



## ORDINARY MEETING OF COUNCIL

### AGENDA

**17 FEBRUARY 2022**



PO Box 42, 14 White Street, Brookton WA 6306



9642 1106



[mail@brookton.wa.gov.au](mailto:mail@brookton.wa.gov.au)



[www.brookton.wa.gov.au](http://www.brookton.wa.gov.au)





## **NOTICE OF MEETING**

**17 February 2022**

**14 White Street  
Brookton, WA 6306**

Dear Councillor, Resident or Ratepayer,

Notice is hereby given that the Ordinary Meeting of the Brookton Shire Council will be held on Thursday 17 February 2022 in the Council Chambers at the Shire Administration Centre commencing at 6.00 pm.

The business to be transacted is shown in the Agenda.

A handwritten signature in blue ink, appearing to be "G Sherry".

**Gary Sherry**  
**CHIEF EXECUTIVE OFFICER**  
11 February 2022

### **DISCLAIMER**

The recommendations contained in the Agenda, are subject to confirmation by Council. The Shire of Brookton warns that anyone who has any application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Brookton for any act, omission, or statement, or intimation, occurring during a Council meeting.

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**1.02.22 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

On behalf of Council, I would like to acknowledge that this meeting is being held on the traditional lands of the Nyoongar People and pay respect to all Elders, past, present, and emerging. I wish to acknowledge and respect local people's continuing culture and the contribution they make to Country and its life.

**2.02.22 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE****3.02.22 USE OF COMMON SEAL – JANUARY 2022**

The Table below details the Use of Common Seal under delegated authority for the month of January 2022.

Use of Common Seal Register		
File Ref:	Purpose	Date Granted
Nil.		

**4.02.22 DELEGATED AUTHORITY – ACTIONS PERFORMED – JANUARY 2022**

The Table below details the actions of Council performed under delegated authority for the month January 2022.

Shire of Brookton, Delegation Register, 1.41 Building Matters – Permits, Certificates & Orders

BUILDING			
Application No.	Lot & Street	Type of Building Work	Date Granted
18.21-22	Loc 3734 Williams Road, Jelcobine	Septic	20Dec21
12.21-22	Lot 207 Williams Street, Brookton	Medical Centre	20Dec21

Shire of Brookton, Delegation Register, 1.37 Specific Provisions under the Town Planning Scheme No. 4.

PLANNING				
File Ref	Application Ref	Subject Land (incl. Scheme No.)	Purpose	Date Granted
Nil.				

**5.02.22 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**6.02.22 PUBLIC QUESTION TIME****7.02.22 APPLICATIONS FOR LEAVE OF ABSENCE****8.02.22 PETITIONS/DEPUTATIONS/PRESENTATIONS**

**9.02.22 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**9.02.22.01 ORDINARY MEETING OF COUNCIL – 20 JANUARY 2022**

*That the minutes of the Ordinary meeting of Council held in the Shire of Brookton Council Chambers, on 20 January 2022, be confirmed as a true and correct record of the proceedings.*

**10.02.22 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

**11.02.22 DISCLOSURE OF INTERESTS**

*Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and prior to the item.*

**Disclosure of Financial & Proximity Interests**

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

**Disclosure of Interest Affecting Impartiality**

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

**12.02.22 TECHNICAL & DEVELOPMENT SERVICES REPORTS**

Nil.

**13.02.22 COMMUNITY SERVICES REPORTS**

Nil.

## 14.02.22 CORPORATE SERVICES REPORTS

### 14.02.22.01 LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM (LRCIP) – PHASE 3 - PROJECTS

<b>File No:</b>	FIN 008
<b>Date of Meeting:</b>	17 February 2022
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Gary Sherry –Chief Executive Officer
<b>Authorising Officer:</b>	Gary Sherry –Chief Executive Officer
<b>Declaration of Interest:</b>	The author and authorising officer do not have an interest in this item
<b>Voting Requirements:</b>	Absolute Majority
<b>Previous Report:</b>	N/A

#### **Summary of Item:**

This item is to report on the proposal to seek approval from the Federal Department of Infrastructure for the allocation of funds to the identified projects as part of the Local Roads and Community Infrastructure (LRCIP) Phase 3 program.

#### **Description of Proposal:**

The Officer's Recommendation seeks Council to endorse three projects being:

1. Brookton Swimming Pool and Surrounds Upgrade;
2. Brookton Town CCTV Installation; and
3. Brookton Street Program;

as the three projects for funding under LRCIP Phase 3.

#### **Background:**

Councillors, at their November 2021 Council Briefing Forum, considered and discussed a report from Wetdeck, on improvements/upgrades that were required to the Brookton Swimming Pool and surrounds to meet public safety requirements and current standards.

Councillors, at their December 2021 Council Briefing Forum, reviewed an Officer's Report on the potential removal of bottlebrush trees in White and Cumming Streets due to concerns from community members about the safety to school children and community members from the significant amounts of bees that they attract.

Councillors discussed with the local Police Sergeant at their January 2022 Council Briefing Forum the community safety benefits of installing CCTV in Brookton. In this discussion potential sites for locating CCTV could include Robinson Road, Administration Office, Brookton Pool and WB Eva Pavilion.

#### **Consultation:**

Consultation has been undertaken between Councillors and Shire staff on these projects and no further consultation is required to progress the approval process.

Removal of the existing street trees in White and Cumming Streets will require communication with affected community members to explain the rationale and reasoning for the proposal.

**Statutory Environment:**

Local Government Act 1995, sections 2.7, 3.1(1) and 6.8(1)

**2.7. Role of council**

- (1) The council —
  - (a) governs the local government's affairs; and
  - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to —
  - (a) oversee the allocation of the local government's finances and resources; and
  - (b) determine the local government's policies.

**3.1. General function**

- (1) The general function of a local government is to provide for the good government of persons in its district.

**6.8. Expenditure from municipal fund not included in annual budget**

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
  - (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
  - (b) is authorised in advance by resolution\*; or
  - (c) is authorised in advance by the mayor or president in an emergency.

\* *Absolute majority required*

**Relevant Plans and Policy:**

There are no current Plans and policies relevant to this matter.

**Financial Implications:**

There are no funds allocated in the 2021/22 adopted budget for any of these projects, so this will result in additional expenditure being incurred in the 2021/22 financial year. The level of expenditure incurred will depend on how quickly the projects are approved by the Commonwealth and the ability of staff to progress the projects.

Once the projects have been approved the Shire will receive 50% (\$255, 450) of the total program allocation and then can claim additional expenditure each quarter, which will assist in offsetting the proposed unbudgeted expenditure during the 2021/22 financial year

**Risk Assessment:**

The LRCIP projects are required to be completed and acquitted by 30<sup>th</sup> June 2023. The CCTV and Street Tree program should not present any risk of being completed by the due date. The Pool and surrounds upgrade has to be undertaken during the pool closed season and as it also requires the sourcing of trades and contractors during the current heightened building activity period there is some risks involved in meeting the 30<sup>th</sup> June 2023 timeframe. Given this the risk has been assessed as 'Medium'.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

### Community & Strategic Objectives:

This proposal in part relates to delivery of core business, and services, detailed in the Shire of Brookton Corporate Compendium – November 2020, duly appended to the Next Generation BROOKTON Corporate Business Plan <2024.

Specifically, the upgrading of the Pool broadly aligns to:

Business Function 9 – Asset Management

Action – 9.1 Prepare Asset Management Plan – Brookton Aquatic Centre

### Comment

Council has been allocated \$510,900 in the LRCIP Phase 3 program and there has been a very clear direction from the Commonwealth that there will be no extension provided to phase 3 projects. If the projects are not completed by the 30<sup>th</sup> June 2023, the Commonwealth have indicated that they will be adopting a position of ‘spend it or lose it’ for the Phase 3 program.

Therefore, it’s imperative that Council identifies and allocates the funds to projects that it has confidence will be completed by 30<sup>th</sup> June 2023.

As its not expected that the projects will be substantially progressed by 30<sup>th</sup> June 2022, the amount of unbudgeted expenditure in the 2021/22 financial year has been indicated in the Officer Recommendation, which will also align closely to the expected 50% of the funds to be received in 2021/22, and only leave a small carryover of funds for the Shire, should the total of \$300,000 be spent by the 30<sup>th</sup> June 2022.



## **OFFICER'S RECOMMENDATION**

***That Council authorises the:***

- 1. Unbudgeted expenditure of up to \$300,000, from the Local Roads and Community Infrastructure Phase 3 Program, to be offset by 50 % of the grant being received in 2021/22, with the balance to be expended in the 2022/23 financial year; and***
- 2. Submission of the 'LRCIP Phase 3 Work Schedule – Project Nomination' form that includes the following:***
  - a) Brookton Swimming Pool and Surrounds Upgrade Project - \$400,000***
  - b) Brookton Town CCTV Installation - \$50,900***
  - c) Street Tree Program - \$60,000***

*(Absolute majority vote required)*

## 14.02.22.02 LIST OF ACCOUNTS FOR PAYMENT – JANUARY 2022

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	17 <sup>th</sup> February 2022
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	N/A
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Tricia Brown – Finance Administration Officer - Rates
<b>Authorising Officer:</b>	Cherie Delmage – Acting Manager Corporate and Community
<b>Declaration of Interest:</b>	The author and authorising officer do not have an interest in this item.
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	20 <sup>th</sup> January 2022

### Summary of Item

The purpose of this report is to present the list of payments for the month ending 31 January 2022, as required under the *Local Government (Financial Management) Regulations 1996*.

### Description of Proposal

To present to Council, the accounts paid under Delegation 1.1, Power to Make Payments.

### Background

In accordance with *Local Government (Financial Management) Regulations 1996 Clause 13 (1)* schedules of all payments made through Council's bank accounts are presented to Council for inspection.

### Consultation

There has been no consultation on this matter.

### Statutory Environment

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* states:

- 13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.**
- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared –*
    - (a) *the payee's name; and*
    - (b) *the amount of the payment; and*
    - (c) *the date of the payment; and*
    - (d) *sufficient information to identify the transaction.*
  - (2) *A list of accounts for approval to be paid is to be prepared each month showing –*
    - (a) *for each account which requires council authorisation in that month –*
      - (i) *the payee's name; and*
      - (ii) *the amount of the payment; and*
      - (iii) *sufficient information to identify the transaction; and*
    - (b) *the date of the meeting of the council to which the list is to be presented.*
  - (3) *A list prepared under sub-regulation (1) or (2) is to be –*
    - (a) *presented to the council at the next ordinary meeting of the council after the list is prepared; and*
    - (b) *recorded in the minutes of that meeting.*

## Relevant Plans and Policy

The Chief Executive Officer, under relevant delegation, is authorised to arrange purchase of specific items in the budget, which do not require calling tenders, providing that it is within the approved and adopted budget.

