Pymt	01/03/2012	CONPLANT	BE026 (RO101): PARTS		-359.68	
EFT Pymt	01/03/2012	COURIER AUSTRALIA/TOLL IPEC	FREIGHT CHARGES: 10 - 23 FEB 2012		-94.60	
EFT Pymt	01/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN	SUPER CONTRIB: FE 29 FEB 12		-106.56	
EFT Pymt	01/03/2012	CUTTING EDGES EQUIPMENT PARTS	BE001 (GRD04): PARTS		-298.78	
EFT Pymt	01/03/2012	DOMINION SUPERANNUATION MASTER TRL	SUPER CONTRIB: FE 29 FEB 12		-101.19	
EFT Pymt	01/03/2012	ELECTRICAL DISTRIBUTORS OF WA P/L	C/PARK: MAINTENANCE		-320.65	
EFT Pymt	01/03/2012	FORD Martin & Deris	REFUND: TOWN PLANNING SERVICE FEE		-139.00	
EFT Pymt	01/03/2012	HERSEY JR & A PTY LTD	PLANT MAINT & PROTECTIVE CLOTHING		-484.22	
EFT Pymt	01/03/2012	INC - LEONHARDT Scott	SUPER CONTRIB: FE 29 FEB 12		-160.99	

CHQ LISTINGS 2011-2012.xlsx - MAR 12

CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012

		PAYEE		DETAILS		AMT PAID	TOTALS
TYPE	NUM	DATE	PAYEE	DETAILS			
EFT Pymt	01/03/2012	LEONHARDT Karina	MAR 11 BLARNEY ISSUE			-750.00	
EFT Pymt	01/03/2012	LEWIS Allison	2012-03 MAR BLARNEY ISSUE			-250.00	
EFT Pymt	01/03/2012	MSA CONSTRUCTION	2012-02 FEB RELIEF "BUILDING INSPECTOR"			-4,950.00	
EFT Pymt	01/03/2012	TUTT BRYANT EQUIPMENT	BE033 (ROL04): PARTS			-953.09	
EFT Pymt	01/03/2012	WALGSP - SUPER	SUPER CONTRIB: FE 29 FEB 12			-6,244.63	
EFT Pymt	01/03/2012	WESTRAC	BE021 (LDR05): PARTS			-197.59	-22,009.84
Liability Chq	01/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	AGEST - AUST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN SUPER CONTRIB: FE 29 FEB 12	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	DOMINION SUPERANNUATION MASTER TRL SUPER CONTRIB: FE 29 FEB 12	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	ING - LEONHARDT Scott	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	01/03/2012	SHIRE OF BEVERLEY	2012-02 FEB SAL DEDUCTIONS (-9 FEB): RATES			0.00	0.00
Liability Chq	01/03/2012	WALGSP - SUPER	SUPER CONTRIB: FE 29 FEB 12			0.00	0.00
Liability Chq	15/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	AGEST - AUST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN SUPER CONTRIB: FE 14 MAR 12	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	DOMINION SUPERANNUATION MASTER TRL SUPER CONTRIB: FE 14 MAR 12	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00
Liability Chq	15/03/2012	ING - LEONHARDT Scott	SUPER CONTRIB: FE 14 MAR 12			0.00	0.00

SHIRE OF BEVERLEY  
**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
Liability Chq	15/03/2012	SHIRE OF BEVERLEY	2012-03 MAR SAL DEDUCTIONS (14 MAR): RATES		0.00	0.00
Liability Chq	15/03/2012	WALGSP - SUPER	FE 14 MAR 12		0.00	0.00
EFT Pymt	16/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 14 MAR 12		-62.76	
EFT Pymt	16/03/2012	ADC PROJECTS	SPORTING COMPLEX: DESIGN DEVELOPMENT		-17,246.90	
EFT Pymt	16/03/2012	AG IMPLEMENTS NORTHAM/IMERREDIN	BE030 (BH02): PARTS		-109.87	
EFT Pymt	16/03/2012	AGEST - AUST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 14 MAR 12		-189.00	
EFT Pymt	16/03/2012	ALLIANCE FIRE PROTECTION	FIRE EXTINGUISHER MAINTENANCE		-555.50	
EFT Pymt	16/03/2012	ARTCRAFT P/L	TRAFFIC SIGNS		-800.80	
EFT Pymt	16/03/2012	AUST POST	FEB 2012 POSTAGE		-392.29	
EFT Pymt	16/03/2012	AVON CONCRETE	BRIDGE 5158: LUPTONS RD CULVERT		-8,471.65	
EFT Pymt	16/03/2012	AVON TRADING	FEB 2012 HARDWARE SUPPLIES		-1,864.99	
EFT Pymt	16/03/2012	AVON WASTE	2482 BIN COLLECTS ME 09 MAR 12 - @ \$1.66 per BIN, GST INC & RECYCLING BINS		-4,549.76	
EFT Pymt	16/03/2012	BE PROJECTS (WA) PTY LTD	STORM DAMAGE (29 JAN 11) - AMENITIES BUILDING: PROG PAYMENT CERT 2		-22,329.34	
EFT Pymt	16/03/2012	BEV GAS & PLUMBING	29 JAN 11 STORM DAMAGE AMENITIES BLDG & SWIM POOL		-641.30	
EFT Pymt	16/03/2012	BEV IGA	FEB 2012 PURCHASES		-989.00	
EFT Pymt	16/03/2012	BEV STEEL FABRICATION	BE029 (GRD05): PARTS		-32.48	
EFT Pymt	16/03/2012	BLECHY'S TYRE & BATTERY	FEB 12 - TYRE MAINTENANCE		-2,667.00	
EFT Pymt	16/03/2012	BOC LIMITED	FEB 2012: CYLINDER RENTAL		-61.17	
EFT Pymt	16/03/2012	BOULTON Kim	RECORD MANAGEMENT ASSISTANCE		-919.60	
EFT Pymt	16/03/2012	BUNNINGS BUILDING SUPPLIES P/L	HARDWARE SUPPLIES		-330.90	
EFT Pymt	16/03/2012	CAS - CONTRACT AQUATIC SERVICES	4 & 5 of 5 INSTALMENTS of CONTRACT for 11/12 SWIMMING YEAR + EXTRA HOURS		-27,720.00	
EFT Pymt	16/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 14 MAR 12		-270.03	

CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
EFT Pymt	16/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 14 MAR 12		-75.99	
EFT Pymt	16/03/2012	CONPLANT	BE026 (ROLO1): PARTS		-212.82	
EFT Pymt	16/03/2012	COUNTRY COPIERS NORTHAM	SADDLEBACK STAPLES for BLARNEY		-110.33	
EFT Pymt	16/03/2012	COURIER AUSTRALIA/TOLL IPEC	FREIGHT CHARGES: 27 FEB - 02 MAR 12		-11.75	
EFT Pymt	16/03/2012	COVS PARTS	VARIOUS PLANT: PARTS		-1,255.73	
EFT Pymt	16/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN	SUPER CONTRIB: FE 14 MAR 12		-106.56	
EFT Pymt	16/03/2012	DARREN LONG CONSULTING	CONSULTANCY: CLGF FUNDING REPORTS 08/09 - 11/12 & 2011 GRANTS COMMISSION		-1,881.00	
EFT Pymt	16/03/2012	DAWSONS CONCRETE & REINFORCING	BRIDGE - LUPTON RD: HEADWALLS		-9,900.00	
EFT Pymt	16/03/2012	DCA - DOMINIC CARBONE & ASSOC	DEC 11 & JAN 12 FINANCIALS & ILU QUANTIFICATION		-1,534.50	
EFT Pymt	16/03/2012	DOMINION SUPERANNUATION MASTER TRU	SUPER CONTRIB: FE 14 MAR 12		-106.39	
EFT Pymt	16/03/2012	FUEL DISTRIBUTORS OF WA P/L	BE001 (GRD04) & BE021 (LDR05): LUBRICANTS		-2,022.59	
EFT Pymt	16/03/2012	HAINES NORTON	JAN 12 BAS - PREP & LODGEMENT		-440.00	
EFT Pymt	16/03/2012	HANSON CONSTRUCTION MATERIALS P/L	VARIOUS ROADS: 10mm WASHED GRANITE		-10,649.33	
EFT Pymt	16/03/2012	HERSEY JR & A PTY LTD	VARIOUS SUPPLIES		-1,050.55	
EFT Pymt	16/03/2012	ING - LEONHARDT Scott	SUPER CONTRIB: FE 14 MAR 12		-161.85	
EFT Pymt	16/03/2012	JASOL AUSTRALIA	VARIOUS: CLEANING PRODUCTS		-270.01	
EFT Pymt	16/03/2012	LANDGATE (VGO)	VALUATION FEES: 17 DEC 11 - 13 JAN 12		-71.60	
EFT Pymt	16/03/2012	LEE GYOMOREI	2011 ANNUAL REPORT: PREP & PRINTING		-1,724.80	
EFT Pymt	16/03/2012	MILLER Brad	REIMBURSEMENT: SWIM POOL FIRST AID SUPPLIES		-52.45	
EFT Pymt	16/03/2012	MJB INDUSTRIES	MORBINING RD 1: CULVERT		-20,848.54	
EFT Pymt	16/03/2012	NORTHAM BEARING SALES	BE027 (CPK01): PARTS		-1,205.41	
EFT Pymt	16/03/2012	ORICA/SPECTRUM	2012-02 FEB CHLORINE CYLINDER RENTAL (ORICA)		-72.73	

SHIRE OF BEVERLEY  
**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
EFT Pymt	16/03/2012	OUTDOOR CAMERAS AUST	PARKS & GARDENS: SECURITY		-1,247.90	
EFT Pymt	16/03/2012	PEEL ENGRAVING & IM-PRESS RUBBER STAW NAME TAGS: STEFAN de BEER & JUDITH ANDERSON			-37.40	
EFT Pymt	16/03/2012	PPCA	LIC 636411 (EXP 31 MAR 2013)		-77.77	
EFT Pymt	16/03/2012	Rnr CONTRACTING PTY LTD	RRG - WESTDALE RD: BITUMEN SEALING		-58,845.27	
EFT Pymt	16/03/2012	SHIRE OF BROOKTON	2012-02 FEB TOWN PLANNING SCHEME		-4,849.87	
EFT Pymt	16/03/2012	STRATCO	SWIM POOL & TOWN HALL: MATERIALS		-1,536.42	
EFT Pymt	16/03/2012	WA COUNTRY BUILDERS -2 CHQ ONLY	REFUND of KERBSIDE/FOOTPATH BOND		-500.00	
EFT Pymt	16/03/2012	WALGSP - SUPER	SUPER CONTRIB: FE 14 MAR 12		-6,042.91	
EFT Pymt	16/03/2012	WESTERN STABILISERS	YORK-WILLIAMS & TALBOT WEST RDS: STABILISATION		-35,594.85	
EFT Pymt	16/03/2012	WOODANILLING BULLDOZING CONTRACTOR RRG WESTDALE RD & SPEC GRANT RRG - WESTDALE RD: DOZER HIRE			-10,056.75	-262,758.41
Direct Debit	19/03/2012	3 MESSAGING	3 MESSAGING: 2012-02 FEB: 0 TXT MSGS		-82.50	-82.50
EFT Pymt	23/03/2012	BDH - BEV DOME HIRE	9,850 L DIESEL		-14,498.21	-14,498.21
EFT Pymt	27/03/2012	SOUTH WEST ISUZU (nee JEM TRUCKS)	PURCHASE ASSET 8681 BE028 (TRADE IN of TRK05/BE028		-39,900.00	-39,900.00
Liability Chq	29/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	AGEST - AUST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	ATO - AUSTRALIAN TAX OFFICE	2012-03 MAR PAYG TAX		0.00	0.00
Liability Chq	29/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	DOMINION SUPERANNUATION MASTER TRU	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	ING - LEONHARDT Scott	SUPER CONTRIB: FE 28 MAR 12		0.00	0.00
Liability Chq	29/03/2012	LGRCEU	2012 - 03 MAR UNION FEES		0.00	0.00

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CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
Liability Chq	29/03/2012	SHIRE OF BEVERLEY	2012-03 MAR SAL DEDUCTIONS (28 MAR):RATES	0.00	0.00	
Liability Chq	29/03/2012	WALGSP - SUPER	SUPER CONTRIB: FE 28 MAR 12	0.00	0.00	
EFT Pymt	30/03/2012	ACCOUNTANTS SUPER	SUPER CONTRIB: FE 28 MAR 12	-62.76		
EFT Pymt	30/03/2012	AGEST - AUST GVT EMP SUPER TRUST	SUPER CONTRIB: FE 28 MAR 12	-189.00		
EFT Pymt	30/03/2012	AITS	FUEL TAX CREDIT: FEB 12	-264.88		
EFT Pymt	30/03/2012	ALEXANDER Jim	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)	-2,000.00		
EFT Pymt	30/03/2012	ALLIANCE FIRE PROTECTION	OLD COURT HOUSE/GYM: RECHARGE OF FIRE EXTINGUISHERS	-121.00		
EFT Pymt	30/03/2012	AUSSIE IT	VARIOUS TONERS & BATTERIES	-1,105.74		
EFT Pymt	30/03/2012	AVON CONCRETE	BRIDGE 3192: MORBINING RD	-67,271.60		
EFT Pymt	30/03/2012	AVON WASTE	1244 BIN COLLECTS FE 23 MAR 12 - @ \$1.66 per BIN, GST INC & RECYCLING BINS	-2,202.66		
EFT Pymt	30/03/2012	BEV CRC (TELECENTRE)	COLOUR COPIES & LAMINATING	-45.30		
EFT Pymt	30/03/2012	BGC QUARRIES	MORBINING RD: GRANITE	-5,091.87		
EFT Pymt	30/03/2012	BUNNINGS BUILDING SUPPLIES P/L	HARDWARE SUPPLIES	-396.54		
EFT Pymt	30/03/2012	CID CONSULTANTS	HARPER ST DRAINAGE: CLAIM 1	-6,490.00		
EFT Pymt	30/03/2012	COLONIAL FIRST STATE-CORRIGAN Justin	SUPER CONTRIB: FE 28 MAR 12	-270.03		
EFT Pymt	30/03/2012	COLONIAL FIRST STATE-MOULTON Clare	SUPER CONTRIB: FE 28 MAR 12	-91.19		
EFT Pymt	30/03/2012	CONPLANT	BE026 (ROL01): PARTS	-925.86		
EFT Pymt	30/03/2012	COUNTRY COPIERS NORTHAM	READING: 24 JAN - 09 MAR 12	-1,082.47		
EFT Pymt	30/03/2012	COURIER AUSTRALIA/TOLL IPEC	FREIGHT CHARGES: 06 - 22 MAR 2012	-330.03		
EFT Pymt	30/03/2012	COVS PARTS	SUNDRY PLANT (SPL03) & BE016 (TRK10): PARTS	-435.85		
EFT Pymt	30/03/2012	CSRF - CATHOLIC SUPER & RETIREMENT FUN	SUPER CONTRIB: FE 28 MAR 12	-106.56		
EFT Pymt	30/03/2012	DAWSONS CONCRETE & REINFORCING	GREENHILLS STH RD BRG: TREATMENTS	-26,620.00		

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## CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
EFT Pymt	30/03/2012	DOMINION SUPERANNUATION MASTER TR	TR SUPER CONTRIB: FE 28 MAR 12		-91.19	
EFT Pymt	30/03/2012	FOSTER Belinda	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-2,000.00	
EFT Pymt	30/03/2012	GEOFABRICS AUSTRALASIA PTY LTD	GREENHILLS STH RD BRG: MATERIALS		-763.40	
EFT Pymt	30/03/2012	GOGOL Peter	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-2,000.00	
EFT Pymt	30/03/2012	HEMPFIELD SMALL ENGINE	BE1719 (CM01): PARTS & TRIMMER		-1,290.00	
EFT Pymt	30/03/2012	HOGUE Darcy & Sue	REFUND for DISSATISFACTION of CARAVAN PARK SERVICES		-25.00	
EFT Pymt	30/03/2012	HUMES WEMBLEY CEMENT	MORBINING RD: MATERIALS		-799.83	
EFT Pymt	30/03/2012	ING - LEONHARDT Scott	SUPER CONTRIB: FE 28 MAR 12		-160.99	
EFT Pymt	30/03/2012	JAS Richard	VARIOUS PLANT - PARTS		-1,663.34	
EFT Pymt	30/03/2012	JASON SIGNMAKERS	VARIOUS SIGNS		-1,194.05	
EFT Pymt	30/03/2012	JURIEN SURVEYS / FR RODDA & CO	MORBINING RD: SURVEYING SERVICES		-4,121.70	
EFT Pymt	30/03/2012	LEONHARDT Karina	APR 12 BLARNEY ISSUE		-750.00	
EFT Pymt	30/03/2012	LGIS RISK MANAGEMENT	REG RISK COORDINATOR 11/12 YR: 2 of 2 PYMTS		-3,452.90	
EFT Pymt	30/03/2012	LGRCEU	2012-03 MAR UNION FEES		-104.40	
EFT Pymt	30/03/2012	LR SIMS & CO	ILLU - PROGRESS PAYMENT CERTIFICATE 8 (REPLACES INV 528)		-126,501.63	
EFT Pymt	30/03/2012	MJB INDUSTRIES	GREENHILLS STH RD BRG: SUPPLIES		-20,699.17	
EFT Pymt	30/03/2012	MURRAY Keith	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-2,000.00	
EFT Pymt	30/03/2012	OCEAN BROADBAND LTD	B/BAND - APR to JUN 12: 59 SMITH ST, 136 VINCENT ST, 6 BARNSLEY ST		-659.55	
EFT Pymt	30/03/2012	OFFICEWORKS	MAR 12 STATIONERY PURCHASES		-193.04	
EFT Pymt	30/03/2012	PCS - PERFECT COMPUTER SOLUTIONS	COMPUTER SUPPORT: 24 OCT 11 - 07 FEB 12		-387.50	
EFT Pymt	30/03/2012	QUICK CORP AUST	MAR 12 STATIONERY ORDER		-1,727.11	
EFT Pymt	30/03/2012	RIDGWAY Dee	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-6,000.00	

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**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
EFT Pymt	30/03/2012	RURAL TRAFFIC SERVICES	MORBINING RD: TRAFFIC LIGHTS HIRE		-1,369.50	
EFT Pymt	30/03/2012	SHAW Lew	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-2,000.00	
EFT Pymt	30/03/2012	SNAP OSBORNE PARK	BUSINESS CARDS, LETTERHEAD & ENVELOPES		-1,599.00	
EFT Pymt	30/03/2012	T-BONE & SON (KJ COATES)	THANK YOU to STAFF: 27 MAR 12		-31.88	
EFT Pymt	30/03/2012	T-QUIP	BE023 (TRA02): PARTS		-117.85	
EFT Pymt	30/03/2012	WALGA - WA LOCAL GOVERNMENT ASSOCIA	PROFESSIONAL SPEAKING COURSE - 26 APR 2012		-495.00	
EFT Pymt	30/03/2012	WALGSP - SUPER	SUPER CONTRIB: FE 28 MAR 12		-6,203.38	
EFT Pymt	30/03/2012	WANTFA	REIMBURSE: O/PYMT DEBTOR ACCT DR/WANTFA		-80.00	
EFT Pymt	30/03/2012	WHITE David	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)		-2,000.00	
EFT Pymt	30/03/2012	WHITE RA & CD	GREENHILLS 5TH RD BRG: EXCAVATOR HIRE		-12,512.83	-318,097.58
Direct Debit	31/03/2012	ANZ- ONLINE BANKING/BANK FEES	FEB 2012 FEES		-76.78	-76.78
Direct Debit	31/03/2012	CBA - MERCHANT BANKING	FEB 2012 TRANSACTION FEES		-93.63	-93.63
Direct Debit	31/03/2012	CBA - MERCHANT BANKING	FEB 2012 ACCESS FEE		-29.93	-29.93
Direct Debit	31/03/2012	DPI - LICENSING SERVICES	FEB/MAR12 LICENSING PAYMENTS		-66,987.60	-66,987.60
Direct Debit	31/03/2012	WESTNET PTY LTD	FEB 2012 INTERNET ACCESS		-66.00	-66.00
Cheque #	953	01/03/2012	SYNERGY	2012-02 FEB ELECTRICITY ACCOUNTS	-15,605.60	-15,605.60
Cheque #	954	16/03/2012	ATO - AUSTRALIAN TAX OFFICE	2012-02 FEB BAS RETURN	-2,215.00	-2,215.00
Cheque #	955	16/03/2012	SYNERGY	STREET LIGHTS: 25 JAN - 24 FEB 12	-2,228.68	-2,228.68
Cheque #	956	16/03/2012	TELSTRA	2012-03 MAR TELEPHONE ACCOUNTS	-1,360.56	-1,360.56
Cheque #	957	27/03/2012	SHIRE OF BEVERLEY	REGO of BE028 to 30 JUN 2012	-103.95	-103.95
Cheque #	958	30/03/2012	FREGON Vicky	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)	-2,000.00	-2,000.00
Cheque #	959	30/03/2012	PEPPER Chris	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)	-2,562.50	-2,562.50