## Financial Implications

No financial implications have been identified at the time of preparing this report.

## Risk Assessment

The risk in relation to this matter is assessed as 'Medium' on the basis that if Council does not accept the payments. The risk identified would be failure to fulfil statutory regulations or compliance requirements. Shire Officer's provide a full detailed listing of payments made in a timely manner.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

## Community & Strategic Objectives

This item relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – October 2020, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the contract services support the following Business Unit and Functions:

### 18. Financial Control

- 18.2 Conduct external/internal audits and reporting
- 18.5 Process rates, other revenues, timely payments

## Comment

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the Shire's Municipal and Trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid is to be provide to Council, where such delegation is made.

The payment schedule is provided to Councilors' separately and not published on the Shire of Brookton website to mitigate against the potential of fraudulent activity that can arise from this practice. Members of the public can obtain the schedule from the Shire of Brookton Administration Office.

The following table summarizes the payments for the period by payment type, with full details of the accounts paid contained within **Attachment 14.02.22.02A**.

**Payments up to 31 January 2022**

<b>Payment Type</b>	<b>Account Type</b>	<b>Amount (\$)</b>
Automatic Payment Deductions (Direct Debits)	Municipal	\$136,472.62
Cheque Payments – Nil	Municipal	\$0.00
EFT Payments #12905 to #12976	Municipal	\$130,375.99
<b>Sub Total</b>	<b>Municipal</b>	<b>\$266,668.61</b>
EFT Payments – Nil	Trust	\$0.00
<b>Sub Total</b>	<b>Trust</b>	<b>\$0.00</b>
EFT Payments – #12906 to # 12908	Bond	\$180.00
<b>Sub Total</b>	<b>Bond</b>	<b>\$180.00</b>
<b>Totals</b>		<b>\$266,848.61</b>

Contained within **Attachment 14.02.22.02A** is a detailed transaction listing of credit card expenditure paid for the period ended 31 January 2022. This amount is included within the total payments, listed above.

**OFFICER’S RECOMMENDATION**

*That Council receives the list of accounts, totalling \$266,848.61, paid under delegated authority in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996 for the month of January 2022, as contained within Attachment 14.02.22.02A.*

**Attachments**

Attachment 14.02.22.02A – List of accounts for January 2022

Members of the public can obtain a copy of the List of Accounts by contacting the Shire Administration Office.

## 14.02.22.03 STATEMENT OF FINANCIAL ACTIVITY FOR PERIOD ENDED 31<sup>ST</sup> JANUARY 2022

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	17 <sup>th</sup> February 2022
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Charlotte Cooke – Finance Officer
<b>Authorising Officer:</b>	Cherie Delmage – Acting Manager Corporate & Community
<b>Declaration of Interest:</b>	The author and authorising officer do not have an interest in this item
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	20 <sup>th</sup> January 2022

### **Summary of Item:**

The Statement of Financial Activity for period ended 31<sup>st</sup> January 2022 together with associated commentaries are present for Council's consideration.

### **Description of Proposal:**

That Council receives the Statement of Financial Activity for the period ended 31<sup>st</sup> January 2022, as presented.

### **Background:**

In accordance with regulation 34 of the *Local Government (Financial Management) Regulations 1996*, the Shire is to prepare a monthly Statement of Financial Activity for approval by Council. December and January's reports are presented in February as Council does not meet in January.

### **Consultation:**

Reporting officers receive monthly updates to track expenditure and income.

### **Statutory Environment:**

Section 6.4 of the *Local Government Act 1995* requires a Local Government to prepare an annual financial statement for the preceding year and other financial reports as they prescribed.

Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996* as amended requires the Local Government to prepare monthly financial statements and report on actual performance against what was set out in the annual budget.

### **Relevant Plans and Policy:**

There is no Council Policy relevant to this item.

### **Financial Implications:**

The Budget is regularly monitored on at least a monthly basis, by the Chief Executive Officer, the Manager Corporate & Community, and the Senior Finance Officer. Responsible Officers are also required to review their particular line items for anomalies each month, with a major review required by law, between 1 January and 31 March of each year pursuant to the *Local Government (Financial Management) Regulations 1996* (Regulation 33A).

Any material variances that have an impact on the outcome of the budgeted closing surplus position are detailed in the Monthly Financial Report contained within **Attachment 14.02.22.03A**.

### **Risk Assessment:**

The risk in relation to this matter is assessed as 'Low' on the basis that if Council does not receive the Shire of Brookton, Ordinary Meeting of Council, 17 February 2022 Agenda

Monthly Financial Reports for the month reported leading to the Shire not meeting legislative requirements on financial reporting. The risk identified would be failure to fulfil statutory regulations or compliance requirements.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

#### Community & Strategic Objectives:

Responsible financial management is critical to deliver on the Strategic Community Plan.

The Corporate Business Plan determines the local government’s resource allocations which form the construction of the Annual Budget. The financial statements thus measure performance against the Corporate Business Plan by providing comparatives against the Annual Budget.

This item relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the contract services supports the following Business Unit and Functions:

- 18. *Financial Control*
  - 18.2 *Conduct external/internal audits and reporting*
  - 18.4 *Review/Manage financial investments*
  - 18.5 *Process rates, other revenues, timely payments*

#### Comment

The Monthly Financial Reports has been prepared in accordance with statutory requirements.

## **OFFICER'S RECOMMENDATION**

*That Council receives the Statement of Financial Activity for the period ended 31<sup>st</sup> January 2022, in accordance with Section 6.4 of the Local Government Act 1995 and Regulation 34 of the Local Government (Financial Management) Regulations 1995 as presented in Attachment 14.02.22.03A.*

(Simple majority vote required)

## **Attachments**

Attachment 14.02.22.03A – Statement of Financial Activity for the period ended 31<sup>st</sup> January 2022

**Shire of Brookton**  
**MONTHLY FINANCIAL REPORT**  
**For the Period Ended 31 January 2022**

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Statement of Financial Activity by Function & Activity

Statement of Financial Activity by Nature & Type

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Note 6 - Capital Disposals and Acquisitions

Note 7 - Information on Borrowings

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Note 11 - Sewerage Operating Statement

Note 12 - WB Eva Pavilion and Gymnasium Operating Statement

Note 13 - Brookton Caravan Park & Aquatic Centre Financial Reports

Note 14 - Road Program

Note 15 - Capital Works Program



**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(Statutory Reporting Program)**  
**For the Period Ended 31 January 2022**

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) (c)	Var. % (b)-(a)/(b) 9	Var.
		\$	\$	\$	\$	%	
<b>Operating Revenues</b>							
04	Governance	23,510	16,405	14,397	(2,008)	(12.24%)	
03	General Purpose Funding	1,886,516	507,600	389,335	(118,265)	(23.30%)	☹
05	Law, Order and Public Safety	315,963	70,201	92,361	22,160	31.57%	☺
07	Health	300	175	18	(157)	(89.61%)	
08	Education and Welfare	65,906	38,437	37,158	(1,279)	(3.33%)	
09	Housing	71,296	41,580	66,832	25,252	60.73%	☺
10	Community Amenities	404,681	397,295	406,182	8,887	2.24%	
11	Recreation and Culture	36,101	21,035	25,969	4,934	23.46%	
12	Transport	684,303	384,874	390,564	5,690	1.48%	
13	Economic Services	100,160	51,344	89,636	38,292	74.58%	☺
14	Other Property and Services	27,000	15,736	25,868	10,132	64.39%	☺
	<b>Total (Excluding Rates)</b>	<b>3,615,736</b>	<b>1,544,682</b>	<b>1,538,321</b>	<b>(6,361)</b>	<b>(0.41%)</b>	
<b>Operating Expense</b>							
04	Governance	(569,257)	(307,354)	(280,101)	27,253	(8.87%)	
03	General Purpose Funding	(250,387)	(143,295)	(116,300)	26,995	18.84%	☺
05	Law, Order and Public Safety	(470,954)	(268,368)	(200,026)	68,341	25.47%	☺
07	Health	(25,294)	(15,367)	(16,782)	(1,415)	(9.21%)	
08	Education and Welfare	(163,573)	(96,142)	(77,796)	18,346	19.08%	☺
09	Housing	(241,917)	(96,672)	(95,247)	1,426	1.47%	
10	Community Amenities	(573,400)	(339,844)	(232,895)	106,949	31.47%	☺
11	Recreation and Culture	(1,044,540)	(614,251)	(525,314)	88,937	14.48%	☺
12	Transport	(3,571,833)	(2,095,670)	(1,985,905)	109,765	5.24%	
13	Economic Services	(257,475)	(148,822)	(127,745)	21,077	14.16%	☺
14	Other Property and Services	(406,383)	(256,823)	(223,337)	33,486	13.04%	☺
	<b>Total</b>	<b>(7,575,013)</b>	<b>(4,382,608)</b>	<b>(3,881,450)</b>	<b>501,158</b>	<b>11.44%</b>	
<b>Funding Balance Adjustment</b>							
	Add back Depreciation	3,098,790	1,807,628	1,723,704	(83,924)	(4.64%)	
	Adjust (Profit)/Loss on Asset Disposal	47,511	47,511	11,904	(35,607)	(74.95%)	☹
	Correction of SSL78 adjustment	0	0	0	0		
	Adjust (Profit)/Loss on Asset Revaluation	0	0	0	0		
	Movement in Non Cash Provisions	0	0	0	0		
	<b>Net Operating (Ex. Rates)</b>	<b>(812,976)</b>	<b>(982,787)</b>	<b>(607,521)</b>	<b>375,267</b>	<b>(38.18%)</b>	
<b>Capital Revenues</b>							
	Proceeds from Disposal of Assets	122,000	122,000	168,386	46,386	(38.02%)	
	Proceeds from New Debentures	600,000	0	0	0	0.00%	
	Self-Supporting Loan Principal	24,413	12,206	11,998	(208)		
	Transfer from Reserves	2,406,197	618,764	0	(618,764)	0.00%	
	<b>Total</b>	<b>3,152,610</b>	<b>752,970</b>	<b>180,384</b>	<b>(572,586)</b>		
<b>Capital Expenses</b>							
	Land and Buildings	(1,514,000)	(820,736)	(307,875)	512,861	62.49%	☺
	Plant and Equipment	(436,000)	(254,317)	(104,652)	149,665	58.85%	☺
	Furniture and Equipment	(10,000)	(5,831)	(7,638)	(1,807)		
	Infrastructure Assets - Roads & Bridges	(1,068,926)	(667,573)	(493,448)	174,125	26.08%	☺
	Infrastructure Assets - Sewerage	(742,000)	(432,824)	(19,677)	413,147	95.45%	☺
	Infrastructure Assets - Footpath	0	0	0	0		
	Repayment of Debentures	(133,672)	(91,107)	(90,383)	724	0.79%	
	Principal elements of finance lease payments	(1,419)	0	0			
	Transfer to Reserves	(1,791,777)	(19,376)	(7,628)	11,748	60.63%	☺
	<b>Total</b>	<b>(5,697,794)</b>	<b>(2,291,764)</b>	<b>(1,031,301)</b>	<b>1,260,463</b>	<b>(55.00%)</b>	
	<b>Net Capital</b>	<b>(2,545,184)</b>	<b>(1,538,794)</b>	<b>(850,916)</b>	<b>687,878</b>	<b>(44.70%)</b>	
	<b>Total Net Operating + Capital</b>	<b>(3,358,160)</b>	<b>(2,521,581)</b>	<b>(1,458,437)</b>	<b>1,063,145</b>	<b>42.16%</b>	
	Rate Revenue	2,376,497	2,409,975	2,411,572	1,597	0.07%	
	Opening Funding Surplus(Deficit)	981,662	887,254	887,254	94,408	10.64%	☺
	<b>Closing Funding Surplus(Deficit)</b>	<b>0</b>	<b>775,647</b>	<b>1,840,389</b>	<b>1,159,150</b>		

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Program by Nature and Type**  
**For the Period Ended 31 January 2022**

NOTE	2021/22 Adopted Budget	2021/22 Current Budget	2021/22 YTD Budget	2021/22 YTD Actual	Variance YTD Budget vs YTD Actual
	\$	\$	\$	\$	\$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>					
Rates	2,410,607	2,410,607	2,409,975	2,411,572	1,597
Operating Grants, Subsidies and Contributions	1,167,520	877,666	354,477	587,988	233,511
Fees and Charges	682,928	689,173	556,110	634,085	77,975
Interest Earnings	130,111	135,249	69,116	29,889	(39,227)
Other Revenue	197,836	162,795	42,062	80,893	38,831
	<b>4,589,002</b>	<b>4,275,490</b>	<b>3,431,740</b>	<b>3,744,427</b>	<b>312,687</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>					
Employee Costs	(1,911,012)	(2,221,555)	(1,259,342)	(1,148,632)	110,710
Materials and Contracts	(1,531,907)	(1,718,866)	(946,057)	(703,822)	242,234
Utilities	(177,631)	(190,430)	(104,223)	(74,218)	30,005
Depreciation	(2,781,490)	(3,098,790)	(1,792,133)	(1,723,704)	68,429
Interest Expenses	(76,411)	(67,343)	(33,727)	(25,711)	8,016
Insurance	(193,031)	(230,647)	(215,408)	(192,678)	22,729
Other Expenditure	(112,453)	(850)	(696)	(781)	(85)
	<b>(6,783,935)</b>	<b>(7,528,481)</b>	<b>(4,351,585)</b>	<b>(3,869,546)</b>	<b>482,039</b>
	<b>(2,194,933)</b>	<b>(3,252,991)</b>	<b>(919,845)</b>	<b>(125,119)</b>	<b>794,726</b>
Non-Operating Grants, Subsidies & Contributions	740,579	1,713,243	520,880	205,466	(315,414)
Profit on Asset Disposals	0	0	0	0	0
Loss on Asset Disposals	(47,511)	(47,511)	(47,511)	(11,904)	35,607
<b>NET RESULT</b>	<b>(1,501,865)</b>	<b>(1,587,259)</b>	<b>(446,476)</b>	<b>68,444</b>	<b>514,920</b>

**Shire of Brookton**  
**Notes To The Statement Of Financial Activity**  
**For The Period Ended 31 January 2022**

**Explanation Of Material Variances**

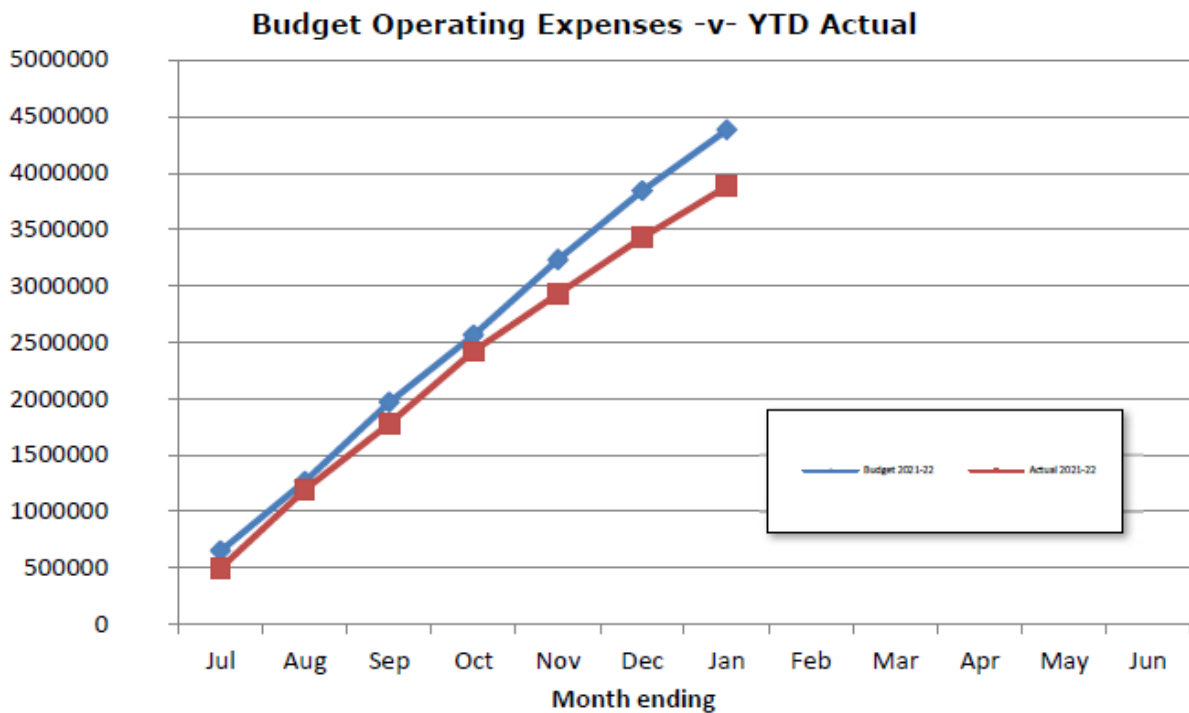
The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

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

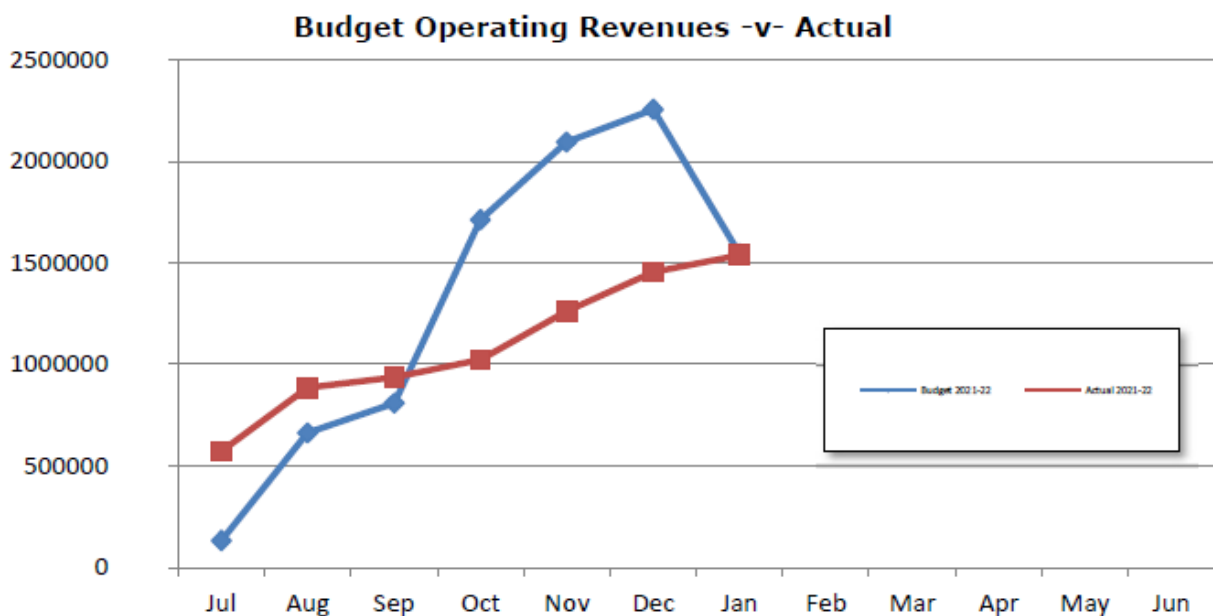
Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	(2,008)	(12.24%)		Within variance threshold
General purpose funding	(118,265)	(23.30%)	⊖ Permanent	General FAGS Budget \$668,176; Actual \$418,962 variance of \$249,484 Road FAGS Budget \$382,492; Actual \$184,960 variance of \$197,532 Permanent variance between budgeted amounts of \$447,016 - will require review No guarantee or inclusion of advance at year end
Law, order and public safety	22,160	31.57%	⊖ Timing	CESM MOU - to be considered at budget review
Health	(157)	(89.61%)		Within variance threshold
Education and welfare	(1,279)	(3.33%)		Within variance threshold
Housing	25,252	60.73%	⊖ Permanent	Staff housing rental income higher than budgeted
Community amenities	8,887	2.24%		Within variance threshold
Recreation and culture	4,934	23.46%		Within variance threshold
Transport	5,690	1.48%		Within variance threshold
<b>Economic services</b>	<b>38,292</b>	<b>74.58%</b>	⊖ Timing	<b>Caravan Park Fees higher than budget; may be impacted due to lack of staffing resources &amp; cancellation of The old time motor show</b>
Other property and services	10,132	64.39%	⊖ Permanent	Higher than budget due to insurance claims
<b>Expenditure from operating activities</b>				
Governance	27,253	(8.87%)		Within variance threshold
General purpose funding	26,995	18.84%	⊖ Timing	Admin allocations require review
Law, order and public safety	68,341	25.47%	⊖ Timing	Admin allocations require review
Health	(1,415)	(9.21%)		Within variance threshold
Education and welfare	18,346	19.08%	⊖ Timing	ILUs general op exp under budget; monitor & possible budget review
Housing	1,426	1.47%	Timing	Within variance threshold
Community amenities	106,949	31.47%	⊖ Timing	Refuse & Sewerage op exp costs under budget; monitor & possible budget review
Recreation and culture	88,937	14.48%	⊖ Timing	Pool, recreation grounds & parks & reserves op exp under budget; monitor & possible budget review
Transport	109,765	5.24%		Within variance threshold
Economic services	21,077	14.16%	⊖ Timing	Caravan Park & Standpipes under budget; admin allocations require review
Other property and services	33,486	13.04%	⊖ Timing	Admin allocations require review; op ex inc employee costs under budget; monitor & possible budget review
<b>Funding Balance Adjustment</b>				
Add back Depreciation	(83,924)	(4.64%)		Within variance threshold
Adjust (Profit)/Loss on Asset Disposal	(35,607)	(74.95%)	⊖ Timing	Land sales not included in original budget or added to asset register; requires correction & budget review
Correction of SSL78 adjustment	0	0.00%		Within variance threshold
Adjust (Profit)/Loss on Asset Revaluation	0	0.00%		Within variance threshold
Movement in Non Cash Provisions	0	0.00%		Within variance threshold
<b>Capital Revenues</b>				
Proceeds from Disposal of Assets	46,386	(38.02%)		Within variance threshold
Proceeds from New Debentures	0	0.00%		Within variance threshold
Self-Supporting Loan Principal	(208)	0.00%		Within variance threshold
Transfer from Reserves	(618,764)	0.00%		Within variance threshold
<b>Capital Expenses</b>				
Land and Buildings	512,861	62.49%	⊖ Timing	Cap exp subject to project timing & progress; will need to be considered as part of budget review
Plant and Equipment	149,665	58.85%	⊖ Timing	Cap exp subject to project timing & progress; will need to be considered as part of budget review
Furniture and Equipment	(1,807)	0.00%		
Infrastructure Assets - Roads & Bridges	174,125	26.08%	⊖ Timing	Cap exp subject to project timing & progress; will need to be considered as part of budget review
Infrastructure Assets - Sewerage	413,147	95.45%	⊖ Timing	Cap exp subject to project timing & progress; will need to be considered as part of budget review
Infrastructure Assets - Footpath	0	0.00%		
Repayment of Debentures	724	0.79%		
Principal elements of finance lease payments	0	0.00%		
Transfer to Reserves	11,748	60.63%	⊖ Timing	Based on reserve interest received & transferred; monitor & possible budget review
Rate Revenue	1,597	0.07%		
Opening Funding Surplus(Deficit)	94,408	10.64%	⊖ Timing	To be confirmed once AFR signed off by auditors