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**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
Cheque #	960	30/03/2012	SYNERGY	L78 WATERHATCH RD, COUNCIL DAM: 18 JAN to 09 MAR 12	-414.05	-414.05
Gen Jrnl	2057	14/03/2012		FEB 12 # - CREDIT CARD	-1,052.95	-1,052.95
Gen Jrnl	2061	16/03/2012		TFR to TRUST: INV 58: 2.5% RETENTION on PP2 CERTIFIED	-2,940.94	-2,940.94
Gen Jrnl	2067	29/03/2012		TFR to TRUST: INV 528: 10% RETENTION on PP7 CERTIFIED	-4,271.74	-4,271.74
					<b>-759,356.45</b>	<b>-759,356.45</b>
<b>WAGES &amp; SALARIES</b>						
EFT Pymt		1/03/2012	WAGES & SALARIES	FE - 29 FEB 2012	-49,190.70	
EFT Pymt		15/03/2012	WAGES & SALARIES	FE - 14 MAR 2012	-47,492.41	
EFT Pymt		29/03/2012	WAGES & SALARIES	FE - 28 MAR 2012	-48,121.59	
					<b>-144,804.70</b>	<b>-144,804.70</b>
<b>TRANSFERS to TRUST</b>						
Gen Jrnl	2052	1/03/2012	2012-02 FEB (29/02) SAL DEDUCT: ASS 473-\$40; ASS 1309-\$50.		-90.00	
Gen Jrnl	2063	16/03/2012	2012-03 MAR (14/03) SAL DEDUCT: ASS 473-\$40; ASS 1309-\$50.		-90.00	
Gen Jrnl	2066	29/03/2012	2012-03 MAR (28/03) SAL DEDUCT: ASS 473-\$40; ASS 1309-\$50.		-90.00	
					<b>-270.00</b>	<b>-270.00</b>

**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
<b>UNPRESENTED PAYMENTS for CURRENT BANK STATEMENT</b>						
Cheque #	958	30/03/2012	FREGON Vicky	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)	2,000.00	
Cheque #	959	30/03/2012	PEPPER CHRIS	11/12 CR YEAR REMUNERATION: OCT 11 - MAR 12 (1 of 2 PYMTS)	2,562.50	
Cheque #	960	30/03/2012	SYNERGY	L78 WATERHATCH RD, COUNCIL DAM: 18 JAN to 09 MAR 12	414.05	
					<b>4,976.55</b>	<b>4,976.55</b>
<b>PAYMENTS PRESENTED IN CURRENT BANK # RELATING to PRIOR MONTHS' TRANSACTIONS</b>						
Cheque #	905	11/10/2011	PEPPER CHRIS	10/11 CR YEAR REMUNERATION: APR-SEP 2011 ( 2 of 2 PYMTS)	-2,000.00	
Cheque #	950	21/02/2012	BEV MED PRACTICE - ADEBAYO	PRE-EMPLOYMENT MEDICAL: ROBSON Emma	-132.00	
					<b>-2,132.00</b>	<b>-2,132.00</b>
<b>OTHER AMENDMENTS/GENERAL JOURNALS</b>						
Gen Jnl	2073	30/03/2012	EFT PYMT FAILED - BATCH 4&7. UNABLE TO REISSUE AS CONTACT DETAILS INVALID		25.00	
					<b>25.00</b>	<b>25.00</b>

**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

			DETAILS		
TYPE	NUM	DATE	PAYEE		TOTALS
<b>INVESTMENTS</b>					
Transfer		1/03/2012	RESERVE INVESTMENT	INVEST 11 - PLANT RESERVE	-205,097.00
Transfer		1/03/2012	RESERVE INVESTMENT	INVEST 12 - BUILDING RESERVE	-866,573.00
Transfer		1/03/2012	RESERVE INVESTMENT	INVEST 13 - ANNUAL LEAVE & REC GROUND RESERVES	-429,145.00
Transfer		1/03/2012	RESERVE INVESTMENT	INVEST 14 - BF, CM, AR, CB, RC RESERVES	-599,044.00
Transfer		6/03/2012	RESERVE INVESTMENT	INVEST 14 - BF, CM, AR, CB, RC RESERVES	-4.00
Transfer		29/03/2012	RESERVE INVESTMENT	INVEST 15 - MUNICIPAL INVESTMENT	-800,000.00
					<b>-2,899,863.00</b>

TOTAL EXPENDITURE for MUNICIPAL ACCOUNT

**-3,801,424.60**

**TRUST ACCOUNT DETAILS**

**PAYMENTS RAISED IN CURRENT MONTH**

Cheque #	1434	16/03/2012	RAYNER Wayne	REFUND of GYM KEY BOND	-30.00
Cheque #	1435	16/03/2012	FISHLOCK Cliff	REFUND of GYM KEY BOND	-30.00
Cheque #	1436	16/03/2012	WARD Susan	REFUND of GYM KEY BOND	-30.00
					<b>-90.00</b>

**CHEQUE DETAIL - Municipal and Trust Accounts - MARCH 2012**

TYPE	NUM	DATE	PAYEE	DETAILS	AMT PAID	TOTALS
<b>PAYMENTS UNPRESENTED IN CURRENT BANK #</b>						
Cheque #	1435	16/03/2012	FISHLOCK Cliff	REFUND of GYM KEY BOND	30.00	
Cheque #	1436	16/03/2012	WARD Susan	REFUND of GYM KEY BOND	30.00	
					<b>60.00</b>	<b>60.00</b>

PAYMENTS UNPRESENTED IN CURRENT BANK #

**PAYMENTS PRESENTED IN CURRENT BANK # RELATING to PRIOR MONTHS' TRANSACTIONS**

0.00	0.00
------	------

**OTHER AMENDMENTS/GENERAL JOURNALS**

Gen Jnl 38 29/03/2012 TFR of RET VILLAGE BOND - HAMMOND Nancy

-300.00	
<b>-300.00</b>	<b>-300.00</b>
	<b>-330.00</b>

**TOTAL EXPENDITURE as reconciled to the MARCH 2012 BANK STATEMENTS**

Municipal Account Expenditure	-3,801,424.60
Trust Account Expenditure	-330.00
<b>Total Expenditure for MARCH 2012</b>	<b>-3,801,754.60</b>



## Ministerial Media Statements

### Search Media Statements



**Brendon Grylls**  
**Minister for Regional Development; Lands; Minister Assisting the Minister for State Development**

*Tue 10 April, 2012*

### **CLGF review report released**

#### **Portfolio: Regional Development**

- Review has 26 recommendations
- Comment period now open, closing Friday May 11, 2012

Regional Development Minister Brendon Grylls has released the Western Australian Regional Development Trust's review of the Country Local Government Fund (CLGF).

Mr Grylls said the trust had recommended significant changes to the CLGF and it was important that interested parties were able to provide feedback before the State Government responded to the review.

The CLGF was one of three funds under the State Government's Royalties for Regions program, and its purpose was to provide and renew infrastructure and support capacity-building across regional WA.

"Since 2008, more than \$306million has been allocated to the CLGF and this has seen about 1,200 projects funded across the State's 109 country local governments," the Minister said.

"I requested the review in June 2011, in recognition of CLGF's significance and the fact that it is the longest running Royalties for Regions initiative."

The trust has made 26 recommendations against the review's terms of reference, addressing:

- The purpose of the CLGF
- What should be funded under the CLGF
- How much should be available through the CLGF
- Who should receive CLGF funding
- How CLGF funding should be received
- Who makes the decision about successful CLGF projects and on what basis
- What will deliver the best outcomes
- Capacity-building in the country local government sector.

Mr Grylls thanked the trust for its comprehensive work as part of the review, including 18 separate consultations with key stakeholders across the regions and analysing 74 written submissions.

"I encourage all those with an interest in this matter to read the report and provide feedback," he said.

Written submissions should be emailed to [clgfreview@rdl.wa.gov.au](mailto:clgfreview@rdl.wa.gov.au) by Friday May 11, 2012

#### **Fact File**

- **The Western Australian Regional Development Trust is established under the Royalties for Regions Act 2009 and provides independent and impartial advice to the Minister for Regional Development on the allocation of funds from Royalties for Regions and the management of the fund**
- **Further information and a copy of the report available on the Department of Regional Development and Land's website: <http://www.rdl.wa.gov.au>**

<http://www.mediastatements.wa.gov.au/Pages/Results.aspx?ItemID=149470>



## ***Chapter 12: Trust Views and Conclusions***

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## 12.1 Introduction

In essence, the terms of reference question whether there is a continuing need for the CLGF, ask for an assessment of CLGF progress and achievements, ask for an assessment of the formula for allocation, and ask for an assessment of the process for delivering and accounting for CLG projects.

Earlier chapters have addressed the history of the CLGF program and each of the terms of reference. This chapter captures the Trust's views and conclusions on the CLGF following this Review. It is a set of views and conclusions that draws heavily on the experience of the past four years, but whose entire focus is the future.

In this chapter the Trust has boiled the terms of reference down to a set of questions to be answered. As they should, the terms of reference affect more than one of these questions:

- What is the purpose of the CLGF? (Terms of reference 1, 5)
- What should be funded? (Terms of reference 1, 5)
- How much money is needed? (Terms of reference 1, 5)
- Who should be funded? (Terms of reference 1, 3, 4)
- How should they be funded? (Terms of reference 1, 3, 4)
- Who makes decisions on what basis? (Terms of reference 1, 2, 6)
- What will deliver the best outcomes? (Terms of reference 1, 2, 6, 7)

Lastly, but of particular importance, at the conclusion of this chapter the Trust has dealt with key matters of CLG capacity-building concerning accounting and audit.

Before examining those questions it is desirable for the Trust to first summarise its views on the CLGF achievements to date.

The Trust's own observations in the regions, the consultation it has had and the written evidence it has received, all confirm that the CLGF is highly regarded and valued as a WA Government program, and that there is almost universal support in regional WA for its continuation.

Unfortunately, it is difficult for any but a fortunate few to visit and appraise the circumstances of all the settlements and regions of WA. Many people will have some experience of the visible effect of CLGF funding in parts of regional WA, but most people in WA, including those in the policy political and media worlds, will have had little first hand experience of the noticeable effect of CLGF funding throughout regional WA.

The CLGF has been and is an innovative and practical program addressing essential upgrades in the social and economic infrastructure needed used and appreciated by country WA.

As great an achievement as that is to date, the CLGF is not just valued for delivering over 1,000 projects, but for its real contribution to noticeably improving the social and economic fabric of regional WA.

RDL advises the Trust that CLGF investment has supported the undertaking of \$445 million worth of projects from 2008-09 through to 2010-11. Most CLGF expenditure is particular to a space or place, but in a few CLGs, when combined with other RforR expenditure such as in the Pilbara Cities program, the CLGF is transformational in effect.

None of this implies perfection. The evidence to this Review includes sharp criticism as well as many constructive proposals on ways to improve the program.

The nature of the Trust's remit under the Act requires constant engagement with RDL. Once the Minister has determined his response to the findings and recommendations of the Review, which will guide RDL thereafter, the Trust will expect to be consulted by RDL as it develops the CLGF policy and practice that will apply in the future.

However, the Trust also expects formal progress reports, and to that end makes the following recommendation.

***Recommendation 1***

The Trust recommends that RDL provide both the Minister and the Trust with a detailed report of progress made with respect to the recommendations of the CLGF Review by 31 December 2012, and with a further update by 1 July 2013.

## **12.2 What is the purpose of the CLGF?**

### **12.2.1 Purpose is determined by the Act**

#### **The Act RforR and the CLGF**

WA's Government and Parliament have determined that there is a need for a CLGF.

The *Royalties for Regions Act 2009* establishes the CLGF in perpetuity; there is no sunset clause.

The Act sets up the Royalties for Regions Fund. Section 5(1) of the Act describes the subsidiary accounts of the Fund and s5(1)(a) constitutes the CLGF:

5(1) The Fund is to consist of the following subsidiary accounts-

- (a) the Country Local Government Fund;
- (b) the Regional Community Services Fund;
- (c) the Regional Infrastructure and Headworks Fund;
- (d) any other account determined by the Treasurer, on the recommendation of the Minister, to be a subsidiary account.

The purpose of the Fund and its subsidiary fund the CLGF is dictated and determined firstly by the object of the Act, and secondly by a prescribed application.

Section 4 of the Act states that:

The object of this Act is to promote and facilitate economic, business and social development in regional Western Australia through the operation of the Fund.

Section 9(1) of the Act states that the application of the Fund will be:

... for the following purposes -

- (a) to provide infrastructure and services in regional Western Australia;
- (b) to develop and broaden the economic base of regional Western Australia;
- (c) to maximise job creation and improve career opportunities in regional Western Australia.

These are broad prescriptions. Nevertheless, they are prescriptions.

Overall, the purpose of the Act is that the Fund must promote and facilitate economic, business and social development in regional WA.

The Act does not define what each of the words economic business social or development mean. A reasonable reading of the Act and its parliamentary and policy context would lead to an expectation that these words are to be broadly interpreted.

Since 'business' is not defined in the Act, the broadest definition of 'business' would firstly be of a non-metropolitan organisation (or a metropolitan organisation doing business in the regions), engaged in the production or trade of goods and services, in settlements, specially designated areas, or in the country, whether privately owned or not, whether for-profit or not-for-profit.

The aggregate of business would be a market or industry sector, and the broadest aggregate is the activity of all suppliers of goods and services to the regions.

Since 'development' is not defined in the Act, the broadest definition of 'development' would be that development is intended to broaden deepen promote and facilitate the economic and social well-being of regional WA in aggregate.

Practically, this can only be done by providing the services and amenities necessary for a productive and fulfilled society; by maintaining sustainable jobs and economic activity in the regions; and by providing additional sustainable jobs and economic activity in specific local and regional areas; in so doing raising the prospects, standard of living and wealth of individuals communities and the regions overall.

'Regional' in the context of the Act has a specific geographic meaning, and refers to the nine defined regions of country WA.<sup>464</sup> In s3 of the Act the term 'regional Western Australia' means a body established under the *Regional Development Commissions Act 1993* Schedule 1".

In public discourse and common usage the word 'regional' is used colloquially, often meaning non-metropolitan WA. The RDCs tend to be more exact in their terminology; for instance the Mid West RDC has formally identified three sub-regions – the Batavia Coast, North Midlands and the Murchison.

In CLG and RDL usage 'regional' is often used in the sense of 'non-local', an expanse of land comprised of a number of localities.

When CLGs and RDL refer to a regional centre, it does not mean the centre of a defined region under the *Regional Development Commissions Act 1993*, but a regional hub servicing a catchment of farms, pastoral stations, mines and small settlements; or alternatively, as in the case of the Shire of Katanning (Great Southern), the town of Katanning servicing not just the shire but adjoining shires.

CLGF decision-making will be affected by whether development is regional, sub-regional or local. This is a more important point than might be realised. Objectively appraised, a development decision which is seen as strategic and vital by a CLG at the local level may matter less at a sub-regional level, and may not matter much at all at a regional level.

If CLG plans are to be integrated into the overall State regional planning strategy, which ideally they should be, putting it colloquially it is important that what rightly matters to the locals is not lost in the big picture.

A grants system to individual CLGs allows for local decisions to be made and priorities determined, which might not be approved if taken at the sub-regional or regional level.

<sup>464</sup> The nine regions of Western Australia established by the *Regional Development Commissions Act 1993* are the Gascoyne, Goldfields-Esperance, Great Southern, Kimberley, Mid West, Peel, Pilbara, South West and Wheatbelt regions. That Act establishes nine regional development commissions in those regions to coordinate and promote the development of regions and to establish a regional development council.

Non-contestable grants to individual CLGs operating under the principle of subsidiarity have the merit and priority of projects decided within individual CLGs, but as soon as grants move from the individual CLG to a group of CLGs and become contestable, outside criteria are needed to determine merit and priority.

The Australian Local Government Association (ALGA) says that regional development is difficult to define:

Due to its cross-disciplinary nature, regional development is difficult to define. Regional development is perhaps best viewed as a holistic process whereby the environmental, economic, social and cultural resources of a region are harnessed for sustainable progress in ways that reflect the comparative advantages offered by a particular geographic area.<sup>465</sup>

In the context of development, in this quote ALGA uses a key phrase: 'sustainable progress'. In the view of the Trust, harnessing the resources of a region for 'sustainable progress' in regional development requires aid or assistance to areas within regions that are short of resources or capital, or that are economically under-developed, or where aid or assistance will open up undeveloped areas, or enable new development.

While in the context of the Act 'development' should be read broadly, in the opinion of the Trust in the context of the Act it still does intend a specific meaning – either to promote the economic and social well-being of areas within regions and regions as a whole, or to promote sustainable growth, or both.

Growth is a narrower concept than development<sup>466</sup> but it is an important expectation and component of development. The word 'growth' is not used in the Act, but the Act does specifically intend in s9(1)(b) and s9(1)(c)<sup>467</sup> to promote and facilitate regional growth in under-developed or undeveloped areas.

Consequently expenditure by the RforR Fund should help create growth opportunities, address market failure so that growth opportunities are enhanced, build regional capacity to encourage growth, and help remove barriers to growth. Always accepting of course, those restraints on growth established in the public interest by public policy.

The large object of the Act and its necessarily broad interpretation does not imply that 'anything goes'. To assess whether development has been achieved requires performance standards to be set and the ability to measure outcomes.

There is also an inbuilt public-sector obligation on RforR to be accountable and transparent, to get value for money, and to achieve the significant outcomes intended by the Act and its originating policy:

Given the importance of directing new resources to those regions and areas of investment where the potential is greatest, showing the extent to which resources are properly targeted and in fact reach their intended beneficiaries is an important activity for evaluators.<sup>468</sup>

465 ALGA website, accessed 10 November 2011.

466 In the 2008 European Commission paper *Theoretical underpinnings of socio-economic development* (accessed by internet 9 December 2011), the paper notes the movement since the 1970's from a dependency (subsidy/subvention) system to an emphasis on supply or capacity "such as mobilising underused resources, increasing the capacity and value of existing resources and transferring new resources into a region or sector".

467 *Royalties for Regions Act 2009*: section 9(1)(b) to develop and broaden the economic base of regional Western Australia; section 9(1)(c) to maximise job creation and improve career opportunities in regional Western Australia.

468 2008 European Commission paper *Theoretical underpinnings of socio-economic development*, page 2; (accessed by internet 9 December 2011).

A plain reading of the Act indicates an RforR bias towards new development. In effect this is a state-building Act, not a state-maintenance Act.

Section 9(1)(a) says "to provide" not to 'maintain and provide' "infrastructure and services in Western Australia".

Section 9(1)(b) is unequivocal in its imperative to "develop and broaden", and so emphasises new investment, a prescribed enlarging of the economic base of regional WA.

Section 9(1)(c) is equally unequivocal in its imperative to "maximise job creation" and "improve career opportunities"; in so doing it emphasises growth and increased opportunities in employment and careers.

Practically, the Act's bias towards new development does not preclude investment in the maintenance of existing infrastructure and services that support the regional economic base. If it did not the regional economic base would decline, which is not what the Act intends; or else the regional economic base will not be sufficient to provide the necessary economic and social platform from which further or new growth can occur.

***The CLGF purpose is determined by the Act***

As a constituent part of the RforR Fund therefore, CLGF investment must promote facilitate or support the existing economic and social base and significant and sustainable development and growth in WA country towns and cities and in WA's rural areas, through the medium of CLGs.

Although that CLG task is not spelt out in s5(1) of the Act, each subsidiary fund is intended to have a different task under the Act. If that were not the case, there would just be one Fund and no subsidiary funds.

By creating subsidiary accounts the Act intends that each subsidiary fund should have a specific purpose, and need not attempt to realise the whole purpose of the Act.

As for any subsidiary fund established by the Act, the Minister is able to use his discretion and to determine any purpose, providing it conforms to s4 and s9(1) of the Act. However, the very name of the CLGF subsidiary fund obliges the Minister to concentrate on the purpose most suited to CLGs.

All the evidence indicates that is undoubtedly CLG investment and interest in non-financial infrastructure assets.

The creation of the CLGF pre-dated the Act. From the start, the Cabinet determined the primary purpose of the CLGF to be local government infrastructure asset renewal and/or infrastructure asset creation.

This was done not just because of the 'infrastructure backlog' identified in the 2006 report that was sponsored by WALGA,<sup>469</sup> but because CLG infrastructure assets are so important to their communities and to the State.

Road infrastructure accounts for approximately 60% of local government's non-financial assets and buildings and other infrastructure account for a further 30%.<sup>470</sup>

469 See the December 2006 report: *In Your Hands – Shaping the Future of Local Government in Western Australia*; sponsored by the WALGA.

470 WALGA submission page 8: Access Economics (2006) *Local Government Finances in Western Australia*, page 24.

An infrastructure backlog can arise from a failure by the CLG to act, approval or authorisation not being received, insufficient resources or inadequate funds.

Section 9(1)(a) of the Act does not mention 'addressing a backlog' in infrastructure provision, but neither does it prohibit such a purpose; in any case, addressing an infrastructure backlog does comply with s9(1)(a).

A backlog can be twofold in nature. It can either be a backlog in investment on maintaining or upgrading existing infrastructure, resulting in a deterioration of existing assets; or it can represent a backlog of investment in needed new infrastructure, so restraining growth and development.

Although the CLGF pre-dated the Act, the CLGF's consistent and continuing concentration on infrastructure since 2008 is supported by the Act.<sup>471</sup>

In the opinion of the Trust, the main purpose of the CLGF has been and should continue to be s9(1)(a) of the Act. However, where investment not only satisfies section s9(1)(a) but also satisfies s9(1)(b) and s9(1)(c) concerning the economic base and job creation, it should rank highest in priority terms.

What type of infrastructure should be CLGF funded? As he is entitled to, the Minister has determined these through his Cabinet-approved guidelines.

The Trust will make further comment on the guidelines later in this chapter.

#### ***Funds available to achieve CLGF purpose***

Income into the Fund cannot be withheld, the consequence being that the Fund has a significant steady secure and ongoing income. Section 6(2) of the Act requires the Fund to be credited 25% of WA's forecast royalty income in each financial year.

The Fund is not an accumulative fund. Regular and significant expenditure from the Fund is mandated, not just by the legal obligations imposed by s4 and s9(1) quoted above, but also because s8 of the Act ensures that the credit of the Fund at any time does not exceed \$1 billion.

Although s6(2) of the Act ensures that the flow of income into the Fund is not discretionary, s5(2) of the Act means that the allocation of that income between the subsidiary accounts is; s5(2) of the Act states that the Treasurer on the advice of the Minister will determine the allocation of Fund income between the subsidiary accounts.

This means that the funds available to the CLGF could range from small to large, and could legally be varied from one financial year to another. It also means the funding certainty desired by CLGs of CLGF funding cannot be delivered by the Act, but can only be delivered as a result of the policy of the government of the day.

The Act is silent on where, geographically speaking, the Fund and by extension the CLGF should be spent. The Act does not require RforR monies only to be spent in regions generating royalties, nor does it require proportional expenditure in each region, nor does it require investment only in settlements or populated areas.

<sup>471</sup> CLGF allocations in 2008-09 were directed to individual local government infrastructure asset renewal and/or infrastructure asset creation.



The combination of a requirement to invest RforR monies in CLGs and the obligations imposed by s9(1) does appear to indicate that a large proportion of the CLGF spending is intended for regional settlements.

Because s4 and s9(1) indicate the Fund is to benefit all of regional WA, the Act does intend non-metropolitan state-wide expenditure in all the nine defined regions of regional WA, whether in settlements or in the country, and whether coastal or inland, semi-rural, rural or remote.

This is because its object is to promote and facilitate economic, business and social development in regional Western Australia as a whole.

### **12.2.2 Other policies can be part of purpose**

Any government policy can be a secondary part of the purpose of the CLGF, provided that policy is in accord with the Act, and provided the Minister and then the Cabinet agree to RforR expenditure on that policy.

With respect to the current CLGF program, a broader government objective encouraged by the EAC report, namely the promotion of subsidiarity (the principle encouraging local decision-making), is presently supported in the CLGF.

The promotion of the subsidiarity principle does not conflict with s4 and s9(1) of the Act, and indeed is intended to enhance regional development outcomes and to enhance the development of human capacity in the regions.

In advice elsewhere to RDL and the Minister, the Trust has recommended the adoption of other Economic Audit objectives in RforR, and therefore in the CLGF, such as an outcomes-based approach, the advancement of productivity,<sup>472</sup> and more regional decision-making as well as regional service delivery. These clearly comply with the purpose of the Act.

With respect to the current CLGF program, policy objectives promoted or supported by the DLG are in play. These include the DLG policy seeking the amalgamation of certain CLGs, which has been supported by CLGF expenditure to facilitate the voluntary amalgamation of targeted groups of shires.

Other DLG policies include capacity-building for CLGs, under which banner fall matters such as systems development, strategic plans and asset management plans. These are positive for local sub-regional and regional development and are used as inputs to CLGF decision-making.

Although FCWPs are a requirement of the CLGF program, they are of the same genre as DLG's asset management plans.

In the opinion of the Trust, these DLG objectives clearly support s4 and s9(1) of the Act.

### **12.2.3 Conclusion**

As a result of this Review the Trust could have found that the CLGF is no longer needed, and recommended consequent amendments to the Act and to RforR policy, but in Chapter 4 the Trust has concluded there is a continuing need for the CLGF.

<sup>472</sup> Note the lifting of productivity is also one of six Commonwealth Priority Areas used by Regional Development Australia as criteria for regional grant applications.

The Trust will recommend that the CLGF continue.

Once that threshold question has been answered, the next overall question is whether the CLGF program as it has operated to date has fulfilled the purpose and met the prescriptions and intent of the Act.

The Trust's answer to that question is yes, but further improvements to the CLGF program can and should be made.

At present the CLGF's overall aims are to:

- address infrastructure needs and support capacity building;
- improve the financial sustainability of country local governments in Western Australia through improved asset management;
- provide financial assistance to country local governments which choose to amalgamate voluntarily; and
- assist groups of country local governments to fund regionally significant infrastructure projects.

This is confusing. All these cannot rank equally as aims. A clearer restatement could be as follows:

*The purpose of the CLGF is to satisfy the intent of sections 4 and 9(1)(a) of the Act, principally by addressing the infrastructure requirements of CLG either through individual CLGs or contiguous Groups;*

That being said, CLGF spending on infrastructure that addresses other s9(1) requirements by providing services, or that develops and broadens the economic base, or that creates jobs or improves career opportunities is to be preferred over infrastructure spending that does not; and

*To enable the purpose of the CLGF to be realised it is necessary to also invest in CLG capacity-building, both physical capacity and human capacity, and CLG capability, provided that investment will assist in producing optimal future CLG infrastructure investment decisions, and help improve the overall financial viability of CLGs, particularly through improved asset management.*

The discussion above draws the Trust to these conclusions on the purpose of the CLGF.

Because the Fund and therefore the CLGF is governed by the Object of the Act (s4) the CLGF must contribute to regional economic business and social development.

The consequence of this conclusion is that to be funded in future, CLGs have to have development prospects and projects with any or all of economic business and social development outcomes.

At the commencement of the CLGF, it would have been difficult to conceive of CLGs that had no infrastructure needs, and since 2008 there has been CLGF infrastructure expenditure in every CLG.

For the future, it is possible to conceive of individual CLGs whose infrastructure proposals may not promote and facilitate economic, business or social development sufficiently, or that may not develop and broaden the economic base of their area meaningfully. These CLGs would need to show why they should get CLGF funding.

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The CLGF does not have to meet the full scope of regional investment envisaged by s4 and s9(1) of the Act. Provided the Minister makes a legitimate case for his emphasis, the Minister is lawfully able to concentrate on any aspect of s9(1) for the CLGF.

The Trust concludes that the importance of infrastructure both to regional and local development and to CLGs justifies the Minister determining the principal or primary purpose of the CLGF to be local government infrastructure asset renewal and/or infrastructure asset creation, which is what he has done.

This satisfies s4 and the 'infrastructure' purpose of s9(1)(a) of the Act whose purpose is "to provide infrastructure and services in regional Western Australia".

The Review has led the Trust to conclude that the principal purpose of the CLGF should be to address the infrastructure needs of CLGs, either through individual CLGs or contiguous groups of CLGs, always provided that investment satisfies the intent of s4 and s9(1) of the Act.

Whether the CLGF is to be used to maintain or upgrade existing infrastructure, or to be spent on new infrastructure, is immaterial. What is material is the outcome, measured against the purpose of the Act.

The Minister is not obliged to require the CLGF to meet the obligations of the 'services' part of s9(1)(a) nor to require the CLGF to satisfy s9(1)(b) "to develop and broaden the economic base of regional Western Australia" or s9(1)(c) "to maximise job creation and improve career opportunities in regional Western Australia".

That being said, CLGF spending on infrastructure that also provides services or that develops and broadens the economic base, or that creates jobs or improves career opportunities, is to be preferred over infrastructure spending that does not.

In practice, investment in infrastructure would invariably support the provision of services, have an economic and social effect, and create jobs.

The Trust concludes that clearing the infrastructure backlog is a valid objective under the Act when it meets the Act's overriding obligation of development; it is not otherwise. To be clear, future CLGF guidelines should drop the 'backlog' terminology.

It is open to the Minister to determine the sort of infrastructure that the CLGF should invest in, provided it meets the intent of s4 and s9(1) of the Act and provided it is guided by significant outcomes.

For instance the decision whether to invest in roads or other infrastructure or both should be dictated by which will contribute most to growth and development.

The Review has drawn the Trust to the conclusion that the infrastructure needed by CLGs is very substantial, and that continued CLGF investment is required.

Having determined its views on the purpose of the CLGF, and having decided that not only is there a continuing need for the CLGF but a very significant infrastructure task still to be tackled, certain consequences automatically follow.

The size of the infrastructure task still facing CLGs means that the CLGF should continue at least at the current level of budget allocation. The data available to the Trust does not enable it to calculate how much funding is still needed, but at current levels of CLGF spending, the indications at present are that the CLGF is required in the longer term.

Taking into account the evidence to the Review and the Trust's findings, there is a case for increasing the CLGF budget allocation.

Because there is a need for both levels of investment, CLGF funds should continue to be allocated both to individual CLGs and groups of CLGs selected and appropriated against defined criteria.

While it is vital to focus more on strategic outcomes than has been the case, there is still a need to continue to address relevant smaller local infrastructure requirements that are valued by CLG communities.

While the findings and recommendations of the Review are being addressed, the work of the CLGF will go on. It is important that the sector is disrupted as little as possible until all the necessary changes are in place and their implementation can be well-managed.

The Trust will recommend that no material change in CLGF allocation systems (unless generally welcomed by the sector) should occur earlier than 1 July 2013, to allow present CLG budgets plans and projects to be realised.

The Trust realises that to deliver regional and local development CLGs must have capability. The Trust has concluded that they all do have capability, but they do not each have it to the same extent. CLGs do vary widely in capacity.

The consequence of this variance is that to deliver improved outcomes, capacity-building is needed for many CLGs. It is also needed to assist Groups working collaboratively.

The Minister is therefore justified in supporting CLG capability and capacity-building in order to help fulfil the principal purpose of the CLGF, provided it will have that outcome. Capacity-building should be funded where it will contribute to optimal CLGF investment decisions being made in future.

The Trust has concluded that encouraging amalgamations of weakly resourced and structured local governments is a legitimate goal for CLGF capability and capacity-building funding. Those CLG amalgamations or programs to be funded should be prioritised and targeted at CLGs assessed as most at risk in financial sustainability terms. A second consideration is where amalgamation is likely to have significant and positive regional development consequences.

Aspects of the Trust's conclusions are picked up in later recommendations in this chapter, including recommendations on capacity-building and amalgamations.

### **Recommendation 2**

The Trust recommends that the Minister accept that:

1. *The purpose of the CLGF* is to satisfy the intent of sections 4 and 9(1)(a) of the Act, principally by addressing the infrastructure requirements of country local government either through individual CLGs or contiguous groups of CLGs;
2. That being said, CLGF spending on infrastructure that addresses other section 9(1) requirements by providing services, or that develops and broadens the economic base, or that creates jobs or improves career opportunities, is to be preferred over infrastructure spending that does not; and
3. *To enable the purpose of the CLGF to be realised* it is necessary to also invest in CLG capacity-building, both physical capacity and human capacity, and CLG capability, provided that investment will assist in producing optimal future CLG infrastructure investment decisions, and help improve the overall financial viability of CLGs, particularly through improved asset management.

### **Recommendation 3**

The Trust recommends that the Minister:

1. Continue the CLGF at least at the current level of budget allocation;
2. Build into his considerations that while it is vital to focus on strategic outcomes, there is still a need to continue to address relevant smaller local infrastructure requirements that are valued by CLG communities;
3. Taking into account the evidence to the Review and the Trust's findings, consider increasing the CLGF budget allocation, and
4. Appropriate CLGF funds for allocation to categories of individual CLGs and groups of CLGs selected and appropriated against defined criteria.

### **Recommendation 4**

The Trust recommends that no material change in CLGF allocation systems (unless generally welcomed by the sector) occur earlier than 1 July 2013, to allow present CLG budgets plans and projects to be realised.

### **12.3 What should be funded?**

#### **Overall**

Terms of reference 5 boils down to 'what should be funded'?

The Trust comment in Chapter 9 on terms of reference 5 is that to a large degree, the Trust considers that the CLGF has got it right and 'what should be funded' is what is funded now.

The sector believes 'what should be funded' for individual CLGs is in this order of priority: infrastructure, and secondarily, capacity building; and for Groups in this order of priority: CLG infrastructure, secondly, sub-regional infrastructure; and thirdly, sub-regional capacity building.

The Trust does not disagree with the sector, but priority does depend on the particular CLG, sub-regional or regional needs and circumstances. The CLGF investment also depends on the CLG ability to sustain it.

What has been funded to date has been local government infrastructure asset creation, asset preservation or asset renewal.

The Trust has recommended that the CLGF should continue to address the infrastructure needs of country local government in that way, either through individual CLGs or contiguous groups of CLGs.

The Trust has also recommended that CLGF spending on infrastructure that also provides services, or that develops and broadens the economic base, or that creates jobs or improves career opportunities is to be preferred over infrastructure spending that does not.

What has also been funded to date has been investment in CLG capacity-building. The Trust has recommended that this continue. It is necessary to invest in CLG capability and capacity-building, both physical capacity and human capacity, provided that investment will assist in producing optimal future CLG infrastructure investment decisions.

It is important to avoid CLGF funding unsustainably increasing the burden on rate payers of a particular CLG. In this respect FCWPs and Asset Management Plans provide (in many cases apparently the first) planning tools for CLGs that help them gain a much better understanding of cash flows, revenue and expense over the medium term.

Any future CLGF funding provided should be on the basis that projects are accepted by the CLG community, meaning that the CLG assure themselves and their community that they have the internal financial capacity to meet the consequent ongoing costs of CLGF asset investment.

Revenues tend to be relatively fixed for CLGs. Any new project that impacts on baseline expense should be assessed by the CLG to ensure it can be financially sustained over the longer term.

Further, the Trust has noted the modest CLGF expenditure to date on encouraging voluntary amalgamations of weakly resourced and structured local governments.

The Trust has recommended funding should continue to encourage amalgamations of weakly resourced and structured local governments, and CLG capability and capacity-building.

Those CLG amalgamations or capacity-building programs to be funded should be prioritised and targeted at CLGs where it will have significant and positive regional development consequences, including a consequent improvement in the financial sustainability and operating capacity of amalgamated CLGs.

### **Changes sought**

The question is what changes should be made to 'what should be funded' in terms of present CLGF practice.

As a matter of good process RDL should review its overall CLGF program, taking into account the evidence to this Review and the Trust's findings, particularly with respect to earlier chapters on terms of reference 1 and 5.

In an overall policy sense, particularly in circumstances where the principle of subsidiarity is in play, the Trust supports a principles-based approach, providing governance systems appropriately protect the integrity of the program.

In the context of the CLGF, a principles-based approach would be less prescriptive and less centrally process-driven. It would allow for more flexibility and judgement to be vested in the agent or grantee.

A principles-based approach does not mean that guidance is dispensed with. Guidelines are necessary on where CLGF expenditure should be made, supported by a rapid and authoritative RDL response system for any queries.

The CLG guidelines should make clear the broad purpose of the program, what will be funded, the outcomes that are sought, and the conditions that apply.

The Trust has commented that the individual CLG guidelines are now quite settled, although at the strategic level a narrowing of the CLGF is proposed as a sharper focus on priorities and outcomes is sought.

In evidence to this Review there is a split between those CLGs who believe that CLGs should not concern themselves with infrastructure that is the responsibility of State and Commonwealth agencies (such as power, aged care and even roads), and those that believe they should, where appropriate. The Trust agrees with the latter.

The Act requires regional development, and that covers investment in any program or project that meets the requirements of the Act. The Trust agrees with RDL that resource constraints within other government portfolios means that it is reasonable for local governments to invest in necessary and strategic regional initiatives so that these are delivered sooner or more efficiently than they would otherwise be if undertaken by the State or Commonwealth departments.<sup>473</sup>

The Trust comment in Chapter 9 on terms of reference 5 is that the sector desires a broader range of investment options as part of its infrastructure plans. In that section the Trust agreed that RDL needed to revisit the area of 'plant and equipment'.

<sup>473</sup> RDL submission, page 4.

To take one example, if the CLGF's overall aim is to "address infrastructure needs" and CLGF grant expenditure must be "individual local government infrastructure asset creation, preservation or renewal"<sup>474</sup> roads should fall under the CLGF if they are identified in the FCWP.

It seems odd then to exclude the purchase of capital moveable equipment such as road patching trucks and graders that are essential to achieving road asset creation, preservation or renewal. That point is particularly relevant to large and remote CLGs.

The guidelines do provide for related costs, which is helpful to better project management, but the Trust believes that RDL should re-examine the question of what planning and project costs should be allowable under the CLGF.

The evidence indicates that this is not just a major concern, but often a legitimate one. It is not only an issue for asset investment but for capacity building, including the development of human capacity.

Investment in sound professional planning and project preparation significantly benefits project cost management and performance, and is essential to good practice in tendering and procurement.