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Operating Expenses**

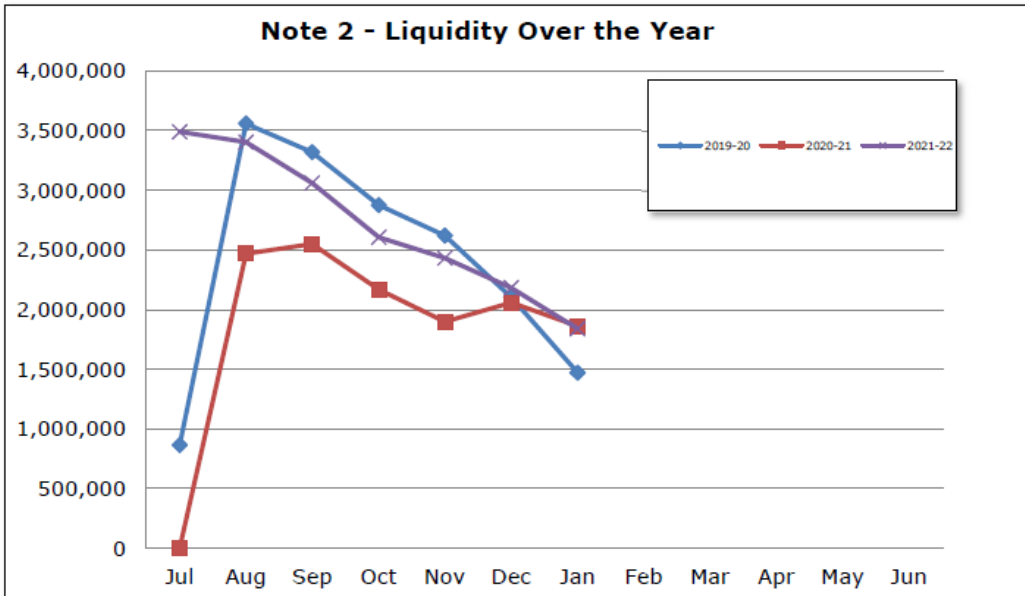


**Comments/Notes - Operating Revenues**

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 3: NET CURRENT FUNDING POSITION**

Positive=Surplus (Negative=Deficit)				
2021-22				
Note	This Period	Same Period	Same Period	Surplus C/F 1
	\$	2020/21	2019/20	July 2021
	Jan 2022	Jan 2021	Jan 2020	\$
<b>Current Assets</b>				
Cash Unrestricted	2,015,076	1,687,005	1,109,116	1,132,706
Cash Restricted	11,634,370	11,896,498	12,509,880	11,626,742
Receivables	368,611	488,775	4,387,252	120,462
Non Cash Movements		0	0	0
Inventories	36,890	27,288	27,628	27,060
	<b>14,054,947</b>	<b>14,099,565</b>	<b>18,033,875</b>	<b>12,906,970</b>
<b>Less: Current Liabilities</b>				
Payables and Provisions	(580,188)	(342,298)	(4,051,491)	(392,974)
	<b>(580,188)</b>	<b>(342,298)</b>	<b>(4,051,491)</b>	<b>(392,974)</b>
Less: Cash Restricted	(11,634,370)	(11,896,498)	(12,509,880)	(11,626,742)
<b>Net Current Funding Position</b>	<b>1,840,389</b>	<b>1,860,770</b>	<b>1,472,504</b>	<b>887,254</b>



**Comments - Net Current Funding Position**

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 4: RECEIVABLES**

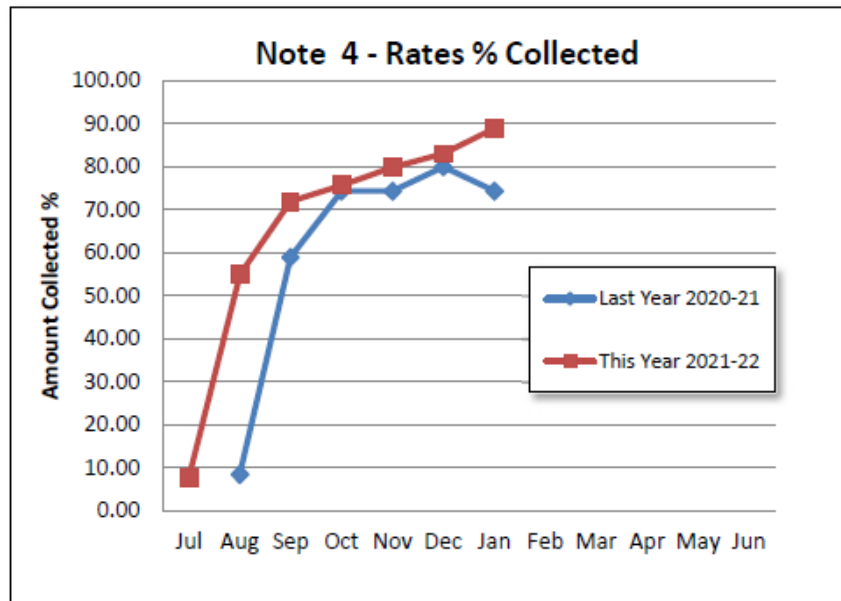
**Receivables - Rates, Sewerage and Rubbish**

Opening Arrears Previous Years Rates, Sewerage & Rubbish Levied this year  
Less Collections to date  
 Equals Current Outstanding

**Net Rates Collectable**

% Collected

	Current 2021-22	Previous Year 2020-21
	\$	\$
Opening Arrears Previous Years Rates, Sewerage & Rubbish Levied this year	98,570	234,381
<u>Less</u> Collections to date	(2,797,428)	(2,699,336)
<b>Equals Current Outstanding</b>	<b>319,861</b>	<b>753,897</b>
<b>Net Rates Collectable</b>	319,861	753,897
% Collected	88.96%	74.30%

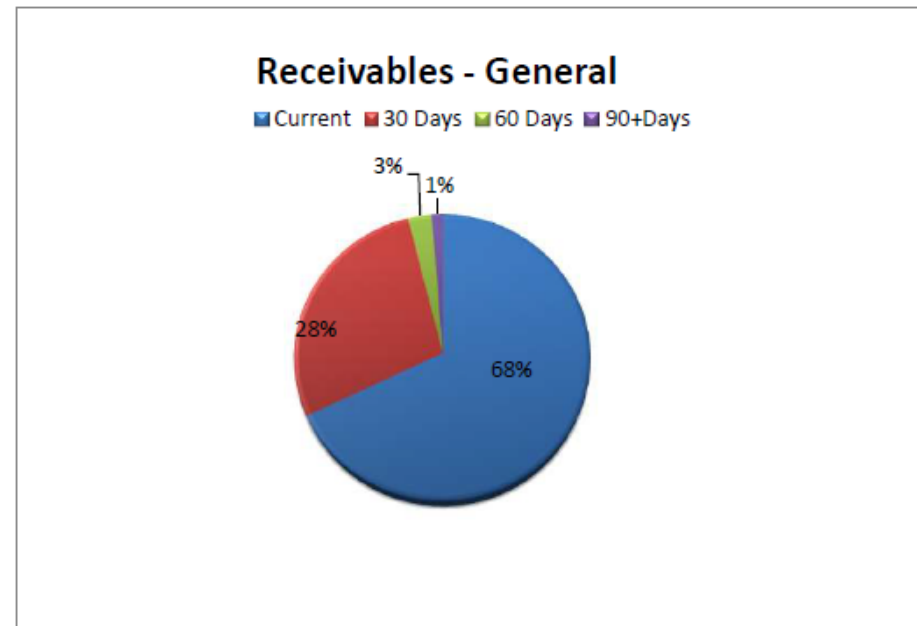


Comments/Notes - Receivables Rates, Sewerage and Rubbish

**Receivables - General**

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
	45,655	18,925	1,800	847
<b>Total Outstanding</b>				<b>67,226</b>

Amounts shown above include GST (where applicable)