Increased resources will be needed for planning project and business case development and ongoing project management. CLGF funding was provided to RDCs to facilitate regional planning activities with Groups. It should continue.

As outlined later in this chapter, the Trust has placed considerable emphasis in this Review on the importance of being outcomes-based; the importance of being as precise as is reasonably possible about the intended result; and, able to measure the actual result. Benchmarks for both infrastructure and capacity-building need to be generated.

The broad question of how the CLGF has been addressing the CLG infrastructure backlog is answered in Chapter 3, but to measure the inroads the CLGF has made into the infrastructure backlog so far and how many more years of investment might be required needs hard data.

In the absence of a quantified and comprehensive summary of the nature of the infrastructure backlog by CLG and by asset, aggregated by region, the question is impossible to answer. The data is just not available.

The evidence shows that the CLGF is undoubtedly regarded as having a significant effect or impact but that impact has not been measured. The Trust agrees with the WAPC that the impact of the CLGF should be measured against the aims of the stakeholders, that is, both the grantors and the grantees.

With the availability of FCWPs and significant improvements expected in CLG asset management there is the potential to gain a more accurate picture of the backlog within the sector. DLG are in the progress of mandating asset management planning across the sector, which must be complete by 30 June 2013.

For the purposes of this Review, the question of how the financial sustainability of CLGs is being improved through improved asset management can be considered from two perspectives: asset management systems and the investment in assets.

<sup>474</sup> Both quotes are from the RforR CLGF Individual Country Local Governments 2011-12 Guidelines, page 2.



Asset management systems improve the financial sustainability of CLGs if they result in a properly prioritised, managed, and manageable asset maintenance renewal and replacement program, that is affordable and productive.

The Trust believes financial sustainability exists for CLGs where a conservative realistic assessment of future own source and transfer income mean that asset operation, maintenance, replacement, renewal and creation can occur on a structured and planned basis over the longer term.

The evidence provided to the Review does not equip the Trust to make a judgement as to how well the CLGF is helping achieve improved financial sustainability from improved asset management for individual CLGs or for the sector as a whole, although the evidence clearly indicates that things are going in the right direction.

Despite the resistance to it to date, the proposed amalgamation of a number of CLGs is seen by DLG and others as an essential move towards financial sustainability. The Trust does not disagree.

The Trust recognises that it is important to regional development to have well resourced able and experienced CLGs in place, and where and if amalgamation can help deliver that, it is a plus to development.

Those CLGs willing to voluntarily amalgamate do make a case for needing funding to be able to professionally explore the issue.

From the evidence to this Review, it is not clear to the Trust what effect CLGF funding is having on voluntary amalgamations so far. This aspect of the CLGF program needs reviewing to make it more effective.

The Minister for Local Government's recommendation that a significant number of CLGs that have not "embraced reform" should not receive CLGF funding is not supported by the Trust.

The Trust's proposal for an RDL review of the amalgamation issue may result in new incentives or disincentives to amalgamate, but to cut off CLGF funding on that basis now seems premature.

This Trust view that CLGs should not be penalised in this particular way does not mean that it considers all CLGs will always be entitled to funding. The CLGF is not shire welfare.

The acceptance of some of the Trust's recommendations might result in some circumstances where particular CLGs would not be funded.

What should be funded is predicated on the ability to spend the funds. There are real constraints on many CLGs expanding their capital works programs.

The majority of CLGs may have accepted this challenge and worked through some of the internal capacity issues in planning and project management. However there are a significant number that have struggled.

For those that do have the internal capacity often there were and are constraints of undertaking projects to a time-specified budget in an overheated economy or where contractors simply were not available.

Building internal capacity is a responsibility accepted by DLG which has been funded through RforR to do this.

The proposed RDL review could benefit from a clear enunciation of what is being achieved in this area and what issues DLG are facing in building capacity.

It should be noted that RDL took over management of the funding component of CLGF so that DLG could concentrate on the capacity-building elements.

***Recommendation 5***

The Trust recommends that by no later than 31 December 2012 in order to be operational by 1 July 2013, in consultation with the CLG sector and taking into account evidence to this Review and the findings of the Trust, RDL settle revised guidelines for both individual CLGs and groups of CLGs, making clear the purpose and priorities of the CLGF, what will be funded, the outcomes that are sought and the conditions that apply.

***Recommendation 6***

The Trust recommends that, by no later than 31 December 2012 in order to be operational by 1 July 2013, and taking into account evidence to this Review and the findings of the Trust, RDL after consultation with DLG and WALGA, review the basis on which CLGF funding will be provided for the amalgamation of selected CLGs, to improve the likelihood of amalgamation occurring.

#### **12.4 How much money is needed?**

The question of quantum, of how much money is needed for the CLGF, was addressed to some extent in chapters 3 and 4, and in the chapters 5 and 9 on the terms of reference 1 and 5.

In 2007-08 when the RforR policy was being developed, for those living in or visiting the regions, no doubt WA's country infrastructure backlog was self-evident in many respects, with the evidence before their eyes, supported by the reports and commentary of CLGs.

As reported in Chapter 3, a quantification of this infrastructure backlog was provided in WALGA's 2006 SSS report, a key component of which was its estimated \$1.75 billion infrastructure backlog for metropolitan and regional local government, and the lack of financial and resource capacity to address that backlog.

This \$1.75 billion backlog was an estimate. This figure was not built up from each local government by individual asset, aggregated by asset class, and in turn aggregated by country region, greater Perth, and the State.

Whether the \$1.75 billion figure is an upper or lower estimate is not known. WALGA is of the view that improved asset management practices may reveal a greater backlog than the \$1.75 billion.<sup>475</sup>

As outlined in Chapter 3, it was evident to the Review that there was limited data available to either support the SSS report's claim of a \$1.75 billion infrastructure backlog or to enable a critical analysis of the impact of the CLGF against this backlog.

The Review's indicative analysis is that the SSS \$1.75 billion infrastructure backlog estimate for the whole State is potentially very conservative.

Such a conclusion is supported by the 2009 OAG examination into the maintenance<sup>476</sup> required for the State's road network. That report estimated that the cost to eliminate overdue road maintenance alone may exceed \$800 million.<sup>477</sup>

It is always helpful if apples are compared with apples. Asset systems vary greatly by CLG.

The LGAM was not developed until 2009, three years after the SSS report. The LGAM is a voluntary accounting aid, and its introduction has not resulted in standard comparable asset data across the CLG sector. The LGAM does encourage better accounting and data collection but there is no sector-wide agreement on a common method of valuing types of asset by asset class, or on depreciation, or on whole-of-life costing.

Consequently, in two CLGs the same type of asset of the same age and wear-and-tear may be valued differently and have a different life given to it, because different accounting and valuation methodologies are used.

FCWPs do not get over those problems, but FCWPs have forced each CLG to be much more exact about the state of their assets, and what is entailed in preserving or renewing them or in creating new assets.

475 WALGA submission, page 11.

476 The outline for what is considered maintenance is outlined on page 10 in the OAG report. Maintenance does not include works such as sealing roads, widening, or the creation of new roads.

477 Western Australian Auditor General's Report, *Maintaining the State Road Network*, Report 6 – June 2009, page 6.

DLG are in the process of mandating asset management planning across the sector, which must be complete by 30 June 2013. Asset registers and asset management systems are still being developed, and are planned to be in place by then.

RDL does not yet have the data to answer the question of how much more money is needed for the CLGF, but analysis of the FCWPs in combination with the data that will emerge from DLG and sector planning and asset management efforts, should enable them to get a far better handle on it by 2013-14.

Individual CLG data will not usually reflect those asset investments being considered by groups of CLGs. Planning systems for sub-regions and regions are improving. RDL accumulates Groups' requests for the budget, but an overall infrastructure investment need established by Groups is not available.

It is not clear to the Trust whether a system is needed to collect such data by collaborative groups of CLGs, by asset and asset class. It may not be useful, and the budget system may suffice.

What is apparent from the evidence is that the money available by CLG and by CLG collaborative group is often not enough for larger-scale projects.

Leveraging is an important mechanism for increasing the value of CLGF expenditure, particularly on larger-scale projects. It obviously has a valuable multiplier effect.

Leveraging is occurring, occasionally in an impressive manner, but generally on a haphazard basis. It appears to be greater as a proportion of funding with Groups' projects.

Such evidence as is available indicates that leveraging is inadequately developed and promoted overall.

The Trust considers that methods for improving leveraging need to be developed.

**Recommendation 7**

The Trust recommends that:

1. RDL analyse all FCWPs by 31 December 2012 in order to be operational by 1 July 2013, to ascertain the actual infrastructure status, needs and priorities of each CLG on an asset class basis to help determine CLGF desired outcomes by categories of CLGs; and,
2. That RDL develop and publish improved data on the infrastructure backlog in the CLG sector.

**Recommendation 8**

The Trust recommends that RDL in conjunction with RDCo the RDCs and the CLG sector, develop methods for improving CLG leveraging ability.

## **12.5 Who should be funded?**

'Who should spend the money' addresses terms of reference 1, 3 and 4 in chapters 5, 7 and 8.

At present the CLGF is spent by CLGs and collaborative groups of CLGs. There have been relatively small payments made to agencies like the DLG, but once CLGF funds have been granted, executive control over the allocated funds has rested with the sector.

The answer the Trust gives to this question of who should spend the money is that there should be little change. The Trust made these comments in Chapter 5:

No case has been made for taking the decision-making and execution function from the CLGs either individually or in Groups ...

CLGs are long-established experienced contributors and participants in regional decision-making and development. Their local knowledge and judgement are invaluable, and not to fully exploit this local and regional political and organisational talent in the cause of regional development would be foolish.

CLGs are essential to the mix of methods, leaders, and organisations necessary to the optimal and further advancement of regional development, and the CLGF enables them to be actively engaged not just as facilitators but as proponents.

Such an approach might lead some readers of this Review to assume all CLGs should therefore continue to get CLGF funds. The Trust has come to a view that this should not necessarily be the case. In Chapter 7 the Trust commented that:

Factors such as instances where CLGs are resisting reforms that can be demonstrated to be beneficial to themselves and the local community; where CLGFs do not have adequate asset management planning or clearly demonstrated infrastructure backlogs; or where CLGs do not have clear outcome-based projects against agreed priorities, could all be considerations affecting funding in future.

There is also an argument for the CLGF to be contestable on some level along with suggestions that there need not be just one formula to fit the entire annual CLGF budget.

Ultimately the formula, as with the principles, design and structure of the CLGF, must comply with the intent of the Act, and where that is not the case, adjustment must be made.

Terms of reference 4 in Chapter 8 questions the appropriate proportional allocation of funding between individual, group and regional components over time.

The evidence overall is that on balance the CLG sector prefers an arbitrary 50/50 split between individual CLG and regional/Group allocations. No real reason for this preferred split is offered. One possible reason is that 50% is the most that individual CLGs would be willing to give up

There is certainly no evidence that a 50/50 split will result in better outcomes than any other split.

The case has not been made that there should be no Group, sub-regional or regional CLGF program at all.

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In Chapter 5 a reference was made to Tables 3 and 4 in Chapter 3. The Trust commented that it had not had the opportunity to test the RDL figures in those tables, but they do indicate much stronger leveraging results for Groups projects.

If collaborative grouping produces more 'bang for your buck' through leveraging, it is another argument for CLGF grants to Groups.

There are concerns with the present CLG Group and regional CLGF system. In Chapter 8 the Trust commented that:

The evidence concerning the regional CLGF allocation raises a number of points. Reported instances of 'gaming' between the CLGs within the Groups is concerning. Despite the added funding derived from leveraging, it seems that the Groups CLGF is often underfunded for the projects envisaged. Some Groups work well while others are blighted by being 'forced' on each other. The Groups scheme needs to be more flexible and sensitive to the different circumstances of different regions. Certain CLGs, sub-regions and regions may need different mechanisms for project delivery.

On the evidence before it, the Trust agrees that to eliminate the individual CLGs component would be counterproductive ... The greatest weapon in the hands of CLGs that will incline the argument towards more funding for the individual CLG program is the FCWP. If FCWPs show a substantial infrastructure backlog of social and economic significance by asset and asset class in individual CLGs, then the argument in favour of continuing local funding will be easier to win.

The Trust recommends that while it will introduce more complexity in allocations, differential funding across a limited number of regional categories would allow the regional quantum to be allocated to better suit the purpose.

There is the question of whether the regional groupings should continue to be self-chosen. The Goldfields-Esperance regional grouping is an example of one that needs review.

Every effort should be made by the RDCs to ensure that there is some order of strategic communality involved, ideally to match CLG groups to the sub-regions the RDCs have developed.

Then there are individual CLGs the size of Victoria or Tasmania which are entitled to be considered regions on their own, and should not be forced into Groups allocations in order to access regional funding.

On the other hand, there are certain areas of the State where individual CLG allocations should be reviewed by RDL. This is particularly the case where CLGs are really struggling for financial viability and sustainability and are candidates for amalgamation.

There may be a case to be made for only Groups money to be available in such areas.

The CLGF should not be used to prop up unsustainable CLGs. On the other hand essential local and sub-regional infrastructure must be maintained, renewed or created.

As discussed in earlier chapters the DLG submission argued for 100% of the CLGF to be invested in CLGs, that in their words had "embraced reform". These number 63 of the 109 CLGs.

The Trust has made it clear that it does not support this approach. The remaining 46 of the 109 CLGs cover a vast area of the State and their infrastructure needs have to be addressed.

The Trust is advised that the Minister has announced a more radical intent. The Trust is advised that it is the intention that 2012-13 remain at a 50/50 split and that from 2013-14 no funding will be to individual CLGs and all funding will be directed to Groups.

The Trust does not support this approach either.

The Trust recommends there should continue to be an individual CLG CLGF component and a Groups CLGF component.

In any case the 'regional' concept is a blurred one. Many individual CLGs are 'regional'.

The Trust is of the view that many individual CLGs qualify as 'sub-regions' or 'regions' on their own. These include individual CLGs with very large square kilometre areas, country cities like Albany, super-charged economies like the Shire of Roebourne, those country towns designated by RDL as SuperTowns, major regional centres or catchments such as the Shire of Katanning, and those CLGs rated as high growth prospects.

If the Minister on the advice of RDL were to conclude that certain individual CLGs should no longer receive CLGF grants, it would need to be done on a select and judicious basis.

In the section 12.6 following this section titled 'how should they be funded' a series of recommendations also address the issue of 'who should be funded'.

#### **Aboriginal communities**

The Trust has taken an interest in encouraging targeted RforR efforts to assist in the social and economic development of under-developed or disadvantaged regional communities, including those that are Aboriginal.<sup>478</sup>

As a natural consequence of the CLGF, expenditure has occurred in Aboriginal communities within CLGs. A new issue of funding has emerged.

CLGs like the Shire of Wyndham-East Kimberley (Kimberley) have raised concern over the planned transfer of responsibilities for Aboriginal municipal services:

It is recommended that a full assessment of the role CLGF could play in the planned changes for municipal services by LG to remote and town based aboriginal communities proposed to occur 1/7/2012 be undertaken before any final decisions are made.<sup>479</sup>

This quote from the Shire's submission refers to the ongoing Commonwealth – State negotiations over the transfer of responsibility for the provision of municipal services to remote Aboriginal communities.

Like everyone else, the Trust has to wait and see what the result of these negotiations will be.

The Trust has outlined the purpose of the CLGF earlier in this chapter. The purpose is not to deliver services or provide for operating recurrent costs, however pressing the claim.

<sup>478</sup> Western Australian Regional Development Trust 2010-11 Annual Report, pages 34-35.

<sup>479</sup> Shire of Wyndham-East Kimberley (Kimberley) submission, page 2.

However, it would certainly be within the purpose of the CLGF for a CLG to use grant funds for infrastructure that helps normalise service delivery to Aboriginal communities.

The Trust notes that State and Commonwealth Governments have previously agreed to work towards the increased involvement of local governments in providing normalised municipal services to Aboriginal communities in Western Australia from 1 July 2012 (existing Council of Australian Governments' National Partnership Agreements).

The National Principles for Investment in Remote Locations state:

Remote Indigenous communities and remote communities with significant Indigenous populations are entitled to standards of services and infrastructure broadly comparable with that in non-Indigenous communities of similar size, location and need, elsewhere in Australia.

RDL has advised the Trust that there are 248 Aboriginal communities in 22 local government areas across 5 regions of WA and that under current Commonwealth, State and local government funding arrangements most of these Aboriginal communities receive relatively few, if any, local government services.

The Trust further understands that following a comprehensive region by region analysis, undertaken by the DLG in close liaison with the DIA, WALGA and the 22 affected CLGs attempted to cost the provision of 11 primary services and 4 secondary services to these communities.

They estimated that significant funding (calculated at many hundreds of million dollars) would be needed to upgrade existing capital infrastructure, and that significant recurrent funding would also be needed to properly implement the intent contained within the National Principles for Investment in Remote Locations.<sup>480</sup>

480 (WA) Minister for Local Government; Heritage; Citizenship and Multicultural Interests, 1 December 2011.



**Recommendation 9**

The Trust recommends:

1. That the CLGF continue to have an individual CLG component and a Group CLG sub-regional and regional component; and,
2. Recommends against the current intention of moving the CLGF to 100% Group CLG funding in 2013-14.

**Recommendation 10**

The Trust recommends:

1. That in the interests of regional development the CLGF support targeted capability and capacity-building funding for the CLG sector, with the intention of improving the financial sustainability and operating capacity of those targeted;
2. That such assistance should include supporting the amalgamation of weakly resourced and structured local governments, particularly those rated after assessment as financially unsustainable; and,
3. That RDL in consultation with DLG should report annually on progress and outcomes.

**Recommendation 11**

The Trust recommends that the Minister, noting the ongoing Commonwealth-State negotiations on the matter of adequate funding for the provision of local government services in remote Aboriginal communities and CLG concerns thereto, request advice from the State's Aboriginal Affairs Coordination Committee on consequential infrastructure capability and capacity matters affecting CLGs, that might need to be taken into account in future CLGF policy.

## **12.6 How should they be funded?**

### **Problems**

'How should they be funded' addresses the terms of reference 1, 3 and 4 in chapters 5, 7 and 8. On what basis the available budget is allocated exercises every mind; getting a fair share is an uppermost consideration.

The problem for 'fair share' proponents is that the CLGF allocation should be neither an entitlement nor an equity-based program; the Trust believes the CLGF has to be outcome-based, determined by the intent of the Act.

It is true that every CLG did (and most probably still do) have an infrastructure backlog, and they legitimately felt entitled to an equitable share of the CLGF, but by 2013 all CLGs will have had a chance to address that backlog through the existing allocation system.

The Trust argues that by 2013-14 further infrastructure investment in CLGs should move onto a more strategic outcomes-based approach.

It is perfectly understandable that there is support for the present CLGF formula. It is well-established, its inputs are professionally and independently constructed by the LGGC, it is not subject to ministerial or departmental instruction (although it has been adjusted by them with a floor and a ceiling), it was made available to every CLG in the State, and it is accepted as having integrity by the CLG sector.

On top of that, spending decisions and priorities are determined by CLGs themselves under broad RDL guidelines and are not determined by the Minister, and RDL governance has been thorough.

Although it has not protected the program from political and media criticism, these features of the CLGF formula do provide a valid and legitimate defence against claims of partisan bias or 'pork-barrelling'.

Despite this defence, reported political and media criticism has still centred on the concentration of CLGF spending in the southern half of the State, with claims it benefits particular political constituencies, particularly in the Wheatbelt.

It is also understandable that the beneficiaries support the formula, and that those who are relative losers complain.

The 43 Wheatbelt CLGs (39% of all CLGs) get 31% of CLGF funding but only house 13% of the regional population. The South West and Peel regions get far less CLGF funding than their population would suggest, while the Kimberley Pilbara and Gascoyne regions have 11% of the CLGs and 18% of the funding.