Comments/Notes - Receivables General

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 5: Cash Backed Reserves**

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Current Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	YTD Budget Transfers Out (-)	Actual Transfers Out (-)	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$		\$	\$		\$	\$	\$
Leave Reserve	138,900	1,111	33	0		0	0	0	0	140,011	138,933
Plant and Vehicle Reserve and Community Bus Reserve	337,435	2,699	80	545,000		0	(314,000)	0	0	571,134	337,515
Land & Housing Development Reserve/Independent Living Units	1,392,425	11,139	331	0		0	(30,000)	0	0	1,373,564	1,392,757
Furniture and Equipment Reserve	21,213	170	5	0		0	(10,000)	0	0	11,383	21,218
Municipal Buildings & Facilities Reserve	631,068	5,049	150	0		0	(180,000)	10,000	0	456,117	631,218
Townscape and Footpath Reserve	125,177	1,001	30	0		0	(47,000)	0	0	79,178	125,207
Sewerage Scheme Reserve	445,787	3,566	106	65,000		0	(50,000)	0	0	464,353	445,893
Road and Bridge Infrastructure Reserve	115,816	927	28	758,764		0	(484,433)	50,000	0	391,074	115,844
Health & Wellbeing reserve	554,349	4,415	132	0		0	(558,764)	0	0	(0)	554,481
Sport & Recreation Reserve	31,653	253	8	0		0	0	558,764	0	31,906	31,661
Rehabilitation & Refuse Reserve	210,991	1,708	50	55,000		0	(50,000)	0	0	217,699	211,042
Caravan Park Reserve	354,061	2,832	84	0		0	0	0	0	356,893	354,145
Brookton Heritage/Museum Reserve	47,189	378	11	0		0	0	0	0	47,567	47,201
Kweda Hall Reserve	18,042	144	4	0		0	0	0	0	18,186	18,046
Aldersyde Hall Reserve	0	0	0	0		0	0	0	0	0	0
Railway Station Reserve	330,082	2,641	79	200,000		0	(70,000)	0	0	462,723	330,160
Madison Square Units Reserve	30,680	245	7	0		0	0	0	0	30,925	30,687
Cemetery Reserve	30,735	246	7	50,000		0	(40,000)	0	0	40,981	30,742
Water Harvesting Reserve	109,633	877	26	0		0	(42,000)	0	0	68,510	109,660
Developer Contribution	2,742	22	1	0		0	0	0	0	2,764	2,743
Cash Contingency Reserve	131,689	1,054	31	0		0	0	0	0	457,361	131,720
Brookton Aquatic Reserve	456,307	3,650	109	25,000		0	(30,000)	0	0	130,339	456,416
Future Fund Reserve	4,097,368	32,779	4,235	0		0	0	0	0	4,130,147	4,101,602
Innovations Fund Reserve	2,013,401	16,107	2,081	0		0	(500,000)	0	0	1,529,508	2,015,482
	<b>11,626,742</b>	<b>93,013</b>	<b>7,627.54</b>	<b>1,698,764</b>	0	<b>0</b>	<b>(2,406,197)</b>	<b>618,764</b>	<b>0</b>	<b>11,012,322</b>	<b>11,634,370</b>

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 6: CAPITAL DISPOSALS AND ACQUISITIONS**

Original Budgeted Profit(Loss) of Asset Disposal			Disposals	Actual Profit(Loss) of Asset Disposal			
Net Book Value	Proceeds	Profit (Loss)		Net Book Value		Proceeds	Profit (Loss)
31,746	22,000	(9,746)	PAV4 - Commodore (MCC Vehicle)	\$ 31,603		\$ 22,727	\$ (8,876)
44,931	40,000	(4,931)	PAV116 -2018 Ford Ranger MC 2019	44,142		41,114	(3,028)
		0	Lot 105 - 10 Avonbank Close, Brookton - A2772	38,728		50,000	11,272
		0	Lot 102 - 4 Avonbank Close, Brookton - A2773			54,545	54,545
		0					0
		0					0
<b>76,677</b>	<b>62,000</b>	<b>(14,677)</b>		<b>114,473</b>	<b>0</b>	<b>168,386</b>	<b>53,913</b>

Comments - Capital Disposal

Summary Acquisitions				
	Budget	Current Budget	Actual	Variance
	\$		\$	\$
<b>Property, Plant &amp; Equipment</b>				
Land and Buildings	1,514,000	1,514,000	307,875	1,206,125
Plant & Equipment	436,000	436,000	52,688	383,312
Furniture & Equipment	10,000	10,000	7,638	2,362
<b>Infrastructure</b>				
Roadworks & Bridge Works & Footpaths	1,068,926	1,068,926	493,447	575,479
Footpath Construction - Richardson Street	0	0	0	0
Sewerage & Drainage	742,000	742,000	19,677	722,323
<b>Totals</b>	<b>3,770,926</b>	<b>3,770,926</b>	<b>881,326</b>	<b>2,889,600</b>

Comments - Capital Acquisitions



**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 7: INFORMATION ON BORROWINGS**

Particulars	Loan Purpose	Due Date	Term (yrs)	Rate (%)	Principal	New	Principal		Principal		Interest	
					1-Jul-21		Loans	Repayments	Outstanding	Repayments	Actual	Budget
					\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
					\$	\$	\$	\$	\$	\$	\$	\$
<b>Self Supporting Loans</b>												
*Loan 82 Country Club Education & Welfare	Extension and Refurbishment of the Club House	15/11/2027	20	6.95	215,828	-	11,998	24,413	203,830	201,217	4,994	14,611
Loan 80 Kalkarni Residency Housing	Kalkarni Residence	1/02/2026	25	5.63	63,602	-	9,710	9,710	53,892	60,149	1,659	3,453
Loan 80 Staff Housing Community Amenities	Staff Housing	1/02/2026	25	5.63	104,944	-	16,021	16,021	88,923	99,246	2,738	5,698
Loan 80 Sewerage Transport	Sewerage Extension	1/02/2026	25	5.63	44,521	-	6,797	6,797	37,724	42,104	1,162	2,417
Loan 80 Grader Recreation and Culture	New Grader	1/02/2026	25	5.63	104,944	-	16,021	16,021	88,923	99,246	2,738	5,698
Loan 81 Sport & Recreation	Recreation Plan	1/11/2027	20	6.95	536,706	-	29,837	60,710	506,869	492,286	12,419	44,420
					1,070,545	-	90,383	133,672	980,162	994,248	25,711	76,297
Right of Use	Seabrook Dam										-	810
											25,711	77,107

(\* Self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 8: CASH AND INVESTMENTS**

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Investments \$	Total Amount \$	Institution	Maturity Date
(a) <b>Cash Deposits</b>								
Municipal Cash at Bank - Operating Account	0.00%	330,563				330,563	Bendigo	
Municipal Cash at Bank - Cash Management Account	0.05%	1,683,136				1,683,136	Bendigo	
Bond Fund	0.00%	10,540				10,540	Bendigo	
Trust Cash at Bank	0.00%			13,820		13,820	Bendigo	
(b) <b>Term Deposits</b>								
Savings Account	0.05%		7,197,084			7,197,084	Bendigo	
Reserves	0.20%		4,437,286			4,437,286	Bendigo	20/03/2022
(c) <b>Investments</b>								
Bendigo Bank Shares					10,000	10,000	Bendigo	
<b>Total</b>		2,014,826	11,634,370	13,820	10,000	13,682,428		

Comments/Notes - Investments

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2022

**Note 9: BUDGET AMENDMENTS**

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

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	<b>Adopted Budget Net Asset Surplus 30 June 2021</b>		Opening Surplus(Deficit)	\$	\$	\$	\$
							887,254
							887,254
							887,254
							887,254
							887,254
							887,254
	<b>Closing Funding Surplus (Deficit)</b>			0	0	0	887,254

Classifications Pick List
Operating Revenue
Operating Expenses
Capital Revenue
Capital Expenses
Budget Review
Opening Surplus(Deficit)
Non Cash Item

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2022**

**Note 10: TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance For the Period 1 July 2021	Amount Received	Amount Paid	Closing Balance For the Period Ended 31 January 2022
	\$	\$	\$	\$
Public Open Space Contributions	13,820	0	0	13,820
	<b>13,820</b>	<b>0</b>	<b>0</b>	<b>13,820</b>

**1. Public Open Space Contribution:**

T148 - Paul Webb \$13,820

Contribution to be retained in Trust as required under the Planning and Development Act 2005.

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Sewerage Programm by Nature and Type**  
**For the Period Ended 31 January 2022**

**Note 11 Sewerage Operating Statement**

NOTE	2021/22 Adopted Budget \$	2021/22 YTD Budget \$	2021/22 YTD Actual \$	Variance YTD Budget vs YTD Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Sewerage Connection Fees and Charges	1,690	1,690	472	(1,218)
Annual Sewerage Rates	196,268	196,268	195,452	(816)
	<b>197,958</b>	<b>197,958</b>	<b>195,924</b>	<b>(2,034)</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs	(3,559)	(2,076)	(776)	1,300
Materials and Contracts	(51,200)	(29,867)	(17,236)	12,631
Utilities	(3,300)	(1,925)	(1,730)	195
Depreciation	(36,542)	(21,316)	(26,673)	(5,357)
Interest Expenses	(2,315)	(1,350)	(1,162)	189
Insurance	(322)	(188)	(160)	28
General Operating Expenses	(1,920)	(1,120)	(689)	431
Allocation of Administration Expense	(50,243)	(29,308)	(24,404)	4,905
	<b>(149,401)</b>	<b>(87,151)</b>	<b>(72,829)</b>	<b>14,322</b>
	<b>48,557</b>	<b>110,807</b>	<b>123,095</b>	<b>12,288</b>
Add Back Depreciation	36,542	21,316	26,673	5,357
Non-Operating Grants, Subsidies & Contributions	0	0	0	0
Profit on Asset Disposals	0	0	0	0
Loss on Asset Disposals	0	0	0	0
Transfer to Sewerage and Drainage Reserve	(65,000)	(37,917)	0	(37,917)
Transfer from Sewerage and Drainage Reserve	50,000	50,000	0	50,000
<b>NET RESULT</b>	<b>70,099</b>	<b>144,207</b>	<b>149,769</b>	<b>29,729</b>
Capital Loan Repayments			(6,797)	

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**WB Eva Pavilion by Nature and Type**  
**For the Period Ended 31 January 2022**