Many CLGs have issues with the formula because it does not reflect large populations or large transient populations, or account for economic growth prospects, or account for population growth, or invest sufficiently in the CLGs producing royalty income, or account for remote factors, or sufficiently account for the vast size of some CLGs and so on.

Presently the CLGF is allocated on the basis of a methodology employed by the LGGC, as outlined in Chapter 3 and in the Trust's Review Issues Paper in the Appendices. The CLGF formula uses LGGC factors which attend to needs components, equalisation criteria and roads components.

The formula did not originally have a regional dimension, being CLG oriented. That regional dimension has been added under CLGF. Since 2010-11, allocations have been distributed through two mechanisms – individual CLGs and Groups.

In evidence, not very many CLGs or other stakeholders linked the funding distribution method back to the purpose of the Act or to achieving the outcomes of the CLGF.

What is readily understood within and often outside the sector is what the formula does not do. Both in submissions and consultation, arguments have been made to the Review that there are factors that have not been considered in the past that could properly be considered in the future allocation of CLGF funds, such as:

- being more closely aligned to the Act and intended CLGF outcomes
- being based on CLGs actual infrastructure needs
- including a factor for remoteness and the vast size of some CLGs
- taking into account DIDO and FIFO effects
- taking into account transient population pressures such as by tourists
- taking into account economic and population growth prospects and patterns

As stated earlier in this chapter, the assumption that funds will be distributed amongst all the CLGs does not need to remain the case.

Ultimately the allocation formula or methodology, as with the principles, design and structure of the CLGF, must comply with the intent of the Act, and where that is not the case, adjustment must be made. Whatever formula is used, it needs to be transparent, defensible on policy grounds, and able to be communicated effectively to the general public.

Many CLGs and WALGA argue persuasively for a project-time approach rather than a financial-year approach. It is interesting that one of the funding programs the sector responds well to, R2R, is a rolling fund with amounts set for three to four years and distributed accordingly.

This certainty of R2R funding allows CLGs to undertake more strategic projects and plan and schedule works to greater effect and efficiency. The only 'expended by' date is at the end of the program. CLGs must still adhere to conditions for receipt of allocations and there are consequences if they do not.

Many CLGs expressed a desire to make larger commitments beyond the single year funding available through CLGF at present. The Trust is of the opinion that this desire is legitimate and should be considered to allow out-years funding to be guaranteed, particularly so that wet-season sufferers and larger or more difficult projects can be accommodated.

Guaranteeing funding certainty is difficult when the RforR Fund is dependent on both a fluctuating royalty income and the exchange rate of the Australian dollar, but the CLGF is only 11.1% of the Fund.

The administrative burden and pressures of a grants program based on annual submissions assessments and approvals will almost always be more significant than one spread over a longer time-frame. It increases the amount of funding consumed in administering the scheme.

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The Trust is not in a position to make a judgement on whether greater CLGF funding certainty for CLGs is feasible, but RDL should review the practicality of the proposition.

In addition, consideration must be given to improving the speed with which decisions are made, and to streamlining the process. The evidence is strong enough to indicate there is a need to do so.

Overly complex decision making, while often very defensible, can be frustrating and actually deter organisations which would normally be able to manage their own responsibilities quite well.

The Review highlights that generally, projects developed using regional groupings achieve greater leveraging than those used in individual CLGs; there may indeed be greater net benefit in many regional groupings projects.

### ***A new approach***

Differential funding is already a feature of the CLGF. At present funding varies to CLGs according to:

- the formula, but with a floor and ceiling;
- whether the funding is for individual CLGs or collaborative groups of CLGs ( local or regional);
- for specific capacity purposes; and
- for voluntary amalgamation purposes.

The Trust is persuaded by its consultations and the evidence that differential CLGF funding should be retained, but should be better targeted. This requires a more refined approach than the present formula.

To arrive at that outcome, a set of matters need to be first resolved.

Firstly, the Trust has recommended that no material change in CLGF systems (unless generally welcomed by the sector) occur earlier than 1 July 2013, to allow present CLGF budgets plans and projects to be realised under existing administrative arrangements.

Secondly, the Trust has recommended that RDL analyse all FCWPs by 1 July 2013 to determine the actual infrastructure status, needs, and priorities of each CLG on an asset class basis, to determine CLGF desired outcomes by categories of CLGs.

Thirdly, the Trust will recommend that, subject to feasibility, all CLGF funding from 1 July 2013 will not be on a budget-year basis but on a project time basis, established by the FCWP or the equivalent regional mechanism, so that such issues as the northern wet season affecting performance, or trying to force projects into a financial year framework, fall away.

Fourthly, the Trust will recommend that to encourage strategic investment and to fulfil the purposes of the Act, that from not later than 1 July 2013 all CLGF spending will be outcomes-based; and, that CLGs will be rated for risk, prospects and capacity needs.

The Trust will recommend that there be two main forms of grants, contestable and non-contestable. The Trust does not intend to specify the quantum that should be in each pool, or indicate which CLGs should qualify for each pool under what conditions, as that would preempt the process that needs to follow the findings of this Review.

As outlined earlier, the Trust believes a variety of circumstances need to be taken into account, including the nature and prospects of small poorly resourced CLGs, sub-regional and regional groups, shared services propositions, country cities<sup>481</sup>, very large CLGs (by square kilometres), those country towns designated as major regional centres or catchments, and those CLGs with high growth prospects.

While the contestable pool will be finite in total, there should be the opportunity for worthy projects that overspill to be considered for the RIHF.

The Trust considers that splitting the CLGF funding into two pools will allow for further refinement and improved targeting of areas deemed as priorities by the Minister on the advice of RDL, having consulted the Trust, RDCo and the CLG sector.

Contestable CLG grants have a number of advantages. They contribute to:

- Enabling larger-scale projects with higher outcomes to be advanced;
- Genuine Groups alliances motivated by mutual self-interest;
- A likely reduction in the 'gaming' of Group allocations on the 'my turn' basis;
- Increasing the motivation to pursue leveraging;
- Filling a funding gap between strategic (major-centre, region-wide or state-wide) projects and projects of small to medium sub-regional or local scale;
- Increasing transparency (purpose, expenditure pattern and outcomes known at the outset);
- Increasing aggregate sub-regional and regional benefits as successful projects provide superior outcomes to unsuccessful submissions;
- Aligning community and governmental priorities and expectations (including Minister, Trust, RDCo and RforR budget focus areas); and
- Improving governance due to project-based approach.

However the off-setting factors for contestable grants could include:

- Higher compliance costs for proponents;
- Longer lead times for funding disbursements;
- Increased administrative burden;
- It may result in fewer larger projects with some sub-regions and some CLGs losing out; and
- Reduced subsidiarity.

<sup>481</sup> The term city is a size determined status signified by the title of the CLG: Albany, Bunbury, Geraldton, Kalgoorlie-Boulder, and Mandurah.

Generally the scale and/or scope of the project/s may be such that the advantages out-weigh the disadvantages by a substantial margin.

The disadvantages may also be counteracted by controls such as including RDCs and RDCo in the decision-making process, funding project 'proving', or approving developing projects and not just those that are construction ready.

What is apparent is that given the scale of Groups projects as envisaged by the CLGF policy, the funding offered by the CLGF is insufficient at present and needs to be increased.

The non-contestable grant pool proposed should be allocated on a pre-determined method. It is envisaged that this component will be based on key indicators determined by RDL in consultation with stakeholders such as the LGGC, the Trust, RDCs, RDCo, DLG or other key stakeholders such as DoP, WAPC and WALGA.

CLGF allocations will need to continue to be based on a set of accepted indicators that are made public. It is important to continue to provide a valid shield for the Minister against any suggestion of partisan bias.

Moreover, by reducing the scope for high level discretion or intervention, it ensures that the CLGF is more likely to fulfil the intent of the Act, even if a change in Minister or government occurs.

The rating system that is suggested for CLGs qualifying for differential funding under the CLGF is discussed at greater length later in this chapter.

**Recommendation 12**

The Trust recommends:

1. That by 31 December 2012 in order to be operational by 1 July 2013, the CLGF be distributed through two funding pools, one of which is allocated to qualifying grantees who will be rated prior to allocation as entitled to receive funding; and one of which is a contestable grants pool to which applications may be made by potential grantees rated as eligible.
2. That the CLGF funding quantum determined by the Minister and Cabinet be informed by the evidence to the Review and the findings of the Trust, and in particular by the sum of the recommendations in the Review.
3. That by 31 December 2012 in order to be operational by 1 July 2013, that all CLGs should be able to be rated on prospects, capability, capacity and risk, which rating shall identify those qualifying or not qualifying for the various categories of the two CLGF funding pools; and, that rating should be done on a publicly defensible professional basis.
4. That taking into account evidence to the Review and the findings of the Trust, the required CLG rating systems are to be agreed by a committee which shall take professional input and advice as required; and, the committee should be chaired by RDCo and include but not necessarily be limited to representatives of RDL, DLG, WAPC/DoP and WALGA.

**Recommendation 13**

The Trust recommends:

1. That RDL investigate the feasibility of CLGF funding from 1 July 2013 not being on a budget-year basis but on a project-time basis, so that such issues as the northern wet season affecting project delivery, or trying to force longer time-scale projects into a financial year framework, fall away.
2. That, subject to the feasibility study being positive and the Minister agreeing to RDL's proposals, that the CLGF shall operate on this funding system from 1 July 2013.

## **12.7 Who makes decisions on what basis?**

### **12.7.1 Decision-makers**

The principal decision-makers in the CLGF are the Minister, RDL and the CLGs.

From the very beginning, as discussed earlier in this Review, the CLGF was predicated on the principle of subsidiarity, so that funds would be provided as grants to CLGs to be spent on a wide range of infrastructure types, but the choice of which infrastructure and by what means it would be tackled was to be up to the local CLG decision-makers.

The Trust is of the view that as far as possible the principle of subsidiarity should be maintained, but to ensure confidence in the CLG decision-makers it is vital that the planning, asset management and other systems reforms continue. The Trust has made a number of observations and recommendations in this regard.

One area of decision-making that needs attention concerns the RDCo and the RDCs. With respect to the CLGF their role needs clarification.

Naturally RDL has had to acquit and account for the CLGF funds granted, and the systems developed to do this have occasioned criticism, as recounted in earlier evidence.

Much of this Review keeps returning to the basics:

- The CLGF is needed for infrastructure and CLG capacity-building
- Decision-making that is timely and effective needs good process and high quality data to make CLGF budgets programs and projects optimal
- The grants to achieve the CLGF outcomes should be certain and sufficient in quantum
- The CLGs programs and projects chosen to carry out the investment should be those that produce the best outcomes
- The execution of the CLGF should be timely and represent value for money
- The administration of the CLGF should be timely, be streamlined, be efficient and responsive, and have low compliance costs
- Accounting audit and reporting in the sector should be common, comparable, and sufficient for accountability and transparency purposes

### **12.7.2 Risk management**

#### ***Risk management in the CLG sector***

On what basis are the decision-makers to make decisions? Risk should exercise their minds.

The risk management practices of CLGs matter to the CLGF because the CLGF invests in infrastructure assets, which are then subject to the management of CLGs.



The concept and practice of risk management is not well developed in the public sector. For instance the Commonwealth *Financial Management and Accountability Act 1997* does not set out risk management principles for agencies and does not place explicit risk management obligations on CEOs.

Likewise, the *Commonwealth Authorities and Companies Act 1997* places no explicit risk management obligations on directors. References to risk are limited to corporate planning requirements for government business enterprises and to reporting obligations for Commonwealth authorities.

The management of risk, such as financial and reputational risk, is an important part of government delivery of services.

The importance of risk management was raised recently by the Australian National Audit Office in its review of the implementation of the Home Insulation Program.

Risk assessment starts with common sense. Risk management needs good judgement and experience more than a tick-a-box approach.

The most important question of all to ask is 'where are we most at risk?' In many CLGs fire threaten their assets, in others it is flooding, in others it is financial unsustainability.

If a CLG has large financial reserves and puts them all into a single financial institution which goes under, all the risk management procedures in the world will not save them if the rating agencies they rely on were rating them A+ investments, but if they used good judgement and experience and spread the reserves conservatively into more than one institution, they would have reduced risk.

It can be quite simple. For assets the most important risk management tool against loss is comprehensive insurance, and where relevant good health and safety practices.

The next important tool is sound financial systems. Sound financial systems calculate the real carrying cost of assets and their replacement cost, and realistically plan for maintenance or upgrade or replacement over known time frames.

A third important tool is good planning systems, to try and realistically appraise the future, using sound data.

Last but not least, sound governance systems are needed to guard against fraud or misconduct.

Procurement is another area of risk, how to appraise the real quality and substance of those tendering and supplying, and how to secure value for money.

It is no accident that Commonwealth and State Auditors General concentrate attention on tendering and procurement practices.

The DLG sees risk management as integral to local government:

Risk management assessment should be undertaken in accordance with the International Risk Management standard – ISO 31000 Risk Management.<sup>482</sup>

482 DLG: *Long Term Financial Planning Framework and Guidelines*; Perth May 2011; page 10.

The DLG has included the concepts of strategic risk assessment; operational risk analysis and workforce risk analysis in its planning and reporting framework for local governments<sup>483</sup> and says that one of the responsibilities of local government councils in asset management is to undertake appropriate risk management.<sup>484</sup>

As professional organisations most CLGs will understand, and many do use, the tools of risk management.

Effective prudent and regularly reviewed risk management is an essential component of good governance.

Risk management requires a structured approach to identifying and assessing uncertainties and potential dangers to finances programs and assets; monitoring and reporting on risk; and, developing strategies to manage and minimise risk.

There are productivity efficiency and reputational benefits from responding effectively to issues and concerns that may arise from CLG activities. As well as identifying potential beneficial outcomes, impact assessments assist in anticipating potential issues and concerns.

#### **RDL and CLGF risk**

In advice elsewhere, the Trust has noted that in assessing funding applications, RDL needs to define their position on risk management.

The Trust prefers an approach which avoids being risk averse while sensibly and responsibly managing and minimising the effect of identified risk.

Overall with respect to the Fund, RDL has accepted that it will manage risk and that:

Governance will be tailored to ensure that compliance cost and time is not excessive and is relevant to cost, risk, and the project and entity concerned.<sup>485</sup>

Risk management of CLGs has not been practiced in the CLGF. If it had been, governance would have been tailored to the individual CLG. Instead, CLGF governance has been common to all CLGs.

Productivity and efficiency dictate that governance additional to that of the *Local Government Act 1995* and its associated regulations should be tailored to risk.

CLGs are long-established independent political and executive bodies with governance determined by statute. This warrants respect, and trust in their judgement and capability.

Add the principle of subsidiarity and the need for timely and efficient action, and it justifies a CLGF system of CLG decision-making funded by a grants system.

However, respect and trust do not mean that wide differences in individual CLG capability or capacity or performance history should be ignored.

483 DLG: *Integrated Planning and Reporting Framework and Guidelines*; Perth October 2010; pages 29, 32-33 and 43.

484 DLG: *Asset Management Reporting Framework and Guidelines*; Perth May 2011; Appendix A page 43.

485 Western Australian Regional Development Trust Annual Report 2010-2011, page 25.

Efficiency, flexibility, productivity and value for money are enhanced where the governance is determined by the capacity of the proponents, the nature of the project, and the outcome.

Lower CLG capability or capacity or a poor performance history will often mean higher risk.

In looking at risk management for grants, a draft discussion paper had this to say:

Processes and requirements for grants should be commensurate with the value and level of risk associated with the grants. Increased guidance, training and standardised tools could assist entities with improving their administration of grants and providing greater consistency for third parties. There is scope to consider introducing a tiered approach to grant approval processes based on risk (which could be assessed against agreed criteria).<sup>486</sup>

### **Assessing CLGs for risk**

The Trust believes that all RforR proponents and projects should be assessed on their merits. All significant proponents with significant projects should be assessed for risk.

The advantage with individual CLGs and collaborative groups of CLGs is that as constant CLGF participants they can be pre-assessed for risk, and that assessment does not need constant revisiting.

Risk pre-assessment is best done by organisations that are at arm's-length but have intimate knowledge of CLG capabilities. The two that obviously qualify are WALGA and DLG.

Without attempting an exhaustive list or trying to design the methodology, risk assessment could include a simple rating of 1-3, done bi-annually for capacity under such heads as strategic planning, financial planning, financial strength, asset management, structural reform, skills and resources, and particular circumstances under the *Local Government Act 1995* such as being under formal investigation or being in administration.

RDL would need to provide input to any other agency or entity's risk pre-assessment, based on RforR experience. Again, without attempting an exhaustive list or trying to design the methodology, this could include a simple rating of 1-3 for CLG's, with respect to applications (including completing the FCWP), implementation, acquittal, and reporting.

RDL's contribution to another agency or entity's risk-assessment process could be limited to indicating those CLGs with a good average or poor RforR application, implementation, reporting and acquittal history.

The pre-assessment for risk would mean that all individual CLGs and Groups would be assessed as either low medium or higher risk.

Note the use of 'higher risk' rather than 'high risk'. Despite the provision for being put into administration in the *Local Government Act 1995*, it seems unlikely that any local government is really 'high risk' in the commercial sense of 'high risk'.

In the private for-profit and not-for-profit sector, going out of business can result from failure. Local governments do not 'go out of business'.

<sup>486</sup> Draft 2011 Commonwealth Financial Accountability Review: *Is Less More? Towards Better Commonwealth Performance*, Page 70.

The Trust's proposition is that risk-rating would determine the level of governance applying to RforR's CLGF funding, and could also be used as a means of determining capacity-building grants.

Higher risk does not mean RforR CLGF funding should not be considered, but it does mean stronger evaluation.

**Examples:**

Lower risk should mean lower governance. Lower governance A could mean CLGF criteria or guidelines are set; RforR funds are allocated to Shire X; acquittal is by certificate of compliance signed by the Shire CEO, President, and their external auditor. No additional RforR audit.

Medium risk should mean medium governance. Medium governance B could mean CLGF criteria or guidelines are set; RforR funds are allocated to Shire Y; but either the RDC or RDCo or RDL (one of them only) are involved in the application and acquittal process; plus acquittal is by certificate of compliance signed by the Shire CEO, President, and their external auditor. Spot RforR audits only.

Higher risk should mean higher governance. The highest governance C could mean CLGF criteria or guidelines are set; RforR funds are allocated to Shire Z, but either the RDC or RDCo, and RDL (two of the three) are involved in the application and acquittal process; plus acquittal is by certificate of compliance signed by the Shire CEO, President, and their external auditor. Automatic RforR audit.

The Trust emphasises that it is not its intention to suggest a risk-management model or methodology.

What the Trust recommends is that RDL risk-rate its CLGF grantees on a simple defensible professional and objective basis, with two intended consequences.

The first intended consequence is that higher risk grantees might be excluded from the CLGF, so helping protect the integrity of the Fund; the second being that governance requirements and compliance costs for both RDL and the grantees will fall for those rated lower risk.

**12.7.3 Prospects**

On what basis are the decision-makers to make decisions? The intention of the Act must exercise their minds.

As outlined earlier, the CLGF is governed by s4 and s9(1) of the Act, so the CLGF must contribute meaningfully to local, sub-regional or regional economic business and social development. There would appear to be two consequences to that:

- CLGs or Groups with better development prospects and projects with development outcomes should be better funded; and
- A rating system is needed ranking CLGs according to development prospects.

If the purpose of CLGF funding is local, sub-regional or regional economic business and social development, then there needs to be a basis for directing the funds available to where they will have the most development effect.

The development prospects of the CLG should be the principal determinant. Development prospects are not a determinant at present, need is.

In that regard, note that the Trust has recommended a continuation of uncontested grants to individual CLG categories, to address legitimate infrastructure and capacity needs.

If the CLGF is to operate under principles of subsidiarity and efficiency through a system of CLG decision-making funded by grants, then a rating system is needed to allocate funds which will vary by outcome, quantum and purpose.