**Note 12 WB Eva Pavilion Operating Statement**

NOTE	2021/22 Adopted Budget \$	2021/22 YTD Budget \$	2021/22 YTD Actual \$	Variance YTD Budget vs YTD Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Hire Fees - WB Eva Pavilion	4,000	2,333	2,462	129
Sporting Club Fees	4,000	2,333	673	(1,661)
Gymnasium Income	7,000	4,083	4,396	312
	15,000	8,750	7,531	(1,220)
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs	-	-	-	-
Materials and Contracts	-	-	-	-
Utilities	-	-	-	-
Interest Expenses	(35,688)	(20,818)	(12,419)	8,399
Insurance	-	-	-	-
General Operating Expenses	-	-	-	-
Gymnasium Operating	(11,983)	(6,972)	(2,374)	4,598
	(47,671)	(27,790)	(14,793)	12,997
	(32,671)	(19,040)	(7,263)	11,777
<b>NET RESULT</b>	<b>(32,671)</b>	<b>(19,040)</b>	<b>(7,263)</b>	<b>11,777</b>

Capital Loan Repayments

(29,837)

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Brookton Caravan Park and Brookton Acquatic Centre**  
**For the Period Ended 31 January 2022**

	Note	Adopted Annual Budget 2021/22	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(b)
<b>Note 13 (a): Brookton Caravan Park</b>						
<b>Operating Revenue</b>		\$	\$	\$	\$	%
Caravan Park Fees		85,000	49,583	85,322	35,739	72.08%
<b>Total Revenue</b>		<b>85,000</b>	<b>49,583</b>	<b>85,322</b>	<b>35,739</b>	<b>72.08%</b>
<b>Operating Expenses</b>						
Brookton Caravan Park	CARAOP	(75,846)	(44,244)	(39,923)	4,320	(9.76%)
Brookton Caravan Park	MARKOP	(2,000)	(1,167)	(418)		
Caravan Park Depreciation		(2,179)	(1,271)	(5,064)	(3,792)	298.37%
Caravan Park Abc Administration Expenses		(30,146)	(17,585)	(14,642)	2,943	(16.74%)
<b>Total</b>		<b>(110,171)</b>	<b>(64,266)</b>	<b>(60,047)</b>	<b>3,471</b>	<b>5.40%</b>
<b>Operating Surplus (Deficit)</b>		<b>(25,171)</b>	<b>(14,683)</b>	<b>25,275</b>	<b>39,209</b>	<b>267%</b>
<b>Excluding Non Cash Adjustments</b>						
Add back Depreciation		2,179	1,271	5,064	3,792	298.37%
<b>Net Operating Surplus (Deficit)</b>		<b>(22,992)</b>	<b>(13,412)</b>	<b>30,338</b>	<b>43,002</b>	<b>(320.62%)</b>
<b>Note 13 (b): Brookton Acquatic Centre</b>						
<b>Operating Revenue</b>						
POOL FEES & CHARGES		13,100	7,642	12,626	4,984	65.23%
POOL GRANTS & SUBSIDIES		0	0	0	0	0.00%
<b>Total Revenue</b>		<b>13,100</b>	<b>7,642</b>	<b>12,626</b>	<b>4,984</b>	<b>65.23%</b>
<b>Operating Expenses</b>						
POOL EMPLOYEE COSTS		(79,061)	(46,119)	(45,619)	500	0.00%
POOL GENERAL OPERATING EXPENSES		(49,439)	(28,839)	(11,979)	16,860	(58.46%)
POOL BUILDING MAINTENANCE		(15,978)	(9,321)	(13,072)	(3,751)	40.25%
POOL DEPRECIATION		(11,272)	(6,575)	(7,155)	(580)	8.81%
POOL ABC ADMINISTRATION EXPENSES		(30,146)	(17,585)	(14,642)	2,943	(16.74%)
<b>Total</b>		<b>(185,896)</b>	<b>(108,439)</b>	<b>(92,467)</b>	<b>15,972</b>	<b>14.73%</b>
<b>Operating Surplus (Deficit)</b>		<b>(172,796)</b>	<b>(100,798)</b>	<b>(79,841)</b>	<b>20,956</b>	<b>20.79%</b>
<b>Excluding Non Cash Adjustments</b>						
Add back Depreciation		11,272	6,575	7,155	580	8.81%
<b>Net Operating Surplus (Deficit)</b>		<b>(161,524)</b>	<b>(94,222)</b>	<b>(72,686)</b>	<b>21,536</b>	<b>22.86%</b>





**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Capital Works Program**  
**For the Period Ended 31 January 2022**

Note 15

Description	Adopted Annual Budget	Amended Budget	YTD Actual	% Completed	Capital Funding					
					Muni	Grants	Reserves	Sale of Assets	Loan	Total Funding
					\$	\$	\$	\$	\$	\$
Chambers & Reception Area Upgrade	35,000	35,000	24,045	69%			35,000			35,000
Robinson Road - StreetBins	17,000	17,000	0	0%			17,000			17,000
Landfill Ground Water Monitoring Bores x2	15,000	15,000	0	0%			15,000			15,000
Ablution Facility at Cemetery	30,000	30,000	0	0%			30,000			30,000
Memorial Hall upgrade/constuction works	1,000,000	1,000,000	0	0%		500,000	500,000			1,000,000
Railway Station Fencing, signage & crossing improven	30,000	30,000	0	0%			30,000			30,000
Community Garden/Mensshed building	0	0	3,286			0				0
Youth/Girl Guides Building	0	0	2,809			0				0
Aquatic Centre Improvements	30,000	30,000	0	0%			30,000			30,000
Memorial Park Gazebo and Disable access	30,000	30,000	3,900	13%			30,000			30,000
Tourist Information Bay	17,000	17,000	0	0%	17,000					17,000
Caravan Park Upgrade Stage 1	180,000	180,000	173,315	96%		180,000				180,000
Depot Improvements	130,000	130,000	98,879	76%			130,000			130,000
Chambers Chairs x 24	10,000	10,000	7,638	76%			10,000			10,000
CEO Vehicle change over	45,000	45,000	51,963	115%			5,000	40,000		45,000
MCC Vehicle change over	36,000	36,000	36,668	102%			14,000	22,000		36,000
Water Tank & Wood Chipper 6"	50,000	50,000	16,020	32%			50,000			50,000
Single Axle Tipper small Parks & Garden (trade PT13)	65,000	65,000	0	0%			55,000	10,000		65,000
Tandem Truck (trade PT10)	200,000	200,000	0	0%			165,000	35,000		200,000
Parks and Garden (trade PU33)	40,000	40,000	0	0%			25,000	15,000		40,000
Brookton-Kweda Road	561,739	561,739	477,845	85%		374,960				374,960
Richardson Street	218,633	218,633	12,612	6%		218,633				218,633
Brookton-Kweda Road	0	0	42	#DIV/0!			186,779			186,779
Davis Road	150,537	150,537	0	0%			150,537			150,537
Koornong Drive	59,117	59,117	0	0%			59,117			59,117
Lefroy Street	20,000	20,000	0	0%	20,000					20,000
Collard Street	10,000	10,000	0	0%	10,000					10,000
Crn Whithall, Corberding & Brookton Hwy	8,000	8,000	0	0%			8,000			8,000
Sewel Road - Closure	0	0	2,948							0
Drainage Works Various Roads	40,900	40,900	0	0%		10,900	30,000			40,900
Happy Valley Bore Field	92,000	92,000	19,677	21%		50,000	42,000			92,000
Upgrade- Refurb/Refining Pipe Network	650,000	650,000	0	0%			50,000		600,000	650,000
	3,770,926	3,770,926	931,648		47,000	1,334,493	1,667,433	122,000	600,000	3,770,926

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Grants, Subsidies and Contributions Register**  
**For the Period Ended 31 January 2022**

Note 16

Funding Provider	Project	Operating/Non-Operating	Adopted Annual Budget	Amended Budget OCM	Amount Applied For	Amount Approved	Amount Invoiced/Received	% Received
			\$	\$	\$	\$	\$	
Main Roads WA	Regional Road Group	Non Operating	(374,960)	(374,960)	Recurrent	(374,960)	(149,982)	40%
Federal Government	Roads to Recovery	Non Operating	(218,633)	(218,633)	Recurrent	(218,633)	-	0%
WA Grants Commission	GPG Grants Commission - General	Operating	(668,176)	(668,176)	Recurrent	(668,176)	(209,347)	31%
WA Grants Commission	GPG Grants Commission - Roads	Operating	(382,494)	(382,494)	Recurrent	(382,494)	(92,480)	24%
WA Grants Commission	GPG Grants Commission - Bridges	Operating	-	-	-	-	-	0%
DFES	ESL Grant - Emergency Services Levy - Operating	Operating	(56,600)	(56,600)	Recurrent	(56,600)	(44,062)	78%
Main Roads WA	Direct Grant	Operating	(84,910)	(84,910)	Recurrent	(84,910)	(90,300)	106%
			<b>(1,785,773)</b>	<b>(1,785,773)</b>		<b>(1,785,773)</b>	<b>(586,170)</b>	<b>33%</b>

## 15.02.22 GOVERNANCE REPORTS

### 15.02.22.01 POLICY 2.3 – PROCUREMENT - AMENDMENT

<b>File No:</b>	GOV 031A
<b>Date of Meeting:</b>	17 February 2022
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Gary Sherry –Chief Executive Officer
<b>Authorising Officer:</b>	Gary Sherry –Chief Executive Officer
<b>Declaration of Interest:</b>	The author and authorising officer has an interest in this item as an employee who issues purchase orders
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	N/A

#### Summary of Item:

This item is to report on the proposed amendments to Policy 2.36 to address matters raised as part of the Public Question Time, at the December 2021 Council meeting.

The draft amended Policy 2.36 – Procurement is contained in **Attachment 15.02.22.01**.

#### Description of Proposal:

Whilst the Officer's Recommendation does not support an increase in the price preference, the intent of the recommendation is to provide greater clarity around the total maximum amount of price preference that the Council will allow for locally based contractors and suppliers for the supply of goods and services.

The policy amendment identifies the total amount of price preference offered, rather than the total of purchases.

#### Background:

At the December 2021 Council meeting, a question was submitted by a member of the public in regarding Council's Buy Local Policy, with a request that it be broadened to bring it in line with similar local governments to encompass purchases over \$10,000. This would see larger projects, with higher value goods and services, providing benefit to the local community.

In responding to the public question the Shire President provided the following response:

*'That Council defer taking any action on the question from Ms. Pech Eva with the Acting Chief Executive Officer to provide a report to the January 2022 Council Briefing Forum as the proposed requested change to the policy by Ms. Pech Eva, would potentially have budget implications.'*

Councillors reviewed an Officer's Report at their January 2022 Council Briefing Forum.

#### Consultation:

Consultation was undertaken with the Councillors at the Council Briefing Forum.

## Statutory Environment:

Local Government Act 1995, section 2.7.

### 2.7. Role of council

- (1) The council —
  - (a) governs the local government’s affairs; and
  - (b) is responsible for the performance of the local government’s functions.
- (2) Without limiting subsection (1), the council is to —
  - (a) oversee the allocation of the local government’s finances and resources; and
  - (b) determine the local government’s policies.

## Relevant Plans and Policy:

Council “Policy 2.36 – Procurement” is relevant to this report.

## Financial Implications:

There are no financial implications in the Officer’s Recommendation. Should Council wish to consider alternatives, a different local price preference, this will have financial implications for Council.

## Risk Assessment:

As the Council resolved to retain the current price preference amounts with some additional wording to provide clarity in the policy the risk is assessed as ‘Low’

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

## Community & Strategic Objectives:

There are no Community and Strategic Objectives relevant to this item.

## Comment

The Officer’s Recommendation seeks to provide greater clarity in Council’s policy for staff undertaking purchasing and local contractors submitting offers to Council.

The amendments on page 7 of the current policy, (page 201 of the Policy Manual), address this matter, the proposed amended policy is attached to this report as **Attachment 15.02.21.01A**.

**OFFICER'S RECOMMENDATION**

*That Council adopts the amended Council Policy 2.36 – Procurement, as presented in Attachment 15.02.22.01A, which will retain a maximum price preference for local suppliers of \$1,000 for one off purchases, and \$500 where the procurement is for a period exceeding twelve (12) months.*

**Attachment**

15.02.22.01A – Proposed amended Policy 2.36 – Procurement

2.36 PROCUREMENT				
<b>Directorate:</b>	Corporate			
<b>Statutory Environment:</b>	<i>Local Government Act 1995 (as amended) sections 5.42, 5.44, 6.2(4a)</i> <i>Local Government (Financial Management) Regulations 1996, Part 4</i> <i>Corruption, Crime and Misconduct Act 2003 (CCC legislation)</i> <i>Shire of Brookton Employee Code of Conduct</i>			
<b>Council Adoption:</b>	<b>Date:</b>		<b>Resolution #:</b>	13.11.18.02
<b>Last Amended:</b>	<b>Date:</b>	Dec 2021	<b>Resolution #:</b>	OCM 12.21-17
<b>Review Date:</b>	June 2023			

**Objective:**

The objectives of this policy are to ensure all purchasing activities:

- Demonstrate that best value for money is attained for the Shire,
- Are compliant with relevant legislation including any Acts and Regulations that apply to procurement,
- Are documented and recorded in compliance with the *State Records Act 2000* and associated records and information management policies and procedures as adopted by the Shire from time to time,
- Mitigate probity risk by establishing consistent and demonstrated processes that promote openness, transparency, fairness, and equity to all potential suppliers,
- Deliver sustainable benefits such as environmental, social, and local economic factors in the context of overall value for money assessment; and
- Are conducted in a consistent and efficient manner across the Shire and that ethical decision making is demonstrated.

**Statement:**

The Shire of Brookton (the Shire) is committed to delivering best practice in the procurement of goods, services and works that align with the principles of transparency, probity and good governance as promoted in the *Local Government Act, 1995* and subsidiary regulations.

The procurement processes and practices to be complied with are defined within this Policy.

**Policy Scope:**

This policy encompasses all procurement undertaken by the Shire.

**Ethics & Integrity****Misconduct**

All employees of the Shire authorised to undertake purchasing activities must:

- Apply accountable and ethical decision-making principles within the work environment.
- Behave in accordance with legislation, the Shire of Brookton Code of Conduct and the Shire of Brookton adopted policies.
- Understand and observe the definitions, guidelines and legislative obligations in the *Corruption Crime and Misconduct Act 2003* and any Auditor General (WA) recommendations or guidelines as issued from time to time.
- Report any information about actual or potentially fraudulent, corrupt, or illegal activities including breaches of the Shire Code of Conduct to the CEO.

## **Purchasing Principles**

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure fair and equitable treatment of all parties:

- All purchases of goods and services must have an allocated Council budget prior to purchase.
- Full accountability shall be taken for all purchasing decisions and the efficient, effective, and proper expenditure of public monies based on achieving value for money
- All purchasing practices shall comply with relevant legislation, regulation, and requirements consistent with the Shire's policies and Code of Conduct.
- Purchasing is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honesty and consistently.
- All process, evaluation and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation.
- Any actual or perceived conflict of interest are to be identified, disclosed, and appropriately managed.

## **Value for Money**

Value for money is determined when the consideration of price, risk and qualitative factors are assessed to determine the most advantageous outcome to be achieved for the Shire. As such, purchasing decisions must be made with greater consideration than obtaining lowest price, but also to incorporate qualitative and risk factors into the decision.

An assessment of the best value for money outcome for any purchasing process should consider:

- All relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance, supplier changeover costs and disposal;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality, including but not limited to an assessment of levels and currency of compliances, value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc.;
- Financial viability and capability and capacity to supply to the Shire without risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- A strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable;
- The safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and services from suppliers;
- Purchasing of goods and services from suppliers that demonstrate sustainable benefits and good corporate social responsibility; and
- Providing opportunities for businesses within a fifty (50) kilometre radius of the Shire of Brookton municipal boundary are to be given the opportunity to quote for providing goods and services wherever possible and where the supplier can demonstrate compliance with the principles of this policy.

## **Purchasing Requirements**

### **Legislative/Regulatory Requirements**

The requirements that must be complied with by the Shire, including purchasing thresholds and processes, are prescribed within the Regulations, this Policy and associated purchasing procedures in effect at the Shire.

Purchasing that is \$250,000 or below in total value for the life of the contract (excluding GST) must be in accordance with the purchasing requirements under the relevant threshold as defined in this Procurement Policy. Purchasing that exceeds \$250,000 in total value for the life of the contract (excluding GST) must be put to public Tender when it is determined that a regulatory Tender exemption is not deemed to be suitable - refer to Purchasing Value Definition below.

### Purchasing Value Definition

Determining purchasing value is to be based on the following considerations:

1. Exclusive of Goods and Services Tax (GST);
2. The actual or expected value of a contract over the full contract period, including all options to extend; or the extent to which it could be reasonably expected that the Shire will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased. A best practice suggestion is that if a purchasing threshold is reached within three (3) years for a particular category of goods, services or works, then the purchasing requirement under the relevant threshold (including the tender threshold) must apply.

### Purchasing from Existing Contracts

Where the Shire has an existing contract in place, it must ensure that goods and services required are purchased under these contracts to the extent that the scope of the contract allows. When planning the purchase, the Shire must consult its Contracts Register through the Finance Team in the first instance before seeking to obtain quotes and tenders on its own accord.

### Purchasing Thresholds

The table below prescribes the purchasing process that the Shire must follow, based on the purchase value:

Purchase Value Threshold	Purchasing Requirements
\$0 up to \$1,000	<p>Purchase of a good or service using a Purchase Order or Corporate Credit Card issued by the Shire following at least one (1) <u>oral or written</u> quotation being requested, and the officer being satisfied with:</p> <ul style="list-style-type: none"> <li>• Quality of the good or service to an adequate industry/trade standard;</li> <li>• Delivery of the good or service within a timely manner based on need;</li> <li>• Level of customer service being attentive, respectful, and friendly;</li> <li>• Cost of the good or service is competitively priced taking into account the price preference section of this policy.</li> </ul> <p>Where goods and services can be acquired <u>locally</u>, the officer is to request a local price and acquire the good or service from the <u>local</u> supplier providing the above criteria is met.</p>
\$1,001 up to \$3,000	<p>Request at least one (1) <u>written</u> quotation from a supplier after providing a brief, outlining the specified requirements, and the officer being satisfied with:</p> <ul style="list-style-type: none"> <li>• Quality of the good or service to an adequate industry/trade standard;</li> <li>• Delivery of the good or service within a timely manner based on need;</li> <li>• Level of customer service being attentive, respectful, and friendly;</li> <li>• Cost of the good or service is competitively priced taking into account the price preference section of this policy.</li> </ul> <p>Where goods and services can be acquired <u>locally</u>, the officer is to request a local price and acquire the good or service from the <u>local</u> supplier providing the above criteria is met.</p>



<p>Over \$3,001 and up to \$15,000</p>	<p>Request at least two (2) written quotations from a supplier after providing a brief, outlining the specified requirements either through:</p> <ul style="list-style-type: none"> <li>• An existing panel of pre-qualified suppliers administered by the Shire or</li> <li>• A pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA) or</li> <li>• From the open market.</li> </ul> <p>Where the value of the procurement is considered high risk, the Officer shall seek advice from the CEO to establish if a formal contract process is required.</p> <p>Where the value of the procurement is considered high risk, the Officer shall seek advice from the CEO to establish if a formal contract process is required.</p>
<p>\$15,001 and up to \$40,000</p>	<p>Request at least three (3) written quotations from a supplier after providing a brief, outlining the specified requirements either from:</p> <ul style="list-style-type: none"> <li>• An existing panel of pre-qualified suppliers administered by the Shire or</li> <li>• A pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA) or</li> <li>• From the open market.</li> </ul> <p>Where the value of the procurement is considered high risk, the Officer shall seek advice from the CEO to establish if a formal contract process is required.</p> <p>Where three (3) written quotations cannot be provided, the Officer must provide written evidence of why quotations could not be provided. The Officer must also demonstrate that every attempt was made to source written or verbal quotations.</p>
<p>\$40,001 and up to \$250,000</p>	<p>Request at least three (3) <u>written</u> quotations from suppliers by formal invitation under a <u>Request for Quotation</u>, containing price and detailed specification of goods and services required.</p> <p>The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy. The Finance Team shall facilitate the quotation process. Quotations within this threshold may be obtained from:</p> <ul style="list-style-type: none"> <li>• an existing panel of pre-qualified suppliers administered by the Shire; or</li> <li>• a pre-qualified supplier on the WALGA;</li> <li>• Preferred Supply Program or State Government CUA; or</li> <li>• from the open market utilising the electronic tendering portal and placing an advertisement in the local paper.</li> </ul> <p>Requests for quotation from a pre-qualified panel of suppliers (whether administered by the Shire through the WALGA preferred supply program or State Government CUA) are not required to be invited using a Request for Quotation form, however at least three written quotes are still required to be requested.</p>

\$250,000 and above	<p>Conduct a public tender process.</p> <p>Where the purchasing requirement is not suitable to be met through a panel of pre-qualified suppliers, or any other tender exempt arrangement, conduct a public Request for Tender process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, this policy and the Shire’s tender procedures. The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy.</p>
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### Approval Limits

- The Chief Executive Officer has delegated authority from Council to undertake purchases of goods and services which are, or expected to be, up to the value of \$250,000.
- The Chief Executive Officer may on delegate authority from Council to any employee to maintain efficient and effective purchasing operations.