Without attempting an exhaustive list or trying to design the methodology, prospects assessment could be done bi-annually for development prospects, under such heads as actual and projected growth, actual and projected population, existing economic importance, and projected economic expansion.

Sophisticated input will be needed. For instance strategic economic growth is affected by the type of industry and the quality of employment related to it. Industries in CLGs may be concentrated or specialised with particular growth and infrastructure effects.

Growth industries and firms vary in terms of the support they need. Growth potential can be domestic or export, and productivity and the value added socially and economically can vary.

The advantage with individual CLGs and Groups is that as going concerns with considerable corporate history information and local knowledge, they can be quite readily assessed for their prospects.

The assessment for prospects would mean that all local governments and Groups would be assessed as either lower medium or higher development prospects.

A 'lower prospects' rating would not mean RforR or CLGF funding would not be considered, but it should usually mean lower funding.

The prospects pre-assessment should be assisted by the RDCs with input from DoP/WAPC and oversight by RDL, because the RDCs are the only organisations that are at arm's-length but still have intimate and current knowledge of CLG development prospects.

RDCs may need resourcing to undertake this task.

### ***RDL's SuperTowns experience***

#### ***Selection***

The Trust was interested in RDL's actual experience in the process of selecting prospects for priority investment, and in subsequently managing that relationship.

RDL's Regional Centres Development Plan (SuperTowns) is a Government RforR initiative aimed at encouraging regional communities located in the southern half of Western Australia to plan and prepare for what is predicted to be a doubling of the State's population over the next 40 years, to almost 4.5 million people.

Boddington, Collie, Esperance, Jurien Bay, Katanning, Manjimup, Margaret River, Morawa and Northam were chosen as the nine inaugural SuperTowns.

For the purposes of this Review the Trust asked RDL the basis for selection.

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The selection process involved key State agencies providing information on each of 22 towns nominated by the six RDCs in the southern half of the State. The nominated towns were assessed against the following criteria:

- potential for population expansion;
- potential for economic expansion and diversification;
- strong local governance capabilities; and
- ability to generate net benefits to Western Australia.

Other relevant considerations included:

- established transportation linkages;
- planning maturity and capacity; and
- committed or current capital expenditure or investment linkages to other major infrastructure projects or strategies.

RDC advice was provided to RDCo on the above factors. RDCo then recommended towns to the Minister. The Cabinet made the final decision and selected nine country towns to participate in the SuperTowns initiative.

The approach used in the selection of the nine SuperTowns utilised a local decision to nominate a town, a regional level review of the information submitted, and a decision was made on the selected towns which incorporated local and regional input, at the State level.

Similar methodology could be adopted to rate the growth prospects of CLGs, involving multi criteria evaluation and aligning with local regional and State planning.

The ability of CLGs to compete for contestable funds should be linked to an assessment of their capability and prospects for development.

Their capability would be assessed via a methodology to be developed, but which could adopt a 3-tiered approach in which the key areas of planning, corporate capacity (financial, HR, systems) and governance would be assessed in concert with those agencies with related responsibilities and recognised knowledge and expertise in these areas, such as:

- planning – WAPC/DoP;
- corporate capacity – WALGA and DLG with possible input from external professional bodies and the Department of Training and Workforce Development;
- governance and sector capacity – DLG.

The higher the assessed capability and 'prospectivity' of an individual CLG, the greater might then be their access to the contestable fund pool.

To round out the assessment, risk needs to be rated, so that a four-part assessment would be done on prospects, risk, capability and capacity.

**Governance**

The SuperTowns project recognised that for effective change to occur there is a need for an integrated strategic and implementation framework comprising sufficient capacity and resources to be in place to meet the SuperTowns strategic objectives.

The strategic framework built on existing and proposed planning initiatives, and acknowledged that they needed to work together.

This framework acknowledged that each region has specific issues and circumstances that impact planning and funding outcomes that may not necessarily be common across regional WA. To ensure consistency, it was recommended that State regional and sub-regional planning frameworks be used to guide and drive the development of a suitable growth plan.

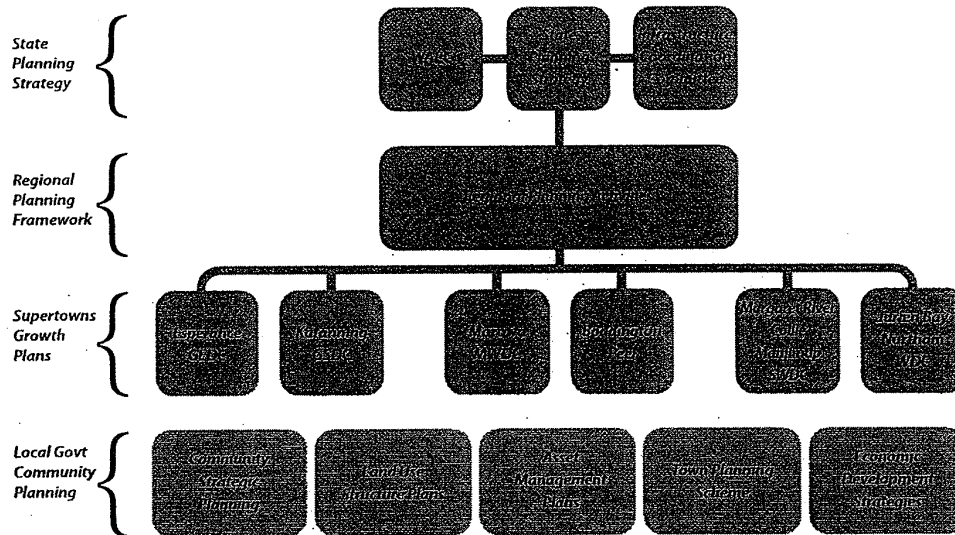
The SuperTowns governance framework incorporates a steering committee, implementation unit, project teams for each SuperTown and local community reference groups.

This means that all appropriate State and local government agencies are involved in the planning for and implementation of projects in each SuperTown.

The Trust considers that RDL's experience with this framework means that it might be a suitable starting point on which to build, as an adjunct to the use of the methodology previously used to select the SuperTowns.

The Strategic Planning Framework for SuperTowns is shown below:

**Figure 16: The Strategic planning framework for SuperTowns**



**Marrying risk and prospects**

The discussion on risk earlier in this chapter should be heeded. The question is how to integrate risk into the development prospects rating process, and in the process rewarding lower risk CLGs and helping provide an incentive for CLGs to achieve that lower risk rating.

Having prospects dominate over risk is unwise. It is important to marry the prospects for development with a risk assessment.

**Table 8: A possible risk/prospects matrix**

	A	B	C
P	Higher Prospects + Low Risk	Higher Prospects + Medium Risk	Higher Prospects + Higher Risk
Q	Medium Prospects + Low Risk	Medium Prospects + Medium Risk	Medium Prospects + Higher Risk
R	Lower Prospects + Low Risk	Lower Prospects + Medium Risk	Lower Prospects + Higher Risk

The risk/prospects matrix shown here is not a recommendation but an illustration. More work is needed.

**A** is low risk, **B** is medium risk, and **C** is higher risk.

**P** is higher development prospects, **Q** is medium prospects, and **R** is lower prospects.

**A** has lower level governance requirements.

**B** has medium level governance requirements.

**C** has the highest level governance requirements.

**P** has automatic access to the most CLGF funds, *except for those in the higher risk category*. Higher risk CLGs only have access to a contestable grants pool.

**Q** has automatic access to a smaller pool of CLGF funds, *except for those in the higher risk category*. Higher risk CLGs only have access to a contestable grants pool.

**R** only has access to a regional pool and the smallest category of non-contestable grants.

**Conclusion**

The Trust emphasises that it is not its intention to recommend a prospects assessment model or methodology.

The need for CLGF grants will emerge from the FCWPs and the Asset Management Plans, which should together allow RDL to get a firm understanding for each CLG of what particular assets in which asset classes are proposed for CLGF funding, and on what basis.

What the Trust recommends is that RDL prospects-rates its CLGF grantees on a simple defensible professional and objective basis, in order to assist CLGF decision-makers balance need with prospects. Secondly, that it protects the program by combining this approach with risk-rating. This is not done at present.



**Recommendation 14**

The Trust recommends that RDL and RDCo assess the relevant evidence and findings of this Review, and determine for the Minister's approval by no later than 31 December 2012 in order to be operational by 1 July 2013, the manner in which the RDCs role in the CLGF can be adjusted to facilitate and maximise CLGF outcomes.

**Recommendation 15**

The Trust recommends that by no later than 31 December 2012 in order to be operational by no later than 1 July 2013, RDL introduce a CLG risk rating system for its CLGF grantees, so that:

1. Higher risk grantees might be assessed and thereafter a judgement made as to whether they should be excluded from the CLGF, so helping protect the integrity of the Fund; and
2. Reduced governance requirements and compliance costs for both RDL and the grantees can thereafter be applied for those rated lower risk.

**Recommendation 16**

The Trust recommends that by no later than 31 December 2012 in order to be operational by no later than 1 July 2013, RDL take into account the CLG prospects-assessment for its CLGF grantees, in order that the quantum and destination of CLGF grants can be better directed for optimal regional development outcomes.

## **12.8 What will deliver the best outcomes?**

### **12.8.1 An outcomes-based approach**

#### ***The Trust's emphasis on outcomes***

The Trust has been sympathetic to the learning required in the context of RforR as a ground-breaking new policy under a new department, and has indeed been impressed by an RDL culture of continuous improvement in systems and performance.

In these circumstances the absence of an outcomes-based approach has been understandable, particularly in a whole-of-government environment which overall has not to date been outcomes-based.<sup>487</sup>

On a number of occasions the Trust has provided advice to RDL and the Minister on the importance of an outcomes-based approach.

In advice summarised in its Annual Report on RforR 2011-12 budget proposals the Trust emphasised:

- The need for RDL to develop regional development priorities against specific criteria.
- The need for coordinated and holistic regional planning to inform Royalties for Regions project and program selection.
- The need for Royalties for Regions programs and projects to be outcomes-based, and to include timelines and deadlines, wherever feasible.
- The need for Royalties for Regions programs and projects to have business cases, and cost/benefit analyses where sensible.<sup>488</sup>

One of the Trust's key governance conclusions, accepted by RDL, is that:

- All regional development projects and programs must be outcomes-based.<sup>489</sup>

In consequence RDL has proposed a revised set of outcomes for RforR in regional WA:

To be conducted within 2011-12, integrated regional planning against priority setting will direct Royalties for Regions and other investment to large and small transformational social and economic development projects with the following outcomes:

- New and revitalised regional infrastructure supports increased growth, reduced costs and increased productivity
- Productivity and effectiveness of regional economies are increased
- Communities grow and prosper through employment and business development
- Housing, land and essential services are accessible and affordable

487 See the Western Australian 2009 Economic Audit Committee Report *Putting the Public First: Partnering with the Community and Business to Deliver Outcomes*. Available from: [http://www.dpc.wa.gov.au/Publications/EconomicAuditReport/Documents/eac\\_final\\_report.pdf](http://www.dpc.wa.gov.au/Publications/EconomicAuditReport/Documents/eac_final_report.pdf)

488 Western Australian Regional Development Trust Annual Report 2010-2011 Perth September 2011, page 23.

489 Western Australian Regional Development Trust Annual Report 2010-2011 Perth September 2011, page 25.

- Human services are delivered at a standard equivalent to or better than those in metropolitan areas
- Communities enjoy good quality amenity and lifestyles
- Capacity building (particularly for leadership) is enhanced<sup>490</sup>

#### **Government emphasis on outcomes**

Key reports at both the State and Commonwealth level support the Trust's outcomes emphasis. The Economic Audit <sup>491</sup> mentions outcomes 174 times, and the Budget Transparency<sup>492</sup> report 118 times.

The common understanding of the word 'outcome' is 'the result'. In the public sector this result has two components – the intended result, and the actual result.

All appropriations from government revenue, including RforR, are for an intended outcome, but intended outcomes should not be vague:

There is an obvious need to translate complex agency intentions into a simpler understandable form for ease of communication and focus, but the danger in such distillation is over-simplification or meaninglessness.<sup>493</sup>

If an outcome justification is simplistic or ambiguous and not supported by specific programs, issues of accountability and transparency arise.

In the context of the public sector, value-for-money should be an expected outcome:

Generally, value-for-money requires that the project can be delivered at a reasonable whole-of-life cost and would generally involve open procurement processes or mechanisms to ensure competitive delivery with project delivery arrangements. Project costs must compare favourably with available benchmarks for the activities being undertaken.<sup>494</sup>

CLGF outcomes have two dimensions: the intended outcome and the result after execution.

The Australian National Audit Office described the first of these thus:

A major purpose of outcome statements is that they justify the basis on which the appropriation of funding takes place. For this reason it is imperative that agency outcomes describe concisely, and specifically, the impacts that the Government intends to achieve through the use of allocated appropriations.<sup>495</sup>

490 Western Australian Regional Development Trust Annual Report 2010-2011 Perth September 2011, page 28.

491 The Economic Audit Committee's Final Report *Putting the Public First: Partnering with the Community and Business to Deliver Outcomes* was released by the [WA] Premier on 15 December 2009. Available from: [http://www.dpc.wa.gov.au/Publications/EconomicAuditReport/Documents/eac\\_final\\_report.pdf](http://www.dpc.wa.gov.au/Publications/EconomicAuditReport/Documents/eac_final_report.pdf)

492 Report to the Minister for Finance: *Review of Operation Sunlight: Overhauling Budgetary Transparency*, Senator Andrew Murray, Canberra, June 2008.

493 Report to the Minister for Finance: *Review of Operation Sunlight: Overhauling Budgetary Transparency*, Senator Andrew Murray, Canberra, June 2008, page ix.

494 Regional Development Australia Fund Guidelines Round Two November 2011 page 17.

495 Australian National Audit Office, *Application of the Outcomes and Outputs Framework*, Audit Report No. 23, 2006-07, page 16, quoted on page 86 of the *Review of Operation Sunlight: Overhauling Budgetary Transparency*, Senator Andrew Murray, Canberra, June 2008.

What good accountability systems seek to do is to avoid generalised outcome descriptions that have large appropriations tied to them which are not supported by program detail, performance measurement, and transparent reporting, and consequently allow for wide or unfettered ministerial and bureaucratic discretion.

In the public sector environment, outcomes can be separated into agency/department level and whole-of-government strategic outcomes, which together form an overall goal. In a policy setting, outcomes are delivered through 'what' is provided, delivered, regulated or funded, and 'who gets it' – groups or individuals.<sup>496</sup>

Strategic outcomes relate to people and communities, the economy, the environment, the regions and governance.<sup>497</sup> They can be used as a basis for allocating resources to deliver services, and to trigger corrective action, identify and encourage best practice, motivate employees, and plan and budget.

As noted by Perrin,<sup>498</sup> there is no point in engaging in an outcomes focused approach unless the information is going to be used to effect.

In the case of grant programs such as the CLGF, the information can be used to justify the continuation of the program or not, as a basis for resource allocation and budgeting, as a means of refining targets and objectives, and as a reason for adjusting funding distribution to maximise outcomes.

The EAC report makes a key observation:

... without clarity as to what is expected of the sector, it is not possible to assess its performance.<sup>499</sup>

The EAC has concluded that outcomes are required to ensure the needs and aspirations of citizens are being met, and that the public sector does not currently have sufficient clear direction and strategy due to a historical focus on inputs and outputs (including dollar spent) or processes, rather than end results or benefits. This has in turn led to a lack of clearly defined outcome areas.

The EAC states<sup>500</sup> that there is concern that excessively enthusiastic and ambitious interpretation and accountability requirements in government (i.e. over governance) have drawn government away from an outcomes focus and led to weaknesses.

These weaknesses they itemise as minimal capacity for policy development; inefficient and costly ineffective service delivery; inflexible, outdated and prescriptive processes; complex accountability arrangements and below par performance management; bureaucratic and cultural barriers to whole of government collaboration and public innovation; and onerous regulatory control of community sector organisations.<sup>501</sup>

These weaknesses have contributed to outcomes or benefits for the community becoming lost. Additionally, the maximum return on investment (whether it be economic or social return) is not achieved due to time/resources/money being redirected into meeting governance requirements.

496 Wanna, J., Butcher, J. & Freyens, B. (2010). *Policy in Action*. Sydney: UNSW Press.

497 DTF, 2004.

498 Perrin, B. (2006). *Moving from Outputs to Outcomes: Practical Advice from Governments Around the World*; The World Bank/ IBM Centre for the Business of Government, page 8.

499 EAC report, page 1.

500 EAC report, page 2.

501 EAC report, page 2.

The EAC note that the:

... absence of commonly understood strategic direction and priorities leads to a focus on short-term resource constraints rather than meeting the long-term needs of citizens, communities and industry.<sup>502</sup>

Therefore outcomes are required so that government can have specific direction towards agreed targets and service delivery (i.e. they know what they want/need and how to get there/it). This specific outline also provides a useful resource for "operational clarity" throughout and also allows for "continuous improvement through opportunity to learn from experience".<sup>503</sup>

The EAC report has identified a number of ways in which outcomes can be implemented more successfully in organisations. This includes the implementation of an Outcome Areas model approach:

The model contains two tiers of strategic management – the expectations of the collective effort of government and expectations of specific agencies. The first tier focuses on the outcomes that citizens expect of government in social, economic and environmental settings. The public sector and community sector organisations will both be increasingly responsible for the delivery of services to achieve these outcomes.

The second tier focuses on what specific agencies are expected to do, such as outputs or services. Lead agencies in government would be expected to provide advice on high level outcome indicators, regular evaluation of performance within each outcome area, consideration of long term infrastructure requirements, liaison with federal entities which play a key role in contributing resources or leading policy formulation in Outcome Areas, advice on the contribution to each Outcome Area for which individual agencies should be held to account.<sup>504</sup>

The EAC states that:

... public sector leadership should be demonstrated across a robust policy framework that distinguishes between the ongoing delivery of public services and the priorities and policies of the elected Government ... the Committee is drawn to an 'Outcome Areas' approach organised around functions of government that resonate with the community such as health, education, law and order, child protection, *infrastructure development* [emphasis added] and environmental protection ...<sup>505</sup>

As a broader observation, the Rockefeller Foundation says it is not uncommon for grant makers to have unclear goals; and an inconsistent approach to funding priorities highlight a significant limitation of trust and mutuality within grant making.

***Goals are often unclear***

In some cases, funders themselves lack a clear theory of change, and therefore lack clear goals. A funder's lack of clarity often has a trickle down effect on grantees, who scramble to accommodate the funder's shifting priorities. Likewise, impact cannot be measured without clear goals.

502 EAC report, page 13.

503 EAC report, page 39.

504 EAC report, page 27.

505 EAC report, page 26.

### ***Inconsistent funding priorities***

One of the deepest structural flaws in the non profit capital market is the tendency for funders to spread their money across a community, even though many organisations have not demonstrated results. Consequently, "best of breed" organisations often find themselves scrambling for capital as funders look for projects that fulfil a particular grant making criterion instead of funding results.

### ***Trust and mutuality are limited***

Unless grantees have ownership over assessment tools, processes, and outcomes, they will not buy into the process. Impact assessment must be built on a foundation of trust and shared risk, or else funders will likely continue what Jed Emerson, senior fellow with the William and Flora Hewitt Foundation, calls the "dance of deceit" between them and their grantees.<sup>506</sup>

### ***Outcomes and the CLGF***

Since 2008 the CLGF intended outcome has been to reduce the CLG infrastructure backlog.

While the infrastructure backlog is real and is supported by WALGA's SSS report, the size and nature of the backlog is not yet known. This Review shows that this backlog has been very difficult to particularise at the aggregate CLG level, and often at the individual CLG level.

RDL has consequently required CLGs to produce FCWPs so that it can get a clearer understanding of CLG infrastructure priorities and projects. The FCWPs and new asset management plans will materially improve the situation.