### Purchasing Exemptions

Certain circumstances may arise where it is not reasonably practicable to adhere to the requirements of this Policy. The following purchases are specifically exempt from the requirements of this policy:

- a) The supply of goods or services obtained through the Western Australian Local Government Association (“WALGA”) Preferred Suppliers Program.
- b) Purchased where a legitimate sole source of supply exists.
- c) An emergency event as defined by the Local Government Act 1995 and detailed below under ‘Emergency Purchases’.
- d) The purchase is under public auction and has been authorised by Council.
- e) The purchase is for petrol, oil, or other liquid, or gas, used for internal combustion engines.
- f) Reactive maintenance of plant and machinery which does not exceed \$5,000.00 (ex. GST), per transaction. Reactive maintenance is defined as unscheduled maintenance, such as machinery break down, or where a routine inspection identifies additional works are required.
- g) Shelf acquired, non-bulk, grocery, alcohol, and sundry hardware. No quotations are required for the procurement of non-bulk fixed price retail grocery, alcohol and sundry hardware products sourced off the shelf from retail stores that are open to the public. It is considered that the nonnegotiable pricing, together with strong competition within the grocery and hardware sector is sufficient to provide best pricing.

***Note:** The Shire issued monthly purchase orders to some retail businesses in Brookton, with a limit on the dollar amount allowed per transaction, to allow for efficient work operations to continue.*

- h) Annual memberships and subscriptions.
- i) Artwork.
- j) Procurement of performing arts defined as forms of creative activity that are performed in front of an audience, such as drama, music, or dance.
- k) Eligible staff reimbursements (TAFE, Training Course Fees, eligible travel costs, including meals, and accommodation, telephone, and internet).
- l) Purchases from Original Equipment Manufacturer, or a sole agent thereof, where warranty provisions may otherwise be void.
- m) Provision of contributions to community groups, in accordance with agreements to assist with their administrative, and operating costs, or as directed by as resolution of Council.
- n) Software support/ licences/ renewals/ maintenance. No quotations are required for contracts for the provision, licensing, annual renewal, annual leave payment, maintenance, or support of information technology hardware, or software, where:
  - i. The value of the contract is less than \$100,000.00 (ex GST); and

- ii. The responsible officer has good reason to believe that because of the unique nature of the product and/or services, it is unlikely that there is more than one potential supplier.

**Note:** *This exemption must be approved by the Chief Executive Officer, or Manager Corporate and Community.*

- o) At the discretion of a Manager, or the CEO, which may be applied upon receiving written justification for the waiver, and only in the following situations.
  - i. The purchasing officer has sought the required number of quotations from suitable suppliers; however, an insufficient number of suppliers were willing to provide a valid quotation.
  - ii. The goods or services are to be supplied by, or obtained through, the Government of the State, or Commonwealth, or any of its agencies, or by another Local Government, or Regional Local Government.
- p) In an instance where any of the exemptions, or exclusions, under r.11 of the Local Government (Functions and General) Regulations, apply.

### **Inviting Tenders under the Tender Threshold**

Where considered appropriate and beneficial, the Shire may consider publicly advertising Tenders in lieu of undertaking a Request for Quotation for purchases under the tender threshold. This decision should be made after considering the benefits of this approach in comparison with the costs, risks, and timeliness and compliance requirements and also whether the purchasing requirement can be met through the WALGA Preferred Supply Program or State Government CUA.

If a decision is made to undertake a public Tender for contracts expected to be \$250,000 or less in value, the Shire's tendering procedures must be followed in full.

### **Sole Source of Supply**

Where the purchasing requirement is over the value of \$1,000 and of a unique nature that can only be supplied from one supplier, the purchase is permitted without undertaking a tender or quotation process. This is only permitted in circumstances where the Chief Executive Officer of the Shire is satisfied and can evidence that there is only one source of supply for those goods, services or works. The Shire must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply. Once determined, the justification must be endorsed by the Chief Executive Officer, prior to a contract being entered into.

From time to time, the Shire may publicly invite an expression of interest to effectively determine that one sole source of supply still genuinely exists.

### **CEO Discretion**

Where it is not practical to obtain multiple written and/or verbal quotations for amounts between \$1,000 and less than \$250,000 the Chief Executive Officer may approve the purchase of goods and services where deemed appropriate after approving a written request from the Officer justifying the reasons for the purchase.

### **Anti-Avoidance**

The Shire shall not enter into two or more contracts or create multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract to take the value of the consideration of the purchase below a particular purchasing threshold, particularly in relation to Tenders and to avoid the need to call a public Tender.

### **Emergency Purchases**

Emergency purchases are defined as the supply of goods, or services, associated with:

- a) A local emergency and the expenditure are required (within existing budget allocations), to respond to an imminent risk to public safety, or to protect, or make safe, property, or infrastructure assets; or
- b) A local emergency, and the expenditure is required, (with no relevant available budget allocation), to respond to an imminent risk to public safety, or to protect, or make safe, property, or infrastructure assets, in accordance with s.6.8 of the *Local Government Act 1995*, and the *Local Government (Functions and General) Regulations r.11(2)(a)*; or
- c) A State of Emergency is declared under the *Emergency Management Act 2005*, and therefore, the *Local Government (Functions and General) Regulations r.11(2)(aa)*, and *r.11(3)*, apply to vary the application of this policy.

Time constraints, administrative omissions, and errors **DO NOT** qualify for definition as an emergency purchase. Instead, every effort must be made to research, and anticipate purchasing requirements, in advance and to allow sufficient time for planning and scoping proposed purchases, and to then obtain quotes, or tenders, as applicable.

### **Records Management**

Records of all purchasing activity must be retained in compliance with the *State Records Act 2000* (WA).

### **Buy Local**

As much as practicable, the Shire will:

- Where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses;
- Consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support);
- Ensure that procurement plans address local business capability and local content; and
- Provide adequate and consistent information to potential suppliers.

### **Buy Local Eligibility**

- A preference is applicable to locally based contractors and suppliers within a fifty (50) kilometre radius of the Shire of Brookton town centre; and
- To qualify as a local contractor a supplier must have had a permanent office and staff within the fifty (50) kilometre radius for a period of at least six (6) months prior to the closing date of the quotation/tender submission.

### **Price Preference for Local suppliers/contractors**

- A 10% price preference **of up** to a maximum of **\$1,000** ~~10,000.00~~ in value applies to all goods and services for those supplier(s) that meet the eligibility requirements (as above);
- Where the procurement is for goods and services for a period exceeding twelve (12) months, the 5% price preference **of up** to a maximum of **\$500** ~~10,000.00~~ shall be applied per annum.

### **Purchasing from Disability Enterprises & Aboriginal Businesses**

Pursuant to Part 4 of the *Local Government (Functions and General) Regulations 1996*, the Shire may purchase from Disability Enterprises and Aboriginal Business contingent upon demonstration of value for money.

### **Panels of Pre-Qualified Suppliers**

#### **Objectives for Panels**

In accordance with Regulation 24AC of the *Local Government (Functions and General) Regulations 1996*, a Panel of Pre-qualified Suppliers ("Panel") may be created where most of the following factors apply:

- The Shire determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;
- There are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of 'value for money';
- The purchasing activity under the intended Panel is assessed as being of a low to medium risk;
- The Panel will streamline and will improve procurement processes; and
- The Shire has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.

The Shire will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established.

### **Establishing a Panel**

Should the Shire determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the Local Government (Functions and General) Regulations 1996. Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel. Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the Shire. Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.

Where a Panel is to be established, the Shire will endeavour to appoint at least two (2) suppliers to each category, on the basis that best value for money is demonstrated. In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a state-wide notice), the Shire must state the expected number of suppliers it intends to put on the panel. Should a Panel member leave the Panel, they may be replaced by the next ranked Panel member determined in the value for money assessment should the supplier agree to do so, with this intention to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel.

### **Distributing Work amongst Panel Members**

To satisfy Regulation 24AD (5) of the Regulations, when establishing a Panel of prequalified suppliers, the detailed information associated with each invitation to apply to join the Panel must either prescribe whether the Shire intends to:

- a) Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases; and/or
- b) Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; and/or
- c) Purchase goods and services on a rotational basis from each pre-qualified supplier and endeavour to provide an even amount of work amongst prequalified suppliers.

In considering the distribution of work among Panel members, the detailed information must also prescribe whether:

- a) Each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; and/or
- b) Service requests that are not possible to obtain a fixed price may be rotated between pre-qualified supplier(s) to obtain the most advantageous result for the Shire which may take into account the existing familiarity with a supplier's previous work on a specific Council asset; and/or
- c) Should the list of panel members be exhausted with no panel member accepting the offer to provide goods/services under the Panel, the Shire may then invite suppliers that are not on the panel to provide the goods/services in line with the purchasing thresholds. In every instance, a

contract must not be formed with a pre-qualified supplier for an item of work beyond twelve (12) months, which includes options to extend the contract.

### **Purchasing from the Panel**

The invitation to apply to be considered to join a panel of pre-qualified suppliers must state whether quotations are either to be invited to every member (within each category, if applicable) of the Panel for each purchasing requirement, whether a ranking system is to be established, or otherwise. Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire's electronic records system. A separate file is to be maintained for each quotation process made under each Panel that captures all communications between the Shire and Panel members.

### **Recordkeeping**

Records of all communications with Panel members, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept. For the creation of a Panel, this includes:

- The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created.

Procurement planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel including (but not limited to);

- Request for Applications documentation;
- Copy of public advertisement inviting applications;
- Copies of applications received;
- Evaluation documentation, including clarifications sought;
- Negotiation documents such as negotiation plans and negotiation logs;
- Approval of award documentation;

must be kept.

### **Legislation and other References:**

- *Local Government Act 1995*
- *Local Government Act (Financial Management) Amended Regulations 2015*
- *Local Government (Functions and General) Regulations 1996*
- *Shire of Brookton Employee Code of Conduct*
- *Corruption Crime and Misconduct Act 2003*
- *State Records Act 2000*

**16.02.22 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**17.02.22 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

Nil.

**18.02.22 CONFIDENTIAL REPORTS**

Nil.

**19.02.22 NEXT MEETING & CLOSURE**

The next Ordinary meeting of the Council will be held on 17<sup>th</sup> March 2022, commencing at 6.00 pm.