Fortunately, expenditure on infrastructure is visible, so that the result can be assessed. This has mostly been done informally.

However, performance evaluation of the actual result requires more application than that.

For a better assessment of value for money and the impact of expenditure, outcomes should be assessed against CLG KPI's, targets and benchmarks. Accountability should be enforced with respect to performance. There is a need for consistent CLG performance measures of cost, quality and timeliness.

This does not imply that RDL must do this. Such systems can be developed for and by the CLG sector.

It is of material importance to ensure CLGF outcomes are as intended by the purpose of the Act and are measured in performance terms.

The overall outcomes required are specified by s9(1) of the Act:

- to provide infrastructure and services in regional Western Australia;
- to develop and broaden the economic base of regional Western Australia;
- to maximise job creation and improve career opportunities in regional Western Australia.

<sup>506</sup> *Social Impact Assessment – A Discussion Among Grantmakers*, The Rockefeller Foundation & The Goldman Sachs Foundation, New York City, 26 March 2003, page 15.

While the current objectives of CLGF do connect to the purposes outlined in s9(1)(a) of the Act, a specific outcomes-based approach to the CLGF's development and implementation is needed, at both the departmental and local government level.

This is not to say that the CLGF has not made inroads into the infrastructure backlog within the sector, but as there are no clearly reported outcomes (although the submissions to this Review make up for that to some extent), the data has not been collected to report the actual benefits the CLGF has brought to local and regional communities.

There have been criticisms that the CLGF funding has seen money wasted on projects that are not priorities. Such criticism is difficult to rebut because the data is often not available.

The CLGF is a clear example of how non-specific outcomes can lead to a variety of end points with no real assessment tool to determine achievement.

Another benefit that an outcomes-based approach allows is transparency due to the information available. CLGF has sometimes been criticised for not having enough transparency, which is not helped if the information and reports are simply not available to provide the desired information.

Currently, the applications for CLGF allocations are varied depending on the mechanism for funding delivery. All regional and sub-regional CLG Group projects must now be supported by a business case that includes a list of deliverables (which includes outputs, productivity benefits, and outcomes) along with a set of descriptions and performance measures.

The individual CLG allocations do not have such parameters set and do not appear to be based on any specific outcomes other than the requirement for spending on infrastructure.

For regional and sub-regional CLG Groups, the project objective must now also be clearly defined, including a clear statement of the outcome/s the project aims to achieve but at the regional and on a broad CLGF level this is not the case.

Currently, it is unclear what the CLGF is trying to achieve regionally and therefore RDL RDCs and the CLGs are unsure which projects best deliver desired outcomes.

The Trust notes that both RDCs and the DLG have been recipients of CLGF funding since 2008-09 but although objectives were set, outcomes were neither specified nor reported in the manner intended by the EAC report.

Without clear intended outcomes it is difficult to determine the activities to undertake and measurements to develop in order to ascertain whether the CLGF has achieved the required results.

Ultimately, CLGF spending needs to adhere to and be measurable against the Act and therefore an outcomes based approach is required.

Having said that, not every project or program readily responds to an outcomes-based approach. One issue affecting judgement on the CLGF is that many projects undertaken create social as opposed to economic outcomes.

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Tuan confirms that the measurement of social outcomes integrated with infrastructure is virtually non-existent for a number of reasons, but primarily because there is no one agreed method on the best way to capture such outcomes. Even if a simple cost-benefit analysis is undertaken, the lack of common data between programs or projects makes such comparisons inappropriate; or it inevitably must incorporate value judgements which in turn are not standardised in approach.<sup>507</sup>

It has been determined that the approach to measuring social outcomes has not yet matured because:

- Many important benefits that accrue from effective social programs are rarely, if ever, monetised
- Shadow prices (the dollar values assigned to outcomes) in cost-benefit analyses of social programs do not consistently capture the full range of societal benefits or costs
- Even when there is well-established literature for valuing outcomes, shadow prices are not being consistently used across studies of social programs
- Some cost-benefit analyses use methods to project future outcomes based on early outcomes, but such approaches have yet to become routine and standardised.<sup>508</sup>

However, given its impact, there is still an essential role for CLGF to play in building the social capital of local government communities. It is up to RDL to determine how best to measure these social outcomes (and how they should be captured and reported) and which ones CLGF are to target.

#### **Conclusion**

Outcomes are the most important requirement of all. It is a waste of money and contrary to the Act to spend RforR on any project or program unless it contributes meaningfully at either a local or a sub-regional or a regional level to the economic business and social development of regional WA.

In a grants context, where the grant is automatic and non-contestable, the intended outcome is set by the grantor in terms of criteria and/or guidelines, and the grantee self-assesses that their proposed expenditure complies. On completion, audit and reporting is expected to verify that self-assessment.

Where the grant is subject to application and is contestable, the grantee has to satisfy the grantor in advance that the proposed project or program will deliver the desired outcomes. On completion, audit and reporting is expected to verify that external assessment.

In both non-contestable and contestable grants, it is vital that the actual outcome is reported and measured, where measurement is possible. It is not always possible; for instance, it is hard to measure the impact of new pedestrian pavements, or the impact of refurbishing a village hall, except in the most general terms.

This outcomes-based approach requires the development of a measurement and reporting mechanism, and where appropriate, a performance audit system. Performance audit is best done by agencies with a direct understanding of CLGF, such as the RDCs or RDL, but it is open to RDL to fund OAG performance audits.

507 Tuan, Melissa T (2008). *Measuring and/or Estimating Social Value Creation: Insights Into Eight Integrated Cost Approaches*. Bill & Melinda Gates Foundation, Impact Planning and Improvement, Final Paper. December 15 2008, page 6.

508 Tuan, page 6.



In designing any performance measurement and reporting system, it is important to avoid excessive compliance costs and complex processes.

There is one other important point to make. The EAC report made it clear that an outcomes-based approach is desired of government agencies and grant recipients. It is imperative that an outcomes-based approach is not only implemented by RDL and the CLGs but by all recipients of CLGF funding.

### **12.8.2 Engaging with the regions**

Engaging with the regions was discussed in section 11.1. This topic has wider ramifications than just the CLGF. As a department that administers 93% of the State's land and is responsible for regional development for the whole of the State, effective engagement with the regions is vital for RDL.

The evidence provided to this Review is that the CLGF is largely a desk-top administration, with very limited engagement on the ground with CLGs, and a heavy reliance on RDCs, WALGA and CLGs for such face-to-face engagement as occurs.

The organogram for RDL<sup>509</sup> shows seven divisions reporting to the Director General – Lands, Regional Investment (which includes responsibility for the CLGF), Pilbara Cities, SuperTowns, Ord-East Kimberley Expansion, Community Development and Strategic Policy.

RDL is largely a Perth-based agency, although the Lands division has some regional offices and Pilbara Cities and the Ord-East Kimberley Expansion both have regional offices.

Other RforR programs such as the CRCs administered by Community Development and SuperTowns have a significantly different administration structure to the lightly resourced CLGF.

For example, CRCs have around 12 RDL staff to monitor and support grants and other activities for over 100 regional CRCs, with an annual budget of around \$20 million per annum. Support includes engagement such as site visits; teleconferencing, a dedicated website with grant templates and other grant opportunities, leadership and development and training information.

Both at the political and executive levels, CLGs engage with a great variety of individuals, organisations and agencies. They naturally appreciate it when their dealings are with people who are professional, informed and well acquainted with their particular CLG circumstances.

It is also important to remember that every RforR project or program takes place within a CLG somewhere, whether CLGF or not, and that by virtue of the wide responsibilities of local government, that particular CLG will invariably be involved in some way in it.

In its comments on the evidence in section 11.1 the Trust said that:

RDL senior executives do visit the regions during the year on RforR and departmental business, and in the process therefore at times engage at a professional level with CLGs. However interaction with CLGs on CLGF matters by other RDL officers is largely by telephone and by email.

509 RDL Organisational Chart accessed August 2011.

It is true that the regionally-based RDC staff do interact regularly and closely with CLGs RforR and CLGF, and will and do advise RDL as a consequence, but interaction with the RDCs by RDL officers is also largely by telephone and by email.

If such a desk-bound approach is driven by thoughts of cost it is a false economy. The Trust believes that RDL project officers who visit the regions and acquaint themselves with the people and circumstances relating to CLGF projects are far more likely to make efficient informed and timely decisions than those that do not.

The Trust feels it is essential for both stakeholder relations and the delivery of regional development policy that administrators and decision-makers do not remain centralised and that they experience the regions for which they are decision-makers or administrators. As indicated in the evidence in section 11.1 this view is supported by the WA LGGC, the EAC and by the RDC Review Committee.

Stakeholder engagement generally is essential to most organisations for a number of reasons. In the private sector, stakeholder engagement is as much about managing public expectations and information sharing as it is about gaining an understanding of the issues and concerns which may relate to a specific location; that is, it is ensuring a two-way understanding regarding activities, projects or policies.

When developing or implementing regional development policies, especially from central governments, engagement can also help capture different experiences but also involve the people affected by it.

Engagement can:

- Better manage conflict and create more durable solutions
- Deal with local issues in direct ways that are manageable
- Build interactions and possible partnerships
- Empower individuals and groups by developing resources, knowledge and skills
- Help to build trust, leadership development and shaping services<sup>510</sup>

The literature indicates that it is not uncommon for agencies not to engage sufficiently on the ground with key players, especially in relation to grants, with the perception that often decision-makers make grant investment decisions from a centralised position that is isolated from the communities they serve.<sup>511</sup> While grant makers are willing to change administrative processes or practices in engagement:

... the perception persists today that foundations operate in ways that exclude, rather than engage key stakeholders.<sup>512</sup>

510 Innoven, *Management and Leadership Development, Tokenism Builds Cynicism*, found at: [http://www.regionaldevelopment.com.au/pdfs/community\\_engagement.pdf](http://www.regionaldevelopment.com.au/pdfs/community_engagement.pdf)

511 Enright, K.P. & Bourns, C., 2010, *The Case for Stakeholder Engagement*, Stanford Graduate School of Business: Stanford Social Innovation review, Spring, page 43.

512 Bourns, J.C., 2010, *Do Nothing About Me Without Me: An Action Guide for Engaging Stakeholders*, Grantmakers for Effective Organisations & Interaction Institute for Social Change, page 1.

Lack of genuine stakeholder engagement can lead to a number of issues such as counterproductive relationships (especially with grant recipients sensing a lack of trust from organisations); lack of understanding and knowledge gaps by organisations; ineffective and inefficient processes; reduced communication regarding key decisions; and ineffective or failed programs.<sup>513</sup>

Grant-making initiatives often fail when the agency remain isolated from its grantees and the communities they both service. To remedy this problem, grant-makers must work more closely with their grantees, community leaders, and other important stakeholders. This engagement helps everyone involved gain a deeper understanding of the problems they are tackling, create new and better solutions, and build more effective organisations.<sup>514</sup>

If the CLGF were to be handed over to the RDCs to run then there would not be as much need for RDL to improve its on-ground engagement with CLGs. However the Trust does not recommend that course of action.

The Trust does not consider the current CLGF system of engagement with CLGs and CLGF projects satisfactory. There is far too little on-ground engagement with CLGs by CLGF administrators and decision-makers.

Some useful recommendations have been made to this CLGF Review and are quoted in evidence in section 11.1.

The Trust believes that as a result of this Review's findings that RDL should take the opportunity to reassess the resourcing, administrative structure, and operational and communications systems of the CLGF.

As part of this exercise RDL should examine ways of engaging more with CLGs on the ground.

### **12.8.3 Communications**

#### **Information**

This section of the chapter is concerned with delivering better outcomes. Good communications contribute to better outcomes.

Whether it was the Shadow Minister or a CLG, one of the most consistent issues raised in consultation and evidence was information – a need for the easy to get, easy to understand, easy to use and useful kind.

The CLGF is a program running at over \$100 million a year, and forecast to reach \$1 billion within ten years. The political and media interest in the CLGF, the community interest in it, and the quantum scope impact and nature of the program demand ready access to quality and pertinent information. Transparency is desired.

513 Bounce, J.C., pages 5 – 16.

514 Enright, K.P. & Bourns, C., page 40.

The issue of communications has been raised in three main ways in this Review in the context of:

- Communication by RDL to stakeholders;
- A response protocol/system to issues raised by stakeholders; and
- An automatic web-based information system.

Many stakeholders want the CLGF program to be better marketed, partly because it is important to them that a valuable program retain public support to help guarantee its continuation, and partly to sell its real achievements.

The Trust also detects a subtext in CLG comments and that is that CLGs believe that they are publicly responsible and accountable in a more visible on-the-ground sort of way than any other level of government, and their needs and infrastructure achievements should be better publicised.

Negative carping unsubstantiated criticisms get up their collective nose. Consultation with the Trust confirms CLGs think the CLGF program achieves significant results but they see too little acknowledgement of that in the public realm.

Too often the importance of communications can be underestimated, especially for the understanding and acceptance of a major new program

Communications has a far greater role than marketing or promotion. It is as much about stakeholder relationships, useable data and information sharing.

Internal communications within RDL and external communications with the media, CLGs and RDCs are important to the CLGF's effectiveness as a program.

This observation is not specific to RDL, with CLGs sometimes lacking the understanding of the importance of communications for external funding sources and probably lacking the resources to properly address this aspect of the CLGF.

In this sense, communications for the CLGF has been traditional, proactive in announcements and reactive to events or issues, but short of data and information.

While RDL does communicate with stakeholders, it does not have a well developed response protocol or system to respond to needs and issues raised by stakeholders, nor does it have an automatic web-based information system (the Commonwealth R2R web-based system was extolled by CLGs).

While the CLGF guidelines do attempt to highlight the need for good communication, without active engagement with CLGs this is hard to monitor and implement.

When reviewing the RDL website, it is difficult to ascertain its purpose – whether it is an information portal or a mechanism to highlight RDL's activities. As a result the information is mixed and information is buried and difficult to find.

This causes issues when the Minister refers questions to the website for information when answering Parliamentary questions.

RDL have acknowledged the deficiencies in its website to the Trust and the website is currently under review.

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The Trust is conscious that communications should not stray into political promotion.

However if information concerning the CLGF was more readily available, the resulting transparency would reduce the opportunity for some perceptions concerning the program on wastage, decision making, bias and so on to be more readily and objectively answered.

This raises of course the issue of resources, and the Trust has noted earlier the limited resources (relative to other RforR programs) that RDL has committed to the administration of the CLGF.

### ***Roads to Recovery***

Both in consultation and in their submissions, a number of CLGs referenced the Review to the Commonwealth's R2R program as a suggested template funding model for the CLGF. Their view is that the online application, reporting and acquittal processes are particularly easy to use and result in reduced administrative burdens on CLGs.

One of the significant positives of the R2R model is that it appears to accept existing legislative and regulatory checks and balances for CLGs as adequate, and therefore trusts CLGs to expend the funds appropriately against the R2R guidelines.

The Trust understands that RDL is in the process of finalising its 'Project Tracking System' (PTS) and therefore RDL cannot make comparisons between it and the R2R online system until such time as the PTS is implemented.

However, it would be prudent of RDL to try to ensure its PTS system has similar capabilities to that employed by R2R, without compromising what RDL wants out of the administrative system. If it is too late to do that, the Trust suggests that RDL analyse R2R and investigate the viability of moving to a similar online administrative process.

The Trust acknowledges that the R2R methods are greatly aided by the fact that expenditure is limited to roads rather than a number of infrastructure options. However the R2R system does offer desirable administrative features, such as:

- Project details are comprehensive, and they are approved on a project basis rather than on an expense line item basis. Information includes matters additional to auditable information like:
  - Project start and completion dates;
  - Total project values;
  - Project delay reasoning;
- Annual audits/reports/acquittals are submitted via the system in a standardised template in a user-friendly data entry system that also assists with program evaluation;
- Projects can be added, deleted and approved online; and
- Work schedules (i.e. a roads version of FCWP) are entered online and funds distributed against such schedules (even if not receiving R2R funding). Any project variations can only have funds re-distributed to projects in the schedule.

It is likely that the R2R reporting templates are not dissimilar to those quarterly reporting templates used by RforR in terms of information requested; it is just that the R2R is set out online and in a user

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friendly template. Additionally R2R is supported with a 'Users Manual' with step by step instructions and screen dumps.

R2R is also not unlike CLGF in that:

- Funds cannot be held by CLGs for more than 6 months without explanation;
- Payment schedules are against relevant expenditure;
- Payment schedules are contingent on a quarterly report; and
- Outcomes of projects are to be reported on.

The main difference is that R2R is a rolling fund with amounts set for 3-4 years and distributed accordingly. This certainty of funding allows CLGs to undertake more strategic projects and plan or schedule works to greater effect and efficiency. The only 'expended by' date is at the end of the program, and CLGs must still adhere to conditions for receipt of allocations, and there are consequences if they do not:

In particular, where an LGA fails to draw down its full annual allocation in the last quarter of any financial year, the amount not drawn down may be reallocated to other LGAs at the discretion of the Department. Additional funding allocated to an LGA, in any one year, will only result in bringing forward later year funding, so total funding to any LGA will not exceed the life of program allocation. The timing of the reallocation is at the discretion of the Department.<sup>515</sup>

Of particular interest to the Trust is that R2R monitors own CLG expenditure maintenance requirements, and payments are contingent on a requirement that this expenditure does not reduce over the lifetime of the R2R funding.

An adjustment is only allowable when a decline in a Council's own source revenue is proven and that such reduction in roads expenditure is proportionate to its own overall revenue.<sup>516</sup>

#### **Recommendation 17**

The Trust recommends that taking into account the evidence and findings of the Review, that RDL reassess the outcomes sought, and the resourcing, administrative structure, and operational systems of the CLGF, including greater engagement with CLGs by administrators and decision-makers on the ground; and, report its recommendations to the Minister for approval by no later than 30 June 2012.

515 *Program guidelines for the Roads to Recovery Program: issued January 2011, page 11.*

516 *Program guidelines for the Roads to Recovery Program: issued January 2011, page 16.*

**Recommendation 18**

The Trust recommends:

1. That to facilitate CLGF investment that is strategic and prioritised, and to fulfil the purposes of the Act, from not later than 31 December 2012 in order to be operational by 1 July 2013, CLGF spending should be outcomes-based;
2. That taking into account the findings of the EAC, evidence to the Review, and the findings of the Trust, RDL must establish the principles methodology and operational systems for making CLGF projects and programs outcomes-based; and,
3. That from no later than 1 July 2013, the Minister require as a condition of grant that CLGF grantees comply with relevant outcomes required by the Act, expanded where applicable by specific outcomes expressed in the CLGF guidelines, and where applicable specific outcomes by program or project or in the FAA; and that wherever practicable and relevant the outcomes achieved shall be measured and reported.

**Recommendation 19**

The Trust recommends that by no later than 31 December 2012 in order to be operational by 1 July 2013, RDL in consultation with DLG and the CLG sector and taking into account evidence to this Review and the findings of the Trust, develop a practical means for collecting and reporting the necessary data while minimising compliance costs, so that benchmarks for CLGF infrastructure and capacity-building can be set, against which the results of CLGF investment can be measured.

**Recommendation 20**

The Trust recommends that RDL, taking into account evidence to the Review and the Trust's findings, further consult with local government to identify opportunities to refine streamline and simplify current CLGF reporting processes on a preferred 'report once' basis wherever possible, but which ensures relevant information can still be captured and reported, and that necessary accountability is not compromised.

**Recommendation 21**

The Trust recommends that in the context of evidence to the CLGF Review and the Trust's findings, RDL review the outcomes sought and the resources needed for a better information flow to and from the CLGF with respect to three issues: communication by RDL to stakeholders; a response protocol or system to issues raised by stakeholders; and, an automatic web-based information system.

**Recommendation 22**

The Trust recommends that RDL, taking into account evidence to the Review and the Trust's findings, assess the Commonwealth Roads to Recovery website and administrative system with a view to using desirable features of that system to improve the CLGF, but without compromising the administrative outcomes required for the CLGF.

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## 12.9 Capacity building

### 12.9.1 Accounting systems and standards

Chapter 11 reviewed terms of reference 7 and included a section on CLG accounting standards and systems.

In a small but long-established CLG sector of only 109 organisations (138 in the State) the Trust has frankly been surprised at the variance reported to it in accounting standards, systems and capacity. The Trust noted the efforts that are being made to rectify or improve matters by CLGs, WALGA, DLG, RDL and others.

The Trust considers that it would be to the benefit of all parties providing funds to CLGs, all parties having an interest in the services delivered by CLGs, and all parties requiring data, financial statements and reports from CLGs, if systems were standardised.

At the conclusion of section 11.2 the Trust commented that it was clear that individual CLGs, even if they had the interest, cannot lead the development of standardised accounting systems. The Trust suggested that would have to be the function of WALGA, the DLG, or some other appropriate body.

On the face of it, WALGA could be a prime candidate to lead the task. In that regard, WALGA made this point to the Trust:

The Association would be in a position to scope and then implement a standard system on behalf of the Local Government sector, should funding be available for this purpose. The Association's experience in delivering major IT projects on behalf of the sector is demonstrated by the successful implementation of Roman II, the road management system used by the majority of Western Australian Local Governments.<sup>517</sup>

Significant medium-term external funding and support will be necessary to achieve change on this front.

Earlier in this Chapter 12, the Trust said that to enable the purpose of the CLGF to be realised it is necessary for the CLGF to also invest in CLG capacity-building.

In the opinion of the Trust, it is therefore open to the Minister to determine whether funding should be provided by the CLGF for the specific purpose of standardising CLG accounting and data systems, either alone, or in concert with other agencies or organisations.

In any case, as a result of this CLGF Review's findings, the Trust considers that under the mantle of CLG capacity-building it is desirable for RDL to have discussions with DLG and WALGA, and whomever else thought appropriate, on the matter of standardising accounting systems for CLGs.

The key to standardisation of accounting systems is software, training, and the appropriate technical backup. As WALGA advised:

... one missing element in the capacity building component of the Country Local Government Fund may be funding for standard software for the Local Government sector. A standard software package would provide all Local Governments with a common operating platform.<sup>518</sup>

517 WALGA supplementary submission, page 1.

518 WALGA supplementary submission, page 1.



The DLG made important points:

Future investment in IT solutions, however, must take into account not only new software and hardware, but also network connectivity and workforce upskilling.<sup>519</sup>

The Trust is of the opinion that standardised accounting systems are desirable for the sector.

However, the Trust recognises that there are a number of agencies and many entities that have an interest in these matters, and that further investigation beyond this Review is required. In particular a lead agency or entity is needed.

At the conclusion of section 11.2 the Trust commented that it was clear that the staffing issue remains paramount.

With respect to suitably skilled permanent staff for the accounting and data systems, it is obvious that high turnover and/or a low skill base would not be helpful, and that resourcing attracting and keeping skilled staff will be more difficult in some CLGs than others.

The Trust also commented that failing to attract and retain skilled knowledgeable staff in CLGs with a low population or rate base or with poor amenity may impact on the standard of financial management and that RforR social investment, particularly in housing, is relevant here to the retention of staff.

The Trust has agreed that the primary purpose of the CLGF is to address the infrastructure needs of CLGs. This means the Minister has a direct interest in asset management. This is confirmed by the CLGF requirement for all CLGs to complete FCWPs.

At the conclusion of section 11.2 the Trust commented that asset management is right at the heart of considerations of CLG financial sustainability. With respect to RforR and the CLGF the main requirement is asset data integrity and sector comparability.

The Trust commented that perhaps the most important of all matters with respect to asset management is the treatment of depreciation, and a resolution of depreciation is an essential consideration in any review of CLG accounting systems.

The Trust noted that a standardised approach to depreciation may prove an inappropriate or difficult approach to improving capacity in the sector. That is not to say that the sector, once consulted, may not be prepared to agree on a standard approach to certain classes of asset valuation and depreciation.

<sup>519</sup> DLG supplementary submission, page 3.

### 12.9.2 Audit matters

One of the key messages coming through is the apparent excessive level of scrutiny being placed on local government in terms of their governance obligations for CLGF funding.

A similar concern on governance imposed on grantees is being examined for another sector. A recent discussion paper concerning the governance of the not-for-profit sector said:

The Final Report provided several recommendations ...

- 13.2 acquittal reporting should be outcomes-based and should not include financial reporting or reporting related to organisational governance;
- 13.3 organisational governance rules should be proportional to the size of entities, risk factors and receipt of public and government assistance; ... [and]
- 13.5 government contracts should no longer mandate organisational governance requirements for NFPs; ... <sup>520</sup>

There is a significant interest in the projects that the CLGF is funding across regional WA and so it is imperative that the program is still able to capture the details of these planned works and the estimated costs.

If current processes are considered too onerous it would be useful to hear from CLGs on a preferred approach where the relevant information can still be captured and reported.

If a less onerous acquittal process can be developed this may present an opportunity to move to a more principles-based approach to CLGF funding with the key advantage of reducing the need for the CLGF guidelines and the FAAs to be too lengthy detailed or prescriptive.

This in turn would result in a reduced audit scope compared with current audits that ensure that funding is expended in accordance with the current guidelines.

At the conclusion of section 11.3 the Trust commented that a number of CLGs have variously criticised RDL audits and double or multiple audits as an unfortunate and costly consequence of high political interest, as a waste of money resources and time, as exhibiting a lack of trust in CLGs, or as showing ignorance as to the existing integrity of CLG processes.

Audit of different types often appear to be a response to a variance in the capability and capacity of CLGs, with a greater audit intensity and investigation unnecessarily applied to the best because it is needed for the worst. Some CLGs were and are perceived as less able to operate and respond to the CLGF program requirements than others.

The Trust commented that as a result it would appear that RDL has three possible ways to go. These were either to rely on CLGs under the principle of subsidiarity to carry out project work under broad guidelines with fairly minimal auditing and reporting requirements; or, to have prescriptive and detailed expectations and guidelines which require detailed audit and reporting and which then places additional costs on both RDL and CLGs; or, to have a less prescriptive but more sophisticated outcomes and risk based system tailored to the varying types and capabilities of CLGs.

520 Source: The Australian Government the Treasury *Review of not for profit governance arrangements*, page 2  
[http://treasury.gov.au/documents/2252/PDF/CP\\_NFP\\_Governance\\_Arrangements.pdf](http://treasury.gov.au/documents/2252/PDF/CP_NFP_Governance_Arrangements.pdf)

The Trust favours the latter approach and has made recommendations in this respect earlier in this chapter.

If external audit practice is regarded as less than adequate then this will need to be separately addressed.

In light of the discussion on external audit in section 11.3, the Trust considered that it might be useful for a comparison to be made of the audit expectations placed on corporations by the Commonwealth and that placed on local governments in Western Australia.

In the tables below is a brief interpretation of the relevant audit requirements as contained in the WA *Local Government Act 1995* supplemented by the *Local Government (Audit) Regulations 1996*, and the *Commonwealth Corporations Act 2001*.

As a general observation, the *Corporations Act 2001* is more prescriptive than the *Local Government Act 1995*, as supplemented by the *Local Government (Audit) Regulations 1996*.

The *Corporations Act 2001* intends to make clear the auditors obligations and the consequences of non-compliance, whereas the *Local Government Act 1995* has more of a guidance perspective and the consequences to the auditor of non-compliance are minimal.

The Trust has identified some of the differences between audit responsibilities in the *Corporations Act 2001* and the *Local Government Act 1995*. A more detailed view is provided in the attached tables. The *Local Government Act 1995* does not:

- explicitly require the financial report to give a true and fair view of the financial position and performance;
- make a reference to the number of years audit working papers need to be retained by the auditor;
- require the auditor to give a written and signed declaration of the auditor's independence. (However, the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* are very clear as to who may not be appointed as auditor to a local government);
- make a reference to the severity of penalties, if any, for non compliance by the auditor with any of the sections of the *Local Government Act 1995*; and
- clearly state the level of responsibility the auditor has in terms of reporting any breaches or interference with the proper conduct of the audit.

The *Local Government Act 1995* does however enable the auditor to obtain and act upon legal advice or request an employee of a local government to furnish a written statement of monies received in their official capacity to assist with the audit, which does not appear to be an option under the *Corporations Act 2001*.

The Trust is generally concerned with enhancing productivity and efficiency, but specifically the Trust encourages RDL to keep CLGF compliance costs down. RDL argues on accountability grounds that it has to guard against variances and inadequacies in CLG systems.

The greater the certainty of high quality in the standard CLG auditing process, the less will be a perceived need for additional assurance by outside agencies.

On the face of it, enhancing the role of the external auditor may lessen the need for other audits by RDL or any other agency, or at least reduce the intensity and cost of those audits.

Recommendations follow at the end of this section.

In the following tables the Trust has attempted to align like sections of each Act where there is guidance provided:

**Table 9: WA Local Government Act 1995 & Local Government (Audit) Regulation 1996 v Corporations Act 2001**

**WA's Local Government Act 1995 & Local Government (Audit) Regulations 1996 Corporations Act 2001**

Part 7, Division 3 of the WA's Local Government Act 1995 covers - Conduct of Audits	This is further supplemented by the Local Government (Audit) Regulations 1996	Volume 2, Division 3 covers Audit and Auditor's Report
	<p>s7 Agreement between a local government and an auditor is to include:</p> <ul style="list-style-type: none"> <li>• Objectives of the audit;</li> <li>• Scope of the audit;</li> <li>• Plan for the audit;</li> <li>• Details of the remunerations and expenses to be paid to the auditor;</li> <li>• Communication method means of supplying information to the auditor.</li> </ul>	
<p>s79 Auditor is required to examine the accounts and annual financial report</p> <p>The report must include:</p> <ul style="list-style-type: none"> <li>• If there is any error or deficiency in an account or financial report submitted for audit;</li> <li>• If any money paid from or due to any fund or account that has been or may have been unapplied for unlawful purposes;</li> <li>• If there is a matter arising that needs to be addressed by the local government;</li> <li>• Details of any error, deficiency, misapplication or matter.</li> </ul>	<p>s9 Auditor is to carry out work necessary to form an opinion as to whether:</p> <ul style="list-style-type: none"> <li>• the accounts are properly kept and</li> <li>• the financial reports prepared in accordance with financial records and the financial performance and position of the local government is in accordance with the Australian Accounting Standards and the Act.</li> </ul>	<p>s307 Auditor must form an opinion about:</p> <ul style="list-style-type: none"> <li>• Financial Report is in accordance with this Act;</li> <li>• Report complies with accounting standards;</li> <li>• Report must give a true and fair view of the financial position and performance of the company;</li> <li>• Any additional information gives true and fair view;</li> <li>• Auditor has been given all info, explanation and assistance to conduct the audit and;</li> <li>• Sufficient financial and other records were kept to enable a financial report to be prepared and audited.</li> </ul>

s9 Audit is to be carried out in accordance with the Auditing Standards and Auditing Guidance Statements

s307A Audit must be conducted in accordance with auditing standards  
 Non compliance with this section is an offence of strict liability as defined in s61 of the Criminal Code Act 1995 (Cth)

s307B Audit working papers must be retained for 7 yrs

Note 1: Under some circumstances (e.g. death of an individual auditor), ASIC has the power to determine an earlier date

Note 2: If audit working papers are in electronic form, they are taken to be retained only if they are convertible into hard copy.

Contraventions by individual, audit company or member of audit firm are all offences of strict liability of but a member of an audit firm has a defence in s307B(5).

s7A A person may not be appointed as a local government's auditor if he/she

- Is a councillor or an employee;
- Is in debt for more than the prescribed amount to the local government;
- Is an employee of or a member of the governing body of a prescribed entity;
- Is a member of a prescribed class of persons;

s12 Auditor is to report a possible conflict of interest to the Minister as soon as possible after the auditor becomes aware of the possible conflict of interest

- s4 the prescribed amount of debt is \$5,000

- s5 prescribed entities are a regional local government in which the local government is a participant and an incorporated association which the local government has formed or taken part in forming under the Associations Incorporations Act 1987

- s6 prescribed persons are
  - persons who are disqualified for membership of a council
  - persons who are insolvents under administration under the Corporations Act 2001
  - persons who are closely associated with a relevant person (e.g. partnership, employer, beneficiary under trust, spouse etc)

s307C Written and signed declaration of the auditor's independence must be given:

- When the audit report is given to the directors; OR
  - > Declaration is given before directors pass a resolution in relation to directors' report; and
  - > A director signs the directors' report within 7 days after the declaration is given; and
  - > Auditor's report is made within 7 days after the directors' report is signed; and
  - > Auditor's report includes a statement that either

- the declaration would have been the same if it had been given at the time directors' report was made; OR

- the circumstances have changed since the declaration was given to the directors, setting out how the declaration would differ

- And must be signed by the person making the declaration

s307C(6) An individual is not excused from giving a declaration, even if it might incriminate the individual or expose them to a penalty

Contraventions by an individual auditor, lead auditor are all offences of strict liability

**WA's Local Government Act 1995 & Local Government (Audit) Regulations Corporations Act 2001 1996**

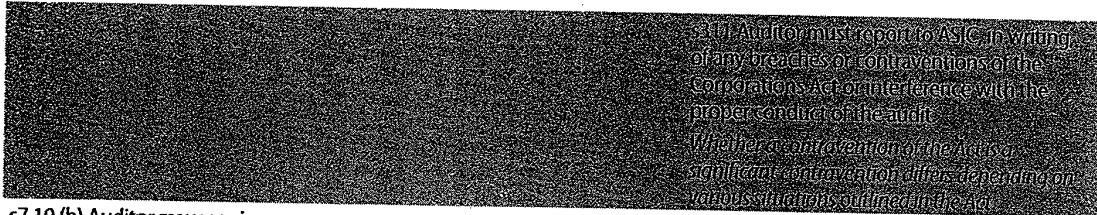
<p>s7.9 A copy of the audit report must be forwarded to:</p> <ul style="list-style-type: none"> <li>Mayor or President;</li> <li>CEO of the local government; and</li> <li>Minister for local government.</li> </ul> <p>Where the auditor considers that there is an error or deficiency, any money may have been misapplied to purposes not authorised by law, or there is a matter arising from the audit that needs to be addressed by the local government, then details of any of the above must be included in the auditor's report.</p> <p>If the Minister directs the auditor to examine any aspect of the accounts submitted for audit by the local government, the audit report must be prepared on the findings and forwarded to the Minister.</p>	<p>s10 (1) Auditor's report must be forwarded within 30 days of completing the audit.</p> <p>s10 (2) The report is to give the auditor's opinion on:</p> <ul style="list-style-type: none"> <li>the financial position of the local government; and</li> <li>the financial performance of the local government.</li> </ul> <p>s10 (3) The report is to include:</p> <ul style="list-style-type: none"> <li>any material matter that indicate significant adverse trends;</li> <li>any matters indicating non-compliance with Part 6 of the Act, the Local Government (Financial Management) Regulations 1996 or applicable financial controls;</li> <li>details of whether information and explanations were obtained;</li> <li>a report on the conduct of the audit.</li> </ul> <p>s10 (4) If consider appropriate by the auditor, he/she is to prepare a management report to accompany the auditor's report.</p>	<p>s308 - Auditor's report on Annual Reports</p> <p>s309 - Auditor's report on Half-yearly Reports</p> <p>Auditor must report to members on whether the/she is of the opinion that the financial report or any additional information is in accordance with this Act including compliance with accounting standards and true and fair view.</p> <p>If the auditor is of the opinion that the financial report does not comply, the auditor's report must so far as it is practicable to do so, qualify the effect of the non-compliance on the financial report.</p> <p>Auditor's report must:</p> <ul style="list-style-type: none"> <li>describe any defect or irregularity;</li> <li>describe any deficiency, failure or shortcoming;</li> <li>include any statements or disclosures required by auditing standards;</li> <li>specify the date on which the report is made;</li> <li>state whether the auditor is of the opinion that the remuneration report complies with the relevant section of this Act (only if remuneration report is included in the director's report for the financial year).</li> </ul> <p><i>An offence based on these sections is an offence of strict liability.</i></p>
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s7.10 (a) Auditor has a right to all information that in their opinion is necessary to conduct the audit and a right of access at all reasonable times to all such books, accounts, documents, and assets of the local government necessary to allow the audit to be conducted.

s7.10 (c) Auditor may, at the cost of the local government, obtain and act upon a legal opinion arising in the course of the audit.

s7.11 Auditor has authority to access, without any notice, books, accounts, vouchers, papers, documents, records, assets and cash in hand, belonging to the local government or in their control.

s310 Auditor has a right to access all information and may require any officer to provide the information, explanations or assistance.



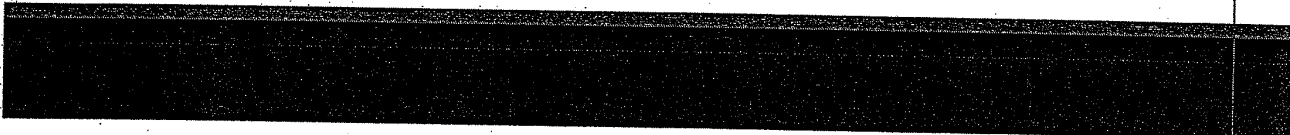
s311 Auditor must report to ASIC in writing of any breaches or contraventions of the Corporations Act or interference with the proper conduct of the audit.  
*Whether a contravention of the Act is a significant contravention differs depending on various situations outlined in the Act.*

s7.10 (b) Auditor may require a member or employee of the local government to provide all relevant information, provide assistance or explanation.

s7.12 (1) Auditor may request an employee of a Local Gov to furnish a statement in writing of all money received in their official capacity on account of the local government or otherwise.

s7.12 (2) Auditor may request a bank or other financial institution, at which a local government has an account, to furnish full particulars of the account.

s312 An officer of the company must assist the auditor by allowing access to the books of the company or providing relevant information.





**Recommendation 23**

The Trust recommends that the Minister, in the interests of CLG capacity-building:

1. Require RDL to have discussions with DLG and WALGA and whomever else thought appropriate, on the matter of standardising accounting systems for local government, with a view to determining if such a project should proceed, with what timelines, and on what basis; and
2. If a decision to proceed is made, to agree on the funding and methodology for a scoping and consultation exercise, including consideration of the suitability of the Local Government Accounting Manual, software, hardware, network connectivity and workforce upskilling; and subsequently, if standardisation is found feasible and desirable, for the implementation of a standard system for the local government sector.

**Recommendation 24**

The Trust recommends that the Minister, in the interests of CLG capacity-building:

1. Taking into account evidence to the Review and the Trust's findings, examine whether additional CLGF investment in housing and amenity for particular CLG permanent staff is warranted, particularly in locations remote from regional or metropolitan centres; and,
2. Task the RforR Directors General Reference Group, taking into account evidence to this Review and the Trust's findings, to explore options for staff attraction and retention across the CLG sector, particularly as they relate to the more remote areas of the State, including but not limited to housing, amenity, family and social requirements, professional development, special allowances and incentives.

**Recommendation 25**

The Trust recommends that the Minister require RDL to engage with DLG and WALGA to ensure that CLG asset management, depreciation systems, and forward capital works plans are integrated or harmonised as systems in the most practical efficient and useable manner.

**Recommendation 26**

The Trust recommends:

1. That the Minister for Local Government review the *Local Government Act 1995* to determine whether the provisions governing the auditing of local government could or should be enhanced; and
2. That until the DLG review of the audit provisions of the *Local Government Act 1995* is completed, RDL work with DLG to examine options for and a process for increasing the consistency and general alignment of local government audit practices and grantee audit requirements with the existing audit provisions of the *Local Government Act 1995*